

TOWN OF TIVERTON

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016



Matthew Wojcik
Town Administrator

Denise G. Saurette
Treasurer

Prepared by: Finance Department

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

TOWN OF TIVERTON, RHODE ISLAND

June 30, 2016

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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

List of Town Officials

TOWN OF TIVERTON, RHODE ISLAND

JUNE 30, 2016

TOWN COUNCIL

Denise M. deMedeiros, President

Joan B. Chabot, Vice President

Peter Mello

Jay Lambert

Brett N. Pelletier

David Perry

Joseph Sousa

TOWN ADMINISTRATOR

Matthew Wojcik

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

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Fall River, MA 02720
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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tiverton, Rhode Island (Town) as of and for the year ended June 30, 2016, 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. 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, 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, 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 schedules included in the other supplementary information section 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 schedules included in the other supplementary information section 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 19, 2016, 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.

Hague, Sahadiy & Co. PC

Fall River, Massachusetts
December 19, 2016

Management's Discussion and Analysis

TOWN OF TIVERTON, RHODE ISLAND

Management's Discussion and Analysis

For the Year Ended June 30, 2016

The management of the Town of Tiverton, Rhode Island (herein, The Town), offers readers of the Town's financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented herein conjunction with additional information found within the financial statements.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

Financial Highlights

- ❖ The Town's primary governments net position increased \$282,213 as a result of this current year's operations. This increase was attributable to various factors including reduction in pension liabilities associated with the State pension plans.
- ❖ The government-wide assets and deferred outflows of the Town exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$6,926,372. The net position of business activities increased by \$61,077, while the net position of Governmental Activities increased by \$221,136.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$53,220,149 a 3.5% decrease from the prior year, while revenues collected were \$53,502,362 a 1.5% decrease over the prior year.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,846,894. Of this amount \$1,617,493 or 10.9%, is unassigned in the general fund and available for use within the Town's designation and fiscal policies. \$3,454,163 is available for School expenditures and \$8,872,481 is set aside for the remaining non-major governmental funds.
- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$1,617,493, or 3.8% of the total general fund expenditures and transfers out for the fiscal year. The current year's revenues and transfers exceeded expenditures and transfers by \$214,872. On a budgetary basis revenues exceeded expenditures and transfers by \$389,872. The School department unrestricted fund ended with a combined fund balance of \$3,454,163 or 11.7% of the current year budget. The current year's revenue and transfers exceed the current year expenditures by \$1,130,867.

Implementation of New Standards:

For the year ending June 30, 2016, the Authority implemented the following pronouncements issued by the GASB:

- GASB Statement No. 72, *Fair Value Measurement and Application*

The implementation of GASB Statement No. 72 had no material reporting impact for the Town.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Management's Discussion and Analysis

For the Year Ended June 30, 2016

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

The government-wide financial statements provide both long-term and short-term information about the Town as a whole. The fund financial statement focus on the individual components of the Town's government, reporting the Town's operations in more detail than the government-wide statements. Both representations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's accountability. An addition part of the basic financial statements are the notes to the financial statements. The report also contains other required supplementary information as well as additional supplementary information to the basic financial statements themselves.

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. The statements provide both short-term and long-term information about the Town's financial position, which assists in assessing the Town's economic position at the end of the fiscal year.

The *Statement of Net Position* presents information on all of the Town's assets and liabilities along with any deferred inflows and/or outflows of resources, 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.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Management's Discussion and Analysis

For the Year Ended June 30, 2016

Government-wide financial statements (Continued)

In the statement of activities, the operations of the Town are presented in a format that reports the net expense and revenues of its individual functions - the objective being to report the relative burden of each of the Town's functions to the tax payers. Revenues offsetting related functional expenses are separated into three categories: charges for services, operating grants and contributions, and capital grants and contributions.

The government wide financial statements are reported on pages 18 through 21.

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 three categories-governmental funds, proprietary funds and fiduciary 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 near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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 in the supplementary section of this report.

The basic governmental fund financial statements are presented on pages 22 and 23.

Proprietary Funds - The Town's proprietary funds are used to report financed business-type activities provided to the general public (enterprise funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The Town has two enterprise funds, the Land Acquisition Fund and the Cafeteria Fund. Both are considered to be major funds for financial statement process.

The basic proprietary fund financial statements are presented on pages 26 through 28.

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 29 and 30.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Management's Discussion and Analysis

For the Year Ended June 30, 2016

Governmental Funds (Continued)

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 31 through 78.

Other Required Supplementary 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 presents schedules detailing certain pension information, as well as, budgetary comparison schedules for the general fund and the school unrestricted fund to demonstrate compliance with their respective budgets. Required supplementary information is presented on pages 79 through 101.

Supplementary Information - The combining statements referred to earlier in connection with non-major governmental funds, as well as other information, are presented on pages 102 through 138.

Statistical Section - Information contained in the section has not been subject to audit procedures but is included as additional analysis and can be found on pages 139 to 144.

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's governmental activities assets plus deferred outflows exceeded liabilities plus deferred inflows by \$3,065,342 as of June 30, 2016. This represents a current years' increase of \$221,050. Listed below is a comparison of the current and prior fiscal years.

	Governmental		Business-Type		Total		\$ Change
	Activities		Activities				
	2016	2015	2016	2015	2016	2015	
Assets							
Current assets	\$ 28,236,425	\$ 29,111,988	\$ 618,391	\$ 415,625	\$ 28,854,816	\$ 29,527,613	\$ (672,797)
Long-term assets	56,257,399	60,693,778	3,360,000	3,502,592	59,617,399	64,196,370	(4,578,971)
Total assets	<u>84,493,824</u>	<u>89,805,766</u>	<u>3,978,391</u>	<u>3,918,217</u>	<u>88,472,215</u>	<u>93,723,983</u>	<u>(5,251,768)</u>
Deferred outflows of resources							
Pension activity, net of inflows	<u>5,766,773</u>	-	-	-	<u>5,766,773</u>	-	<u>5,766,773</u>
Total deferred outflows of resources	<u>5,766,773</u>	-	-	-	<u>5,766,773</u>	-	<u>5,766,773</u>
Liabilities							
Current liabilities	9,814,413	12,318,665	117,447	118,350	9,931,860	12,437,015	(2,505,155)
Long-term liabilities	<u>77,031,781</u>	<u>72,505,338</u>	-	-	<u>77,031,781</u>	<u>72,505,338</u>	<u>4,526,443</u>
Total liabilities	<u>86,846,194</u>	<u>84,824,003</u>	<u>117,447</u>	<u>118,350</u>	<u>86,963,641</u>	<u>84,942,353</u>	<u>2,021,288</u>
Deferred inflows of resources							
Pension activity, net of outflows	-	1,629,206	-	-	-	1,629,206	(1,629,206)
Unearned revenue	<u>348,975</u>	<u>508,265</u>	-	-	<u>348,975</u>	<u>508,265</u>	<u>(159,290)</u>
Total deferred inflows of resources	<u>348,975</u>	<u>2,137,471</u>	-	-	<u>348,975</u>	<u>2,137,471</u>	<u>(1,788,496)</u>
Net Position							
Net investment in capital assets	18,030,558	17,098,510	3,360,000	3,502,592	21,390,558	20,601,102	789,456
Restricted	2,380,992	1,774,436	139,951	-	2,520,943	1,774,436	746,507
Unrestricted	<u>(17,346,122)</u>	<u>(16,028,654)</u>	<u>360,993</u>	<u>297,275</u>	<u>(16,985,129)</u>	<u>(15,731,379)</u>	<u>(1,253,750)</u>
Total net position	<u>\$ 3,065,428</u>	<u>\$ 2,844,292</u>	<u>\$ 3,860,944</u>	<u>\$ 3,799,867</u>	<u>\$ 6,926,372</u>	<u>\$ 6,644,159</u>	<u>\$ 282,213</u>

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Management's Discussion and Analysis

For the Year Ended June 30, 2016

The Town's net position invested in capital assets, net of related debt comprises \$18,030,558 of total net position. This amount 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.

In addition, a portion of the Town's net position totaling \$2,380,992 represents resources that are subject to external restriction in how they may be used. Unrestricted net position, totals \$(17,346,208), and represents the remaining amount available to be used to meet the government's ongoing obligation to citizens and creditors.

Changes in Net Position

The following analysis provides a summary of the Town's operations for the year ended June 30, 2016. Governmental activities increased the Town's net position by \$221,050 for the current period, while business-type activities increased the Town's net position by \$61,077. Overall the Town's current year's net position increase was \$282,127.

In the current fiscal year, the Town's governmental fund financial statements ended with a net increase in the overall fund balances of \$1,950,840. The increase in the overall fund balance is primarily a result of savings on costs in the School Unrestricted fund leading to a surplus of \$1,130,867.

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 year expense which resulted in a net decrease of \$1,971,581. 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 the Town's net position of \$2,750,000. Other material changes include an increase in the Town's other post-employment benefits of \$1,027,503 and an increase in the Town's net pension liability of \$8,052,348. The overall effect was a decrease in the Town's net position of \$6,350,557.

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

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Management's Discussion and Analysis

For the Year Ended June 30, 2016

Changes in Net Position for the period ending June 30, 2016 and June 30, 2015 (Government-wide level)

	Changes in Net Position						\$ Change
	Governmental		Business-Type		Total		
	Activities	Activities	Activities	Activities	Activities	Activities	
	2016	2015	2016	2015	2016	2015	
Revenues							
Program Revenues:							
Charges for service	\$ 2,543,484	\$ 2,522,390	\$ 375,605	\$ 362,256	\$ 2,919,089	\$ 2,884,646	\$ 34,443
Operating grants & contributions	3,314,565	1,777,583	284,473	254,903	3,599,038	2,032,486	1,566,552
Capital grants & contributions	675,595	675,153	-	-	675,595	675,153	442
General Revenues:							
Property taxes	38,051,354	41,048,231	-	-	38,051,354	41,048,231	(2,996,877)
State aid to town	1,582,974	1,195,210	-	-	1,582,974	1,195,210	387,764
State aid to education	6,008,046	5,800,664	-	-	6,008,046	5,800,664	207,382
Miscellaneous revenue	515,358	544,814	-	-	515,358	544,814	(29,456)
Earnings on investments	150,908	110,880	-	-	150,908	110,880	40,028
Total revenue	<u>52,842,284</u>	<u>53,674,925</u>	<u>660,078</u>	<u>617,159</u>	<u>53,502,362</u>	<u>54,292,084</u>	<u>(789,722)</u>
Expenses							
General government	6,641,056	5,581,370	-	-	6,641,056	5,581,370	1,059,686
Public safety	6,613,293	6,677,441	-	-	6,613,293	6,677,441	(64,148)
Education	33,429,334	29,728,218	-	-	33,429,334	29,728,218	3,701,116
Public works	3,032,768	6,039,624	-	-	3,032,768	6,039,624	(3,006,856)
Health and human services	834,026	728,514	-	-	834,026	728,514	105,512
Parks and recreation	420,923	4,213,209	-	-	420,923	4,213,209	(3,792,286)
Interest on debt	1,599,748	1,500,640	-	-	1,599,748	1,500,640	99,108
Land acquisition fund	-	-	15,049	-	15,049	-	15,049
Cafeteria fund	-	-	633,952	660,594	633,952	660,594	(26,642)
Total expenses	<u>52,571,148</u>	<u>54,469,016</u>	<u>649,001</u>	<u>660,594</u>	<u>53,220,149</u>	<u>55,129,610</u>	<u>(1,909,461)</u>
Increase(decrease) in net assets							
before transfers	271,136	(794,091)	11,077	(43,435)	282,213	(837,526)	1,119,739
Transfers in (out) - operating	(50,000)	(45,000)	50,000	45,000	-	-	-
Receipt of road surety	-	-	-	-	-	-	-
Bond proceeds	-	7,043,268	-	-	-	7,043,268	(7,043,268)
Increase(decrease) in net position	221,136	6,204,177	61,077	1,565	282,213	6,205,742	(5,923,529)
Net position, July 1, 2015	<u>2,844,292</u>	<u>(3,359,885)</u>	<u>3,799,867</u>	<u>3,798,302</u>	<u>6,644,159</u>	<u>438,417</u>	<u>6,205,742</u>
Net position, June 30, 2016	<u>\$ 3,065,428</u>	<u>\$ 2,844,292</u>	<u>\$3,860,944</u>	<u>\$3,799,867</u>	<u>\$ 6,926,372</u>	<u>\$ 6,644,159</u>	<u>\$ 282,213</u>

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Management's Discussion and Analysis

For the Year Ended June 30, 2016

Financial Analysis of the Town of Tiverton's Funds

Governmental Funds - The focus of the Town'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 \$14,846,894. Of this amount \$1,586,750 or 10.7% 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.

	<u>2016</u>	<u>2015</u>	<u>\$ Change</u>
Nonspendable for			
Prepays	\$ 519,383	\$ 160,410	\$ 358,973
Restricted for			
Educational programs	1,900,809	1,314,953	585,856
Public safety programs	84,480	75,681	8,799
Public works	378,074	381,412	(3,338)
Health and human services	17,629	2,390	15,239
Committed for			
Public safety programs	561,729	611,788	(50,059)
Public works programs	7,066,530	6,547,883	518,647
General government	532,888	174,792	358,096
Capital projects	19,224	380,008	(360,784)
Various school renovation projects	1,783,375	1,131,415	651,960
Health and human services	14,322	7,944	6,378
Culture and recreation	381,700	431,354	(49,654)
Unassigned	<u>1,586,750</u>	<u>1,675,938</u>	<u>(89,188)</u>
Total fund balances	<u>\$ 14,846,893</u>	<u>\$ 12,895,968</u>	<u>\$ 1,950,925</u>

Proprietary Funds - The Town'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 \$360,993.

General Fund Budgetary Highlights:

The original budget for the fiscal year ended June 30, 2016 was adopted at the financial town referendum in the amount of \$48,476,958. No changes were made to the final budget amount however transfers were authorized between expenditure line items.

Actual revenues reported were more than budgeted amounts by \$103,243, due principally to a surplus in tax revenues in the amount of \$233,694.

Actual expenditures resulted in a favorable variance over the budget in the amount of \$288,568. The favorable amounts were in varying departments including \$82,123 related to public safety.

The total excess of expenditures and other financing sources over revenues and other financing uses on a budgetary basis was \$389,872.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Management's Discussion and Analysis

For the Year Ended June 30, 2016

General Fund Budgetary Highlights (Continued):

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's investment in capital assets for its governmental and business-type activities amounts to \$56,835,458 net of accumulated depreciation at June 30, 2016. Included are land, building and improvements, motor vehicles, furniture and equipment and infrastructure.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>\$ Change</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
Land	\$ 4,471,871	\$ 4,166,486	\$ 3,360,000	\$ 3,500,000	\$ 7,831,871	\$ 7,666,486	\$ 165,385
Construction in progress	445,014	445,014	-	-	445,014	445,014	-
Infrastructure, net	4,213,834	5,002,774	-	-	4,213,834	5,002,774	(788,940)
Building & improvements, net	40,646,967	41,835,203	-	-	40,646,967	41,835,203	(1,188,236)
Vehicles, net	1,358,293	1,579,786	-	-	1,358,293	1,579,786	(221,493)
Equipment, net	<u>2,339,479</u>	<u>2,275,184</u>	<u>-</u>	<u>2,592</u>	<u>2,339,479</u>	<u>2,277,776</u>	<u>61,703</u>
Total	<u>\$ 53,475,458</u>	<u>\$ 55,304,447</u>	<u>\$ 3,360,000</u>	<u>\$ 3,502,592</u>	<u>\$ 56,835,458</u>	<u>\$ 58,807,039</u>	<u>\$(1,971,581)</u>

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

The Town of Tiverton's Debt Administration

At the end of the current fiscal year, the Town's Governmental Activities had a total bonded debt of \$33,660,000. 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.

	Debt Administration						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>\$ Change</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
General obligation bonds	\$ 33,660,000	\$ 36,410,000	\$ -	\$ -	\$ 33,660,000	\$ 36,410,000	\$ (2,750,000)
Capital leases	<u>829,249</u>	<u>999,757</u>	<u>-</u>	<u>-</u>	<u>829,249</u>	<u>999,757</u>	<u>(170,508)</u>
Total	<u>\$ 34,489,249</u>	<u>\$ 37,409,757</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,489,249</u>	<u>\$ 37,409,757</u>	<u>\$(2,920,508)</u>

Additional information on the Town's long-term debt can be found in Note 8 of the Notes to the Financial Statements.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Management's Discussion and Analysis

For the Year Ended June 30, 2016

The Town of Tiverton's Debt Administration (Continued)

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 \$59,323,025 at year-end. The Town's outstanding general obligation debt is \$33,660,000 at year-end, which is \$25,663,025 under the State imposed limitation.

Economic Factors and Next Year's Budgets and Rates

FY16 proved to be a challenging year, as an elector petition was adopted at the FTR requiring a withdrawal from unreserved general fund in the amount of \$368,135 to balance the budget. However, several favorable unexpected events occurred that had a positive impact on the Town's revenue. The Town finally received their FEMA storm reimbursement from a prior year in the amount of \$51,000, and sold one of the parcels at the Industrial Park. Furthermore, a resolution adopted as part of the FY16 FTR allowed for a minimum of 25% of Industrial park proceeds to be set aside to cover potential future expenses related to developing the park. The Town Council voted to reserve 100% of the proceeds of that sale to assist in this endeavor. As interest builds at the Industrial Park, we hope to continue this trend. As a result of another resolution adopted at the FTR, 30% of any unexpended funds are being set aside to further grow the Town's paving reserve. A total of \$86,573 will be added to that restricted account.

We were able to successfully refinance two of the existing school bonds which resulted in current year savings of \$75,895 and projected future savings of over \$800,000. As this point, we have already refinanced one of the two remaining school bonds and were able to realize a savings of over \$111,000 in FY17.

The town continues to fully fund the Police Pension ARC, having planned and contributed \$700,000 in FY2016, and \$650,000 in FY2017.

The PAYT program continues and balances in the Landfill Closure reserve continue to grow; as of this publication, the reserve is close to \$7 million.

While FY2017 did not see a tax rate increase, balancing the FY2017 budget has required another withdrawal from Unreserved General Fund in the amount of \$166,240. The municipal expense budget totaling \$19,065,194 includes a capital budget of \$684,331. Concerns over building maintenance continue to be a priority, and the Town Hall roof is finally being replaced. Additionally, the Town purchased a new Rescue vehicle to replace an aging ambulance. Maximizing savings is always a goal, and we will be reviewing the possibility of refinancing the last original school bond from 2009.

While managing the FY2017 budget is a priority, we already are preparing for the next budget season; know that your department managers are continually looking for ways to put your tax dollars to the highest and best use.

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 Denise G. Saurette, Town Treasurer, Treasurer's Office, Town of Tiverton, 343 Highland Road, Tiverton RI 02878.

Basic Financial Statements

TOWN OF TIVERTON, RHODE ISLAND

Statement of Net Position

June 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 20,418,018	\$ 178,475	\$ 20,596,493
Receivables, net			
Personal property taxes	2,308,002	-	2,308,002
Intergovernmental	599,895	16,116	616,011
Departmental and other	114,905	-	114,905
Due from other funds	4,221,819	423,800	4,645,619
Prepaid expenses	573,786	-	573,786
TSB - net pension asset	2,781,941	-	2,781,941
Capital assets:			
Land	4,471,871	3,360,000	7,831,871
Construction in progress	445,014	-	445,014
Infrastructure, net	4,213,834	-	4,213,834
Building and improvements, net	40,646,967	-	40,646,967
Automobiles and vessels, net	1,358,293	-	1,358,293
Machinery and equipment, net	<u>2,339,479</u>	<u>-</u>	<u>2,339,479</u>
Total capital assets	<u>53,475,458</u>	<u>3,360,000</u>	<u>56,835,458</u>
Total assets	<u>84,493,824</u>	<u>3,978,391</u>	<u>88,472,215</u>
DEFERRED OUTFLOWS OF RESOURCES			
ERS, net of deferred inflows	3,832,194	-	3,832,194
TSB, net of deferred inflows	657,433	-	657,433
MERS, net of deferred inflows	399,942	-	399,942
Police pension, net of deferred inflows	<u>877,204</u>	<u>-</u>	<u>877,204</u>
Total assets and deferred outflows of resources	<u>\$ 90,260,597</u>	<u>\$ 3,978,391</u>	<u>\$ 94,238,988</u>

The accompanying notes are an integral part of this statement.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Statement of Net Position

June 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable and accrued expenses	\$ 1,481,815	\$ 117,447	\$ 1,599,262
Accrued interest	308,079	-	308,079
Deposits held	103,833	-	103,833
Due to other funds	5,096,932	-	5,096,932
Current portion of capital leases	236,124	-	236,124
Current portion of bonds and notes payable	2,480,000	-	2,480,000
Current portion of bond premium	35,762	-	35,762
Current portion of compensated absences	47,863	-	47,863
Portion due or payable in more than one year:			
Capital leases	593,125	-	593,125
Bonds and notes payable	31,180,000	-	31,180,000
Bond premium	611,810	-	611,810
Compensated absences	1,079,165	-	1,079,165
Other post-employment benefit obligation	6,825,981	-	6,825,981
ERS net pension liability	21,734,853	-	21,734,853
MERS net pension liability	296,928	-	296,928
Police net pension liability	5,709,919	-	5,709,919
Landfill closure and postclosure costs	<u>9,000,000</u>	<u>-</u>	<u>9,000,000</u>
Total liabilities	<u>86,846,194</u>	<u>117,447</u>	<u>86,963,641</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	<u>348,975</u>	<u>-</u>	<u>348,975</u>
NET POSITION			
Net investment in capital assets	18,030,558	3,360,000	21,390,558
Restricted	2,380,992	139,951	2,520,943
Unrestricted	<u>(17,346,122)</u>	<u>360,993</u>	<u>(16,985,129)</u>
Total liabilities, deferred inflows or resources and net position	<u>\$ 90,260,597</u>	<u>\$ 3,978,391</u>	<u>\$ 94,238,988</u>

The accompanying notes are an integral part of this statement.

TOWN OF TIVERTON, RHODE ISLAND

Statement of Activities

For the Year Ended June 30, 2016

	<u>Net (Expense) Revenue and Changes in Net Position</u>						
	<u>Expenses</u>	<u>Program Revenues</u>			<u>Primary Government</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Governmental Activities							
General government	\$ 6,641,056	\$ 1,790,922	\$ 1,915	\$ -	\$ (4,848,219)	\$ -	\$ (4,848,219)
Public safety	6,613,293	571,710	106,849	-	(5,934,734)	-	(5,934,734)
Education	31,626,314	38,878	1,197,009	-	(30,390,427)	-	(30,390,427)
Public works	3,032,768	79,631	30,932	472,700	(2,449,505)	-	(2,449,505)
Health and human services	834,026	8,805	174,785	-	(650,436)	-	(650,436)
Parks and recreation	420,923	53,538	55	202,895	(164,435)	-	(164,435)
State contribution to teachers' pension plan	1,803,020	-	1,803,020	-	-	-	-
Interest on debt	1,599,748	-	-	-	(1,599,748)	-	(1,599,748)
Total governmental activities	<u>52,571,148</u>	<u>2,543,484</u>	<u>3,314,565</u>	<u>675,595</u>	<u>(46,037,504)</u>	<u>-</u>	<u>(46,037,504)</u>
Business-Type Activities							
Land acquisition fund	15,049	-	-	-	-	(15,049)	(15,049)
Cafeteria fund	633,952	375,605	284,473	-	-	26,126	26,126
Total business-type activities	<u>649,001</u>	<u>375,605</u>	<u>284,473</u>	<u>-</u>	<u>-</u>	<u>11,077</u>	<u>11,077</u>
Total Town of Tiverton	<u>\$ 53,220,149</u>	<u>\$ 2,919,089</u>	<u>\$ 3,599,038</u>	<u>\$ 675,595</u>	<u>\$ (46,037,504)</u>	<u>\$ 11,077</u>	<u>\$ (46,026,427)</u>

The accompanying notes are an integral part of this statement.

TOWN OF TIVERTON, RHODE ISLAND

Statement of Activities

For the Year Ended June 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
General revenues			
Real estate and personal property, net of reserve for abatements	\$ 38,051,354	\$ -	\$ 38,051,354
Fines and interest payments	319,773	-	319,773
Meals and beverage tax	223,399	-	223,399
Public service corp tax	195,585	-	195,585
School housing aid	851,093	-	851,093
Library construction aid	320,263	-	320,263
Earnings on investments	150,908	-	150,908
State aid to town	188,219	-	188,219
State aid to education	6,008,046	-	6,008,046
Total general revenues	46,308,640	-	46,308,640
Special Item - proceeds from bond issuance	-	-	-
Transfers between funds - operating	-	50,000	50,000
Transfers between funds - operating	(50,000)	-	(50,000)
Total general revenues, special items, and transfers	46,258,640	50,000	46,308,640
Changes in net position	221,136	61,077	282,213
Net position - July 1, 2015	2,844,292	3,799,867	6,644,159
Net position - June 30, 2016	\$ 3,065,428	\$ 3,860,944	\$ 6,926,372

The accompanying notes are an integral part of this statement.

TOWN OF TIVERTON, RHODE ISLAND

Governmental Funds
Balance Sheet

June 30, 2016

	<u>Major Fund</u>		<u>Non-Major</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Unrestricted</u>	<u>Funds</u>	<u>Funds</u>
Assets				
Cash and investments	\$ 12,182,675	\$ (149,515)	\$ 8,384,858	\$ 20,418,018
Receivables:				
Property taxes, net	2,308,002	-	-	2,308,002
Intergovernmental	-	22,237	577,658	599,895
Other	114,905	-	-	114,905
Due from other funds	-	3,624,438	597,381	4,221,819
Prepaid expenses	<u>519,383</u>	<u>54,403</u>	<u>-</u>	<u>573,786</u>
Total assets	<u>15,124,965</u>	<u>3,551,563</u>	<u>9,559,897</u>	<u>28,236,425</u>
Deferred outflows of resources				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 15,124,965</u>	<u>\$ 3,551,563</u>	<u>\$ 9,559,897</u>	<u>\$ 28,236,425</u>
Liabilities				
Accounts payable and accrued expenses	\$ 1,418,198	\$ 33,362	\$ 30,255	\$ 1,481,815
Other liabilities	24,005	-	-	24,005
Deposits held	103,833	-	-	103,833
Due to other funds	<u>4,724,708</u>	<u>64,038</u>	<u>308,186</u>	<u>5,096,932</u>
Total liabilities	<u>6,270,744</u>	<u>97,400</u>	<u>338,441</u>	<u>6,706,585</u>
Deferred inflows of resources				
Deferred property tax	2,248,556	-	-	2,248,556
Property taxes paid in advance	4,085,415	-	-	4,085,415
Unearned revenue	<u>-</u>	<u>-</u>	<u>348,975</u>	<u>348,975</u>
Total deferred inflows of resources	<u>6,333,971</u>	<u>-</u>	<u>348,975</u>	<u>6,682,946</u>
Fund balances				
Nonspendable	519,383	-	-	519,383
Restricted	-	1,670,788	710,204	2,380,992
Committed	383,374	1,783,375	8,193,020	10,359,769
Unassigned	<u>1,617,493</u>	<u>-</u>	<u>(30,743)</u>	<u>1,586,750</u>
Total fund balances	<u>2,520,250</u>	<u>3,454,163</u>	<u>8,872,481</u>	<u>14,846,894</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 15,124,965</u>	<u>\$ 3,551,563</u>	<u>\$ 9,559,897</u>	<u>\$ 28,236,425</u>

The accompanying notes are an integral part of this statement.

TOWN OF TIVERTON, RHODE ISLAND

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2016

	<u>Major Fund</u>		<u>Non-Major</u>	<u>Total</u>
	<u>General Fund</u>	<u>School Unrestricted</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
Revenues				
Real estate and personal property taxes	\$38,034,753	\$ -	\$ -	\$ 38,034,753
Fines and interest on late payments	319,773	-	-	319,773
Intergovernmental	1,778,559	6,008,046	1,340,800	9,127,405
Licenses, permits, and fees	2,246,251	-	-	2,246,251
Investment Income	45,669	-	105,239	150,908
State contribution to teachers' pension plan	-	1,417,615	-	1,417,615
Other Revenue	<u>138,303</u>	<u>2,136</u>	<u>1,003,134</u>	<u>1,143,573</u>
Total revenue	<u>42,563,308</u>	<u>7,427,797</u>	<u>2,449,173</u>	<u>52,440,278</u>
Expenditures				
General government	6,110,048	-	22,262	6,132,310
Public safety	5,456,128	-	83,455	5,539,583
Education	-	28,292,495	1,088,049	29,380,544
Public works	2,184,264	-	156,494	2,340,758
Health and human services	669,005	-	165,021	834,026
Parks and recreation	110,764	-	318,649	429,413
State contribution to teachers' pension plan	-	1,417,615	-	1,417,615
Capital outlay	428,612	-	-	428,612
Debt service				
Principal	2,305,000	-	-	2,305,000
Interest	<u>1,631,491</u>	<u>-</u>	<u>-</u>	<u>1,631,491</u>
Total expenditures	<u>18,895,312</u>	<u>29,710,110</u>	<u>1,833,930</u>	<u>50,439,352</u>
Excess (deficiency) of revenues over expenditures	23,667,996	(22,282,313)	615,243	2,000,926
Other financing sources (uses)				
Proceeds from bond issuance	-	-	-	-
Transfers in	36,108	23,489,232	-	23,525,340
Transfers out	<u>(23,489,232)</u>	<u>(76,052)</u>	<u>(10,056)</u>	<u>(23,575,340)</u>
Other financing sources (uses)	<u>(23,453,124)</u>	<u>23,413,180</u>	<u>(10,056)</u>	<u>(50,000)</u>
Excess of revenue and other sources over expenditures and other uses				
	214,872	1,130,867	605,187	1,950,926
Fund balance, July 1, 2015	<u>2,305,378</u>	<u>2,323,296</u>	<u>8,267,294</u>	<u>12,895,968</u>
Fund balance, June 30, 2016	<u>\$ 2,520,250</u>	<u>\$ 3,454,163</u>	<u>\$ 8,872,481</u>	<u>\$ 14,846,894</u>

The accompanying notes are an integral part of this statement.

TOWN OF TIVERTON, RHODE ISLAND

Reconciliation of Governmental Fund Balances
to the Net Position of Governmental Activities

June 30, 2016

Total governmental fund balances	\$ 14,846,894
Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	
TSB - net pension asset	2,781,941
Capital assets, net	53,475,458
Other pension related liabilities are not available to pay for current-period expenditures and, therefore, are deferred outflows of resources in the funds	5,766,773
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds	6,333,971
Long term liabilities relating to bond premiums amortized over the life of the bond	(647,572)
In the statement of activities, interest is accrued on outstanding long-term debt whereas in governmental funds interest is not reported until due	(308,079)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds	
Bonds and notes payable	(33,660,000)
Capital leases	(829,249)
Compensated absences	(1,127,028)
Other postemployment benefits	(6,825,981)
ERS - net pension liability	(21,734,853)
MERS - net pension liability	(296,928)
Police net pension liability	(5,709,919)
Landfill closure and postclosure care costs	<u>(9,000,000)</u>
Net position of governmental activities	<u>\$ 3,065,428</u>

The accompanying notes are an integral part of this statement.

TOWN OF TIVERTON, RHODE ISLAND

Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes to Fund Balance the Statement of Activities

For the Year Ended June 30, 2016

Net change in fund balances - total governmental funds	\$ 1,950,926
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	(1,828,989)
Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources	16,601
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items	2,920,508
Bond premiums for long term debt are amortized over the course of the payable but are not reported as an expenditure on governmental fund statements	(191,214)
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due	31,743
Some expenses reported in the Statement of Activities, such as compensated absences, do not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds	(64,354)
The other postemployment benefit expense reported in the Statement of Activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds	(1,027,503)
The net pension related expense reported in the Statement of Activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds	<u>(1,586,582)</u>
Change in net position of governmental activities	<u>\$ 221,136</u>

The accompanying notes are an integral part of this statement.

TOWN OF TIVERTON, RHODE ISLAND

Proprietary Funds
Statement of Net Position

June 30, 2016

	Business-type Activities Enterprise Funds		
	Land Acquisition Fund	Cafeteria Fund	Total Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	\$ -	178,475	\$ 178,475
Intergovernmental	-	16,116	16,116
Due from other funds	378,800	45,000	423,800
Total current assets	378,800	239,591	618,391
Non-current assets			
Land	3,360,000	-	3,360,000
Equipment, net	-	-	-
Total non-current assets	3,360,000	-	3,360,000
Total assets	3,738,800	239,591	3,978,391
Deferred outflows of resources			
None	-	-	-
Total assets and deferred outflows of resources	\$ 3,738,800	\$ 239,591	\$ 3,978,391
Liabilities			
Accounts payable	\$ -	\$ 117,447	\$ 117,447
Deferred inflows of resources			
None	-	-	-
Net position			
Net investment in capital assets	3,360,000	-	3,360,000
Restricted	139,951	-	139,951
Unrestricted	238,849	122,144	360,993
Total liabilities, deferred inflows of resources and net position	\$ 3,738,800	\$ 239,591	\$ 3,978,391

The accompanying notes are an integral part of this statement.

TOWN OF TIVERTON, RHODE ISLAND

Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2016

	Business-type Activities Enterprise Funds		
	Land Acquisition Fund	Cafeteria Fund	Total Enterprise Funds
Operating revenues			
Federal and state revenue	\$ -	\$ 284,473	\$ 284,473
Charges for services	-	375,605	375,605
	-	660,078	660,078
Operating expenses			
General expenses	15,049	631,360	646,409
Depreciation	-	2,592	2,592
	15,049	633,952	649,001
Operating income (loss)	(15,049)	26,126	11,077
Nonoperating revenues (expenses)			
None	-	-	-
Income (loss) before transfers	(15,049)	26,126	11,077
Transfers			
Transfer in - operating	5,000	45,000	50,000
Transfers out - operating	-	-	-
	5,000	45,000	50,000
Change in net position	(10,049)	71,126	61,077
Net position, July 1, 2015	3,748,849	51,018	3,799,867
Net position, June 30, 2016	\$ 3,738,800	\$ 122,144	\$ 3,860,944

The accompanying notes are an integral part of this statement.

TOWN OF TIVERTON, RHODE ISLAND

Proprietary Funds
Statement of Cash Flows

For the Year Ended June 30, 2016

	Business-type Activity Enterprise Fund
	Cafeteria Fund
Cash flows from operating activities	
Cash received from customers	\$ 375,605
Cash received from government	323,075
Payments to suppliers and employees	(632,263)
Net cash provided (used) by operating activities	66,417
Cash flows from noncapital financing activities	
Transfers in (out)	45,000
Net cash provided by noncapital financing activities	45,000
Net increase in cash and cash equivalents	111,417
Balances-beginning of the year	67,058
Balances-end of the year	\$ 178,475
Displayed as:	
Cash and cash equivalents	\$ 178,475
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 26,126
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	2,592
Change in assets and liabilities:	
(Increase) decrease in receivables	38,602
Increase (decrease) accounts payable and accrued expenses	(903)
Net cash provided (used) by operating activities	\$ 66,417

The accompanying notes are an integral part of this statement.

TOWN OF TIVERTON, RHODE ISLAND

Fiduciary Funds
Statement of Net Position

June 30, 2016

	<u>Police Pension Trust</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>	<u>Total Fiduciary Funds</u>
Assets				
Cash and cash equivalents	\$ 123,481	\$ 462,242	\$ 236,623	\$ 822,346
Due from other funds	-	-	459,396	459,396
Investments, at fair value				
Cash management investment fund	-	70,542	-	70,542
Equities	3,218,641	-	-	3,218,641
Mutual funds	<u>6,214,447</u>	<u>-</u>	<u>-</u>	<u>6,214,447</u>
Total investments	<u>9,433,088</u>	<u>70,542</u>	<u>-</u>	<u>9,503,630</u>
Total assets	<u>9,556,569</u>	<u>532,784</u>	<u>696,019</u>	<u>10,785,372</u>
Deferred outflows of resources				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 9,556,569</u>	<u>\$ 532,784</u>	<u>\$ 696,019</u>	<u>\$ 10,785,372</u>
Liabilities				
Due to other funds	\$ -	\$ 8,083	\$ -	\$ 8,083
Deposits held	<u>-</u>	<u>-</u>	<u>696,019</u>	<u>696,019</u>
Total liabilities	<u>-</u>	<u>8,083</u>	<u>696,019</u>	<u>704,102</u>
Deferred inflows of resources				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position				
Restricted	<u>9,556,569</u>	<u>524,701</u>	<u>-</u>	<u>10,081,270</u>
Total net position	<u>9,556,569</u>	<u>524,701</u>	<u>-</u>	<u>10,081,270</u>
Total liabilities and net position	<u>\$ 9,556,569</u>	<u>\$ 532,784</u>	<u>\$ 696,019</u>	<u>\$ 10,785,372</u>

The accompanying notes are an integral part of this statement.

TOWN OF TIVERTON, RHODE ISLAND

Fiduciary Funds
Statement of Changes in Net Position

For the Year Ended June 30, 2016

	Police Pension Trust	Private Purpose Trust Funds	Total Fiduciary Funds
Additions			
Employer contributions	\$ 700,000	\$ -	\$ 700,000
Plan member contributions	172,701	-	172,701
Investment income (net of related fees)	(332,601)	19,456	(313,145)
Other	-	16,075	16,075
Total additions	540,100	35,531	575,631
Deductions			
Benefits paid	761,797	-	761,797
Per trust agreements	-	22,826	22,826
Total deductions	761,797	22,826	784,623
Changes in fund equity held in trust for individuals, organizations, and other governments	(221,697)	12,705	(208,992)
Net position, July 1, 2015	9,778,266	511,996	10,290,262
Net position, June 30, 2016	\$ 9,556,569	\$ 524,701	\$ 10,081,270

The accompanying notes are an integral part of this statement.

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 1. Summary of Significant Accounting Policies:

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

A. Financial 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 the inclusion of other separate and distinct legal entities as component units within its financial reporting structure, the Town applied the criteria prescribed by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 61, "Determining Whether Certain Organizations Are Component Units." A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town has no reportable component units.

B. Government-Wide Financial Statements

The government-wide statement of net position and statement of activities display information about the Town as a whole. They include all funds of the Town except for fiduciary funds and 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.

The government-wide statement of activities presents a comparison between expenses and program revenue for each function of the Town's governmental activities. Program revenues include a) fees, fines and charges paid by the recipients of goods or services offered by the programs and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 1. Summary of Significant Accounting Policies (Continued):

C. Fund Financial Statements

Fund financial statements of the Town are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

Total assets plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and total assets plus deferred outflows, liabilities plus deferred inflows, 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.

All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Fund types used by the Town and a description of the funds comprising each are as follows:

1. Governmental Funds

Governmental funds are used to account for operations that supply basic government services. The Town uses the following governmental funds:

- a. **The General fund** is the primary operating fund of the Town and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in another fund.
- b. **Special Revenue funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
- c. **Capital Projects funds** are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays.
- d. **Debt Service funds** are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.
- e. **Permanent funds** are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs. The Town does not have any permanent funds.

2. Proprietary Funds

Proprietary funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Both of the Town's enterprise funds, Land Acquisition Fund and Cafeteria Fund, are major funds. The Land Acquisition Fund is used to account for the purchase of land for use by the town and 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. The Town has no internal service funds.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 1. Summary of Significant Accounting Policies (Continued):

C. Fund Financial Statements (Continued)

3. Fiduciary Funds

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.

D. Measurement Focus and Basis of Accounting

1. 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, 2) operating grants and contributions and 3) capital grants and operations. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 1. Summary of Significant Accounting Policies (Continued):

D. Measurement Focus and Basis of Accounting (Continued)

2. 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.

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.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 1. Summary of Significant Accounting Policies (Continued):

D. Measurement Focus and Basis of Accounting (Continued)

2. Fund Financial Statements (Continued)

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.

E. Financial Statement Amounts

1. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, time and demand deposits and short-term investments maturing within three months from the date of acquisition.

Under Rhode Island general laws, depository institutions must insure deposits of municipalities or pledge eligible collateral equal to 100% of deposits maturing in greater than 60 days. Any institution not meeting certain federally prescribed minimum capital standards must insure deposits or provide collateral regardless of date of maturity. The Town complied with these requirements.

2. 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.

3. 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.

4. Property Taxes

The town is permitted by state law to levy property taxes. Current tax collections for the Town were 97.48 of the total December 31, 2014 levy. The Town's fiscal 2016 property tax were levied in July 2015 on assessed valuation as of December 31, 2014.

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

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 1. Summary of Significant Accounting Policies (Continued):

E. Financial Statement Amounts (Continued)

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

6. 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.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 1. Summary of Significant Accounting Policies (Continued):

E. Financial Statement Amounts (Continued)

6. Vacation, Sick Leave, and Other Compensated Absences (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 1¼ day 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 1¾% 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.

7. Long-Term Liabilities

For long-term liabilities, only that portion, which is matured, is reported as a fund liability of a governmental fund. All long-term liabilities are reported in government-wide financial statement of net position.

8. Deferred Inflows of Resources

In the governmental fund financial statement, deferred inflows of resources 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 inflows of resources relate to revenue that is measurable, but not available.

In the Special Revenue funds, deferred inflows of revenues represent amounts received in advance of expenditures incurred for certain grants.

In the government-wide financial statements revenue is recorded when earned. Therefore, for these statements deferred inflows of resources represents only unearned revenues.

9. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for fund expenditures and/or expense are recorded in order to reserve portions of applicable appropriations, is employed in the governmental and business-type funds.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 1. Summary of Significant Accounting Policies (Continued):

E. Financial Statement Amounts (Continued)

10. Equity Classifications

A. 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".

B. 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** - amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact
- **Restricted** - amounts that have been restricted to specific purposes either by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- **Committed** - amounts constrained to specific purposes by the Town, using its highest level of decision-making authority
- **Assigned** - amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor committed
- **Unassigned** - amounts available for any purpose; these amounts are reported only in the general fund.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 1. Summary of Significant Accounting Policies (Continued):

E. Financial Statement Amounts (Continued)

10. Equity Classifications (Continued)

B. Governmental Fund Financial Statements (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 an expenditure is incurred for purposes for which amounts in any other unrestricted fund balance could be used.

11. Revenues, Expenditure 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.

12. 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.

13. Bond Premiums

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 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.

14. Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 1. Summary of Significant Accounting Policies (Continued):

E. Financial Statement Amounts (Continued)

15. Pensions

Employees' Retirement System Plan (ERS)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System plan (ERS) and the additions to/deductions from ERS' fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Municipal Employees' Retirement System (MERS)

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System (MERS) of Rhode Island and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Teachers' Survivors Benefit Plan (TSB)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Survivors Benefit plan (TSB) and the additions to/deductions from TSB fiduciary net position have been determined on the same basis as they are reported by TSB. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Police Pension Plan

(a) Basis of Accounting the Plan's financial statements are prepared using the accrual basis of accounting and in accordance with generally accepted accounting principles that apply to governmental accounting for defined benefit plans. Employer contributions are recognized when made, because there are no required due dates for contributions. Other additions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan document. Plan expenses, other than benefits and refunds are recognized on the accrual basis in accordance with generally accepted accounting principles.

(b) Plan Expenses Certain expenses are paid from the assets of the Plan and are recorded as administrative expenses on the financial statements. These expenses include actuarial fees, auditing expenses, benefit payment processing fees, legal fees and other miscellaneous expenses.

Additionally, investment manager fees and investment consulting expenses are recorded as investment expenses.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 1. Summary of Significant Accounting Policies (Continued):

E. Financial Statement Amounts (Continued)

15. Pensions

Police Pension Plan (continued)

(c) **Fair Value of Investments** Plan investments are reported at fair value. The Plan's custodian provides pricing for all Plan investments. Plan investments in market-traded securities, including U.S. government and agency securities, municipal and corporate bonds and debentures, and common stock are reported at last quoted sales/bid prices provided by independent pricing vendors. These holdings are valued by investment managers in accordance with the authoritative guidance on fair value measurements and disclosures. Valuation policies and procedures are generally described in the investment managers' financial statements. Cash equivalents are valued at cost, which approximates fair value.

(d) **Income Taxes** Pursuant to a determination letter received from the Internal Revenue Service (IRS), the Plan is exempt from federal income taxes. Although the Plan has been subsequently amended, management of the Board is of the opinion that the Plan, as amended, meets the IRS requirements and, therefore, continues to be tax exempt.

16. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

F. Implementation of New Accounting Principles

For the year ending June 30, 2016, the Authority implemented the following pronouncements issued by the GASB:

- GASB Statement No. 72, *Fair Value Measurement and Application*

The implementation of GASB Statement No. 72 had no material reporting impact for the Town.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 2. Budgetary Data and Budgetary Compliance:

The Town adopts an annual budget for the General Fund at the annual Financial Town referendum 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 referendum. Only the Town Administrator can make budget transfers without Town Council approval up to \$2,500. 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.

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 \$59,323,025 based on the December 31, 2014 assessment. As of June 30, 2016 the Town's debt is under the debt limit by \$25,663,025. 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 the statistical section for computation of the legal debt margin.

Note 4. 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 is 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.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 4. Cash and Investments (Continued):

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, 2016, the Town owned bank balances of \$12,568,103 were fully insured within each financial institution or through a third party collateralization agreement. Information on the Town's book balance of \$14,301,969 is provided below.

Investments:

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

Cash and investment of the Town consist of the following at June 30, 2016:

Cash and Cash Equivalents		
Deposits with financial institutions	\$	14,301,969
Investments		
Certificate of Deposits	\$	1,537,940
Municipal Bonds		295,929
Corporate bonds		1,788,798
Equity		7,545,427
Fixed Index Annuities		1,098,792
Fixed Income		4,353,614
Total Cash and Investments	\$	30,922,469

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

Statement of Net Assets		
Cash and cash equivalents	\$	13,479,623
Investments		7,116,870
Fiduciary Funds		
Cash and cash equivalents		822,346
Investments		9,503,630
Total Cash and Investments	\$	30,922,469

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 4. Cash and Investments (Continued):

Interest Rate Risk:

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1 - 5 Years	6 - 10 Years	Over 10 Years
Certificate of Deposits	\$ 1,537,940	\$ 436,600	\$ 481,429	\$ 619,911	\$ -
Municipal Bonds	295,929	54,753	241,176	-	-
Corporate Bonds	1,788,798	49,952	1,301,547	332,298	105,001
Equity	7,545,427	7,545,427	-	-	-
Fixed Index Annuity	1,098,792	1,098,792	-	-	-
Fixed Income	4,353,614	4,353,614	-	-	-
Total	\$ 16,620,500	\$ 13,539,138	\$ 2,024,152	\$ 952,209	\$ 105,001

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:

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	Municipal Bonds and Corporate Bonds
Aa3	\$ 54,752
A1	150,497
A2	241,176
A3	105,002
Baa1	269,835
Baa2	960,902
Baa3	302,563
	\$ 2,084,727

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 5. 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, 2016.

	Due from Other Funds	Due to Other Funds
Major Governmental Funds		
General Fund	\$ -	\$ 4,724,708
School Unrestricted	3,624,438	64,038
Non-Major Governmental Funds		
Special Revenue Funds	575,927	24,944
Capital Projects	21,454	283,242
Proprietary Funds		
Land Acquisition Fund	378,800	-
Cafeteria Fund	45,000	-
Fiduciary Funds		
Agency Funds	459,396	-
Private Purpose Trust Funds	-	8,083
Totals	\$ 5,105,015	\$ 5,105,015

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, 2016.

	Transfers In	Transfers Out
Major Governmental Funds		
General Fund	\$ 36,108	\$ 23,489,232
School Unrestricted	23,489,232	76,052
Non-Major Governmental Funds		
Capital Projects	-	10,056
Proprietary Funds		
Land acquisition fund	5,000	-
Cafeteria Fund	45,000	-
Totals	\$ 23,575,340	\$ 23,575,340

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

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 uncollectible as per state law.

Note 7. Capital Assets

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, 2016 was as follows:

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 4,166,486	\$ 305,385	\$ -	\$ 4,471,871
Construction in progress	445,014	-	-	445,014
Subtotal	4,611,500	305,385	-	4,916,885
Other Capital Assets:				
Buildings and improvements	57,346,960	85,637	77,585	57,355,012
Motor vehicles	5,723,646	70,945	90,700	5,703,891
Infrastructure	15,956,387	255,671	560,131	15,651,927
Machinery and equipment	4,035,718	352,980	22,000	4,366,698
Subtotal	83,062,711	765,233	750,416	83,077,528
Accumulated Depreciation:				
Buildings and improvements	15,511,757	1,218,788	22,500	16,708,045
Motor vehicles	4,143,860	292,438	90,700	4,345,598
Infrastructure,	10,953,613	651,999	167,519	11,438,093
Machinery and equipment	1,760,534	288,685	22,000	2,027,219
Subtotal	32,369,764	2,451,910	302,719	34,518,955
Net other capital assets, restated	50,692,947	(1,686,677)	447,697	48,558,573
Net capital assets, restated	\$ 55,304,447	\$ (1,381,292)	\$ 447,697	\$ 53,475,458

Note 7. Capital Assets (Continued)

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Depreciation was charged to functions as follows:

General government	\$	252,260
Public safety		259,830
Public works		785,664
Parks and recreation		22,210
Education		1,131,946
		1,131,946
	\$	2,451,910

Note 8. 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, 2016 was as follows:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Due within</u> <u>one year</u>
Governmental activities					
Bonds and notes payable					
Bonds payable	\$ 36,410,000	\$ 8,025,000	\$ 10,775,000	\$ 33,660,000	\$ 2,480,000
Bond premium	456,358	299,282	108,068	647,572	97,750
Total bonds payable	36,866,358	8,324,282	10,883,068	34,307,572	2,577,750
Capital Leases	999,757	75,700	246,208	829,249	236,124
Other post-employment benefit obligation	5,798,478	1,027,503	-	6,825,981	-
Net pension liability - police	4,826,071	883,848	-	5,709,919	-
Net pension liability - ERS	16,540,458	5,194,395	-	21,734,853	-
Net pension liability - MERS	(1,677,177)	1,974,105	-	296,928	-
Landfill closure and postclosure care costs	9,000,000	-	-	9,000,000	-
Accrued compensated absences	1,062,674	201,888	137,534	1,127,028	47,863
Total long-term obligations	36,550,261	9,357,439	383,742	45,523,958	283,987
Total government-wide obligations	\$ 73,416,619	\$ 17,681,721	\$ 11,266,810	\$ 79,831,530	\$ 2,861,737

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 8. Long-Term Debt (Continued):

Maturities of long-term debt for the year ending June 30, 2017 through 2035 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,480,000	\$ 1,461,003	\$ 3,941,003
2018	2,550,000	1,360,560	3,910,560
2019	2,645,000	1,250,862	3,895,862
2020	2,720,000	1,162,571	3,882,571
2021	2,800,000	1,061,585	3,861,585
2022-2026	12,780,000	3,486,718	16,266,718
2027-2031	6,325,000	770,788	7,095,788
2032-2035	<u>1,360,000</u>	<u>95,200</u>	<u>1,455,200</u>
	<u>\$ 33,660,000</u>	<u>\$ 10,649,287</u>	<u>\$ 44,309,287</u>

The Town and school has entered into capital leases for various equipment. The following is a schedule of the minimum future payments as of June 30, 2016:

<u>Year End</u>	<u>Town & School Lease Payments</u>
2017	\$ 236,124
2018	195,819
2019	161,721
2020	126,008
2021	53,855
Thereafter	<u>55,722</u>
Future minimum rental payments	829,249
Interest portion of payments	<u>111,572</u>
Obligation under capital leases	<u>\$ 940,821</u>

The Town and school has entered into various operating leases for rentals of office copy equipment. Operating lease expenses totaled \$20,484 for 2016 for the governmental funds. The following is a schedule of minimum lease payments:

<u>Year End</u>	<u>Town & School Lease Payments</u>
2017	\$ 6,047
2018	<u>865</u>
Future minimum rental payments	6,912
Interest portion of payments	-
Obligation under operating leases	<u>\$ 6,912</u>

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 9. Landfill Closure and Post-Closure 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 September 2014, had estimated that at the current land filling rate (3,000 tons/year) the Tiverton landfill will reach capacity sometime during 2016 or 2017. PARE's opinion of probable construction cost to cap the landfill, in 2014 dollars, is approximately \$9.0M. This cost accounts for construction materials and labor, engineering fees, permitting, inspection, certification, and storm water management. 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 2015 and 2016, the Town has set aside \$414,442 and \$479,105 respectively. As of June 30, 2016, the Town has accumulated \$6,781,182 in the Landfill Closure Capital Project Fund.

Note 10. 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 Health Mate Coast to Coast
Dental: Comprehensive Dental Insurance
Life: \$50,000 Group Term Life Insurance, reduces to \$25,000 at age 70

Eligibility - Medical, Dental, Life (Life is available to School Retirees Only)

Police employees: For all officers hired after July 1, 2012, retirement eligibility requires 25 years of service or attainment of age 55, whichever comes first.
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)

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 10. Other Post Retirement Benefits (Continued)

Benefit/Cost Sharing - Medical

Police Employees: Family and Individual plans employee pays \$900.00 per year. For those officers who retire after July 1, 2015, each member contributes 1% of their pension toward the health plan. *

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 a fixed deductible amount. *

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

* Co pays may differ depending upon the contract the employee retires under and date of retirement. This co pay could increase to \$1,000 for single employees and \$2,000 for families.

Benefit/Cost Sharing - Dental

Police Employees: None

Fire Employees: None

Town Employees: None

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

Eligibility - Life 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	276	276	211
Retirees	123	71	34
Total	399	347	245

Funding Policy

Contribution requirements are negotiated between the Town and the respective unions and employees. For the fiscal year ended June 30, 2016, 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, 2016 the Town contributed \$965,205 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 Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
7/1/2012	-	24,492,216	(24,492,216)	0%	N/A	N/A
7/1/2013	-	24,689,939	(24,689,939)	0%	N/A	N/A
7/1/2014	-	21,366,918	(21,366,918)	0%	N/A	N/A

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 10. Other Post Retirement Benefits (Continued)

Annual OPEB Funded Status and Net OPEB Obligation (Continued)

Annual OPEB Cost and Net OPEB Obligation: Below are the required pension obligation presentations per GASB 45 for the fiscal year ended June 30, 2016.

Annual required contribution	\$ 2,517,378
Interest on OPEB obligation	202,947
Adjustment to annual required contribution	(304,609)
Amortization of actuarial (gains)/losses	<u>(423,008)</u>
Annual OPEB cost	1,992,708
Employer contributions	<u>965,205</u>
Increase (decrease) in OPEB obligation	1,027,503
Net OPEB obligation beginning of year	<u>5,798,478</u>
Net OPEB obligation end of year	<u>\$ 6,825,981</u>

Required Contributions:

Years Ending June 30	Town's Portion of Annual Required Contributions	Percentage Contributed
2014	\$ 2,542,567	50.59%
2015	\$ 2,486,206	49.80%
2016	\$ 2,517,378	48.40%

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, 2014
Interest Rate	3.5%
2014 Medical Trend Rate	5%
2014 Dental Trend Rate	5%
General Inflation Assumptions	2.5%
Annual Compensation Increases	3%
Actuarial Value of Assets	Market Value
Amortization of UAAL	30 Years
Remaining Amortization Period	24 Years

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Effective July 1, 2012, the State administered retirement system which covers local teachers and certain municipal employees was modified to include both defined benefit and defined contribution plan components.

Employees' Retirement Defined Benefit Pension Plan (ERS)

General Information about the Pension Plan

Plan description - Certain employees of the Town of Tiverton, Rhode Island (Town) participate in a cost-sharing multiple-employer defined benefit pension plan - the Employees' Retirement System plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

Benefit provisions - The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. Members eligible to retire at September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

The plan provides for survivor's benefits for service connected death and certain lump sum death benefits. Joint and survivor benefit provision options are available to members.

Cost of living adjustments are provided but are currently suspended until the collective plans administered by ERSRI reach employees and teachers reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments is provided at four-year intervals commencing with the plan year ending June 30, 2016.

The plan also provides nonservice-connected disability benefits after five years of service and service-connected disability benefits with no minimum service requirement.

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2016, Town teachers were required to contribute 3.75% of their annual covered salary. The state and the Town are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by Town; the rates were 9.41% and 13.73% of annual covered payroll for the fiscal year ended June 30, 2016 for the state and Town, respectively. The Town contributed \$1,720,334 and \$1,892,289 for the fiscal years ended June 30, 2016 and 2015, respectively, equal to 100% of the required contributions for each year.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Employees' Retirement Defined Benefit Pension Plan (ERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2016, the Town reported a liability of \$21,734,853 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Town were as follows:

Town proportionate share of the net pension liability	\$ 21,734,853
State's proportionate share of the net pension liability associated with the Town	<u>14,848,569</u>
Total net pension liability	<u>\$ 36,583,422</u>

The net pension liability was measured as of June 30, 2015, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015. The Town proportion of the net pension liability was based on a projection of the Towns long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2015 the Town proportion was 0.78949625%.

For the year ended June 30, 2016 the Town recognized gross pension expense of \$3,047,445 and revenue of \$1,803,020 for support provided by the State. At June 30, 2016 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources	
Contributions subsequent to the measurement date	\$ 1,975,279
Net difference between projected and actual investment earnings	1,224,653
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,599,306
Deferred inflows of resources	
Change of assumptions	\$ 584,307
Differences between expected and actual experience	141,524
Net difference between projected and actual earnings on pension plan investments	<u>1,241,049</u>
Total	<u>\$ 3,832,358</u>

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Employees' Retirement Defined Benefit Pension Plan (ERS) (continued)

\$1,975,279 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2016 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ 439,030
2017	439,030
2018	439,030
2019	439,030
2020	82,953
thereafter	171,132

Actuarial Assumptions - the total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50% to 13.50%
Investment rate of return	7.50%

Mortality – male and female teachers: 97% and 92%, respectively of rates in a GRS table based on male and female teacher experience, projected with Scale AA from 2000.

The actuarial assumptions used in the June 30, 2014 valuation rolled forward to June 30, 2015 and the calculation of the total pension liability at June 30, 2015 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 23 sources. The June 30, 2015 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Employees' Retirement Defined Benefit Pension Plan (ERS) (continued)

Type of Investment	Target Allocation	Long-Term expected real rate of return
Global Equity:	38.0%	-
U.S. Equity	-	6.93%
International Developed	-	7.32%
International Emerging Markets	-	9.52%
Equity Hedge Funds	8.0%	3.98%
Private Equity	7.0%	9.99%
Core Fixed Income	15.0%	2.18%
Absolute Return Hedge Funds	7.0%	3.98%
Infrastructure	3.0%	5.70%
Real Estate	8.0%	4.85%
Other Real Return Assets:	11.0%	-
Master Limited Partnerships	-	4.51%
Credit	-	4.51%
Inflation Linked Bonds	-	1.24%
Cash, Overlay, Money Market	3.0%	7.80%
	100.0%	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

Discount rate - the discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Employees' Retirement Defined Benefit Pension Plan (ERS) (continued)

Sensitivity of the net pension liability (asset) to changes in the discount rate - the following presents the net pension liability (asset) calculated using the discount rate of 7.5 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00 Increase (8.5%)
\$ 27,255,331	\$ 21,734,853	\$ 17,215,561

Pension plan fiduciary net position - detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report

Defined Contribution Pension Plan

Defined Contribution Plan Description:

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute between 1% and 1.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the 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.

The Town of Tiverton, Rhode Island recognized pension expense of \$327,739, for the fiscal year ended June 30, 2016.

The System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the system. The report may be obtained at <http://www.ersri.org>.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Municipal Employees' Retirement Defined Benefit Pension Plan (MERS)

General Information about the Pension Plan

Plan Description - The Municipal Employees' Retirement System (MERS) – an agent multiple-employer defined benefit pension plan - provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Law and placed under the management of the Employee's Retirement System of Rhode Island (ERSRI) Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate. Benefit provisions are subject to amendment by the General Assembly.

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at www.ersri.org

Benefits provided – General employees, police officers and firefighters employed by electing municipalities participate in 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 designated as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be designated as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable.

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.

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 member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three year FAC as of July 1, 2012 or the five year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

Subsequent to June 30, 2015, litigation challenging the various pension reform measures enacted in previous years by the General Assembly (2009, 2010, and 2011) was settled. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, which have been included in the determination of the total pension liability at the June 30, 2015 measurement date and are reflected in the summary of benefit provisions described below.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Municipal Employees' Retirement Defined Benefit Pension Plan (MERS) (continued)

General employees

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 (SSNRA).

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 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 this option is elected, the retirement benefit will be calculated using the benefits 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.

Effective July 1, 2015, members will be eligible to retire with full benefits at the earlier of their current Rhode Island Retirement Security Act (RIRSA) date described above or upon the attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.

A member who is within five years of reaching their retirement eligibility date 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, members 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 eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% of the member's monthly FAC for each year of service from July 1, 2012 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.0% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.0% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

Police and Fire employees

Members are eligible to retire when they are at least 50 years old and have a minimum of 25 years of contributing service or if they have 27 years of contributing service at any age. Members with less than 25 years of contributing service are eligible for retirement on or after their Social Security normal retirement age.

Members who, as of June 30, 2012, had at least 10 years of contributing service, had attained age 45, and had a prior Retirement Date before age 52 may retire at age 52.

Active members on June 30, 2012 may choose to retire at their prior 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 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, as described in this section, and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Municipal Employees' Retirement Defined Benefit Pension Plan (MERS) (continued)

Police and Fire employees (continued)

Prior to July 1, 2012, members designated as police officers or firefighters were eligible for retirement at or after age 55 with credit for at least 10 years of service or at any age with credit for 25 or more years of service. Members were also eligible to retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elected to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member was eligible to retire at any age with 20 or more years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

A monthly benefit is paid equal to 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: benefits are based on 2.50% of the member's FAC for each year of service prior to July 1, 2012 and 2.00% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC.

Active members (including future hires), members who retire after July 1, 2015 and after attaining age 57 with 30 years of service will have a benefit equal to the greater of their current benefit described in (a) and (b) above and one calculated based on a 2.25% multiplier for all years of service.

Other benefit provisions

Death and disability benefits are also provided to members. A member is eligible for a disability retirement provided he/she has credit for at least five years of service or if the disability is work-related. Members are not eligible for an ordinary disability benefit if they are eligible for unreduced retirement.

Joint and survivor benefit options are available to retirees. For some employees, a Social Security Option is also available where an annuity is paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

Post-retirement benefit increases are paid to members who retire after June 30, 2012. Members will be eligible to receive cost of living increases at the later of the member's third anniversary of retirement and the month following their SSNRA (age 55 for members designated as police officers and/or firefighters). When a municipality elects coverage, it may elect either COLA C (covering only current and future active members and excluding members already retired) or COLA B (covering current retired members as well as current and future active members).

a. The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.

b. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%

c. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on every fourth year provision described in (i) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Municipal Employees' Retirement Defined Benefit Pension Plan (MERS) (continued)

Employees covered by benefit terms

At the June 30, 2014 valuation date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	66
Inactive, Non-retired Members	40
Active Members	<u>148</u>
Total	<u>254</u>

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$97,463 to their general employee MERS plan in the year ended June 30, 2016 which was 3.0% of annual covered payroll, \$69,257 to their Local 2670A MERS plan in the year ended which was 6.9% of annual covered payroll, and contributed \$230,385 to their Fire employee MERS plan in the year ended June 30, 2015 which was 13.2% of annual covered payroll.

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2014 and rolled forward to June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement.

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2015 measurement date (June 30, 2014 valuation rolled forward to June 30, 2015)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions	
Investment Rate of Return	7.50%
Projected Salary Increases	General Employees - 3.50% to 7.50%; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.75%
Mortality	<ul style="list-style-type: none"> • Male Employees, MERS General and MERS P&F: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000. • Female Employees, MERS General and MERS P&F: 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Municipal Employees' Retirement Defined Benefit Pension Plan (MERS) (continued)

The actuarial assumptions used in the June 30, 2014 valuation rolled forward to June 30, 2015 and the calculation of the total pension liability at June 30, 2014 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 23 sources. The June 30, 2015 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Type of Investment	Target Allocation	Long-term expected real rate of return
Global Equity:	38.0%	-
U.S. Equity	-	6.93%
International Developed	-	7.32%
International Emerging Markets	-	9.52%
Equity Hedge Funds	8.0%	3.98%
Private Equity	7.0%	9.99%
Core Fixed Income	15.0%	2.18%
Absolute Return Hedge Funds	7.0%	3.98%
Infrastructure	3.0%	5.70%
Real Estate	8.0%	4.85%
Other Real Return Assets:	11.0%	-
Master Limited Partnerships	-	4.51%
Credit	-	4.51%
Inflation Linked Bonds	-	1.24%
Cash, Overlay, Money Market	3.0%	7.80%
	100.0%	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Municipal Employees' Retirement Defined Benefit Pension Plan (MERS) (continued)

Discount rate - The discount rate used to measure the total pension liability of the plans was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset) - General Employees

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2014	\$10,316,515	\$ 13,005,651	(\$2,689,136)
Changes for the Year			
Service cost	300,404	-	300,404
Interest on the total pension liability	763,644	-	763,644
Benefit changes	175,946	-	175,946
Difference between expected and actual experience of the total pension liability	(178,453)	-	(178,453)
Employer contributions	-	144,299	(144,299)
Employee contributions	-	65,589	(65,589)
Net investment income	-	304,312	(304,312)
Benefit payments, including employee refunds	(569,582)	(569,582)	-
Administrative expense	-	(12,548)	12,548
Other changes	-	47,585	(47,585)
Net changes	<u>491,959</u>	<u>(20,345)</u>	<u>512,304</u>
Balances as of June 30, 2015	<u>\$10,808,474</u>	<u>\$ 12,985,306</u>	<u>(\$2,176,832)</u>

Changes in the Net Pension Liability (Asset) - Local 2670A Employees

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2014	\$ 3,930,809	\$ 3,945,724	(\$14,915)
Changes for the Year			
Service cost	89,239	-	89,239
Interest on the total pension liability	289,484	-	289,484
Benefit changes	95,897	-	95,897
Difference between expected and actual experience of the total pension liability	210,697	-	210,697
Employer contributions	-	103,515	(103,515)
Employee contributions	-	20,064	(20,064)
Net investment income	-	92,015	(92,015)
Benefit payments, including employee refunds	(231,277)	(231,277)	-
Administrative expense	-	(3,693)	3,693
Other changes	-	18	(18)
Net changes	<u>454,040</u>	<u>(19,358)</u>	<u>473,398</u>
Balances as of June 30, 2015	<u>\$ 4,384,849</u>	<u>\$ 3,926,366</u>	<u>\$ 458,483</u>

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Municipal Employees' Retirement Defined Benefit Pension Plan (MERS) (continued)

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2014	\$ 10,766,475	\$ 9,739,601	\$ 1,026,874
Changes for the Year			
Service cost	299,037	-	299,037
Interest on the total pension liability	795,965	-	795,965
Benefit changes	495,060	-	495,060
Difference between expected and actual experience of the total pension liability	23,126	-	23,126
Employer contributions	-	266,991	(266,991)
Employee contributions	-	139,329	(139,329)
Net investment income	-	228,566	(228,566)
Benefit payment including employee refunds	(606,263)	(606,263)	-
Administrative expense	-	(9,174)	9,174
Other changes	-	(5,927)	5,927
Net changes	<u>1,001,925</u>	<u>13,522</u>	<u>988,403</u>
Balances as of June 30, 2015	<u>\$ 11,768,400</u>	<u>\$ 9,753,123</u>	<u>\$ 2,015,277</u>

Sensitivity of the Net Pension Liability to changes in the discount rate - The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.5 percent, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease (6.5%)	General Employees Plan Current Discount Rate (7.5%)	1.00 Increase (8.5%)
(\$ 1,036,167)	(\$ 2,176,832)	(\$ 3,110,430)
1.00% Decrease (6.5%)	Local 2670A Plan Current Discount Rate (7.5%)	1.00 Increase (8.5%)
\$ 921,084	\$ 458,483	\$ 79,859
1.00% Decrease (6.5%)	Fire Department Plan Current Discount Rate (7.5%)	1.00 Increase (8.5%)
\$ 3,255,681	\$ 2,015,277	\$ 1,000,056

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Municipal Employees' Retirement Defined Benefit Pension Plan (MERS) (continued)

Pension plan fiduciary net position - detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

General Employees Plan

For the year ended June 30, 2016 the employer recognized pension income of \$ 71,150. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Differences in assumptions	\$ -	\$ 147,494
Differences between expected and actual experience	16,130	-
Net difference between projected and actual earnings on pension plan investments	<u>527,150</u>	<u>524,825</u>
Total	<u><u>\$ 543,280</u></u>	<u><u>\$ 672,319</u></u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows of Resources
2017	\$ (71,150)
2018	(71,150)
2019	(71,152)
2020	103,793
2021	(20,695)
Thereafter	<u>1,315</u>
Total	<u><u>\$ (129,039)</u></u>

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Municipal Employees' Retirement Defined Benefit Pension Plan (MERS) (continued)

Local 2670A Employees Plan

For the year ended June 30, 2016 the employer recognized pension expense of \$30,333. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Differences in assumptions	\$ 9,327	\$ -
Differences between expected and actual experience	169,999	-
Net difference between projected and actual earnings on pension plan investments	<u>159,790</u>	<u>159,106</u>
Total	<u>\$ 339,116</u>	<u>\$ 159,106</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows of Resources
2017	\$ 30,333
2018	30,333
2019	30,335
2020	81,802
2021	7,207
Thereafter	<u>-</u>
Total	<u>\$ 180,010</u>

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Municipal Employees' Retirement Defined Benefit Pension Plan (MERS) (continued)

Fire Department Employees Plan

For the year ended June 30, 2016 the employer recognized pension income of \$39,032. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Differences in assumptions	\$ -	\$ 72,379
Differences between expected and actual experience	19,393	-
Net difference between projected and actual earnings on pension plan investments	<u>395,072</u>	<u>390,220</u>
Total	<u>\$ 414,465</u>	<u>\$ 462,599</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Net Deferred Outflows of Resources</u>
2017	\$ (39,032)
2018	(39,032)
2019	(39,030)
2020	91,042
2021	(7,726)
Thereafter	<u>(14,356)</u>
Total	<u>\$ (48,134)</u>

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Teachers' Survivor Defined Benefit Pension Plan (TSB)

Plan description - Certain employees of the Town of Tiverton, Rhode Island (Town) participate in a cost-sharing multiple-employer defined benefit pension plan - the Teachers' Survivors Benefit plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in Social Security.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

Eligibility and plan benefits - the plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in the plan. Specific eligibility criteria and the amount of the benefit is subject to the provisions of Chapter 16-16 of the Rhode Island General Laws which are subject to amendment by the General Assembly. Spouse, parents, family and children's benefits are payable following the death of a member. A spouse shall be entitled to benefits upon attaining the age of sixty (60) years. Children's benefits are payable to the child, including a stepchild or adopted child of a deceased member if the child is unmarried and under the age of eighteen (18) years or twenty-three (23) years and a full time student, and was dependent upon the member at the time of the member's death. Family benefits are provided if at the time of the member's death the surviving spouse has in his or her care a child of the deceased member entitled to child benefits. Parents benefits are payable to the parent or parents of a deceased member if the member did not leave a widow, widower, or child who could ever qualify for monthly benefits on the member's wages and the parent has reached the age of 60 years, has not remarried, and received support from the member.

In January, a yearly cost-of-living adjustment for spouse's benefits is paid and based on the annual social security adjustment.

Survivors are eligible for benefits if the member has made contributions for at least six months prior to death or retirement.

The TSB plan provides benefits based on the highest salary at the time of retirement of the teacher. Benefits are payable in accordance with the following table:

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

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Teachers' Survivor Defined Benefit Pension Plan (TSB) (Continued)

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

Parent and 1 Child	Parent and 2 or more Children	One Child Alone	Two Children Alone	Three or more Children Alone	Dependent Parent
150%	175%	75%	150%	175%	100%

Contributions - The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$9,600; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits. The Town contributed \$18,602 and \$18,364 for the fiscal years ended June 30, 2016 and 2015, respectively, equal to 100% of the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2016 the Town reported an asset of \$2,781,941 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2015, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015. The Town proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2015 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2015 the Town proportion was 2.97993976%. For the year ended June 30, 2016 the Town recognized pension expense of \$(176,453) – an increase in the net pension asset. At June 30, 2016 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources	
Contributions subsequent to the measurement date	\$ 18,602
Differences between expected and actual experience	643,182
Net difference between projected and actual investment earnings	353,489
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,788
Deferred inflows of resources	
Net difference between projected and actual earnings on pension plan investments	<u>\$ 363,628</u>
Total	<u>\$ 657,433</u>

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Teachers' Survivor Defined Benefit Pension Plan (TSB) (Continued)

\$18,602 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2016 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 46,197
2018	46,197
2019	46,197
2020	167,406
2021	79,034
Thereafter	253,800

Actuarial Assumptions - the total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50% to 13.50%
Investment rate of return	7.50%

Mortality rates for male and female teachers were based on 97% (males) and 92% (females) of rates in a GRS table based on male and female teacher experience, projected with scale AA from 2000.

Cost of living adjustment – eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment – for valuation purposes, a 2.75% cost of living adjustment is assumed.

The actuarial assumptions used in the June 30, 2014 valuation rolled forward to June 30, 2015 and the calculation of the total pension liability at June 30, 2015 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 23 sources. The June 30, 2015 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Teachers' Survivor Defined Benefit Pension Plan (TSB) (Continued)

Type of Investment	Target Allocation	Long-term expected real rate of return
Global Equity:	38.0%	-
U.S. Equity	-	6.93%
International Developed	-	7.32%
International Emerging Markets	-	9.52%
Equity Hedge Funds	8.0%	3.98%
Private Equity	7.0%	9.99%
Core Fixed Income	15.0%	2.18%
Absolute Return Hedge Funds	7.0%	3.98%
Infrastructure	3.0%	5.70%
Real Estate	8.0%	4.85%
Other Real Return Assets:	11.0%	-
Master Limited Partnerships	-	4.51%
Credit	-	4.51%
Inflation Linked Bonds	-	1.24%
Cash, Overlay, Money Market	3.0%	7.80%
	100.0%	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

Discount rate - the discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability (asset) to changes in the discount rate - the following presents the net pension liability (asset) calculated using the discount rate of 7.5 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease (6.5%)	Current Discount Rate (7.5%)	1.00 Increase (8.5%)
(\$ 2,160,390)	(\$ 2,781,941)	(\$ 3,290,594)

Pension plan fiduciary net position - detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Police Pension Plan

(1) Plan Description

(a) Plan Administration

The Policemen's Pension Plan of the Town of Tiverton (the Plan) is a contributory, single employer, defined benefit plan. Washington Trust Wealth Management is the trustee of the Plan's investment funds. All funds remain in custody of Washington Trust Wealth Management 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.

Article 15 of the Regulations of the State grants the authority to establish and amend the benefit terms to the Police Pension Board of Trustees (PPB).

The Board of the Police Pension Plan, consists of five members - Town Administrator, Police Chief, Town Treasurer, Town Council Member, and the President of the Police Union. The Town Council Member is the only member of the Board who is appointed by the Town Council.

(b) Plan Membership

At June 30, 2016, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	26
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>29</u>
Subtotal	<u><u>55</u></u>

(c) Benefits Provided

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.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Police Pension Plan (Continued)

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.

(d) Contributions

The Town establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2016, the active member contribution rate was 10 percent of annual pay, and the Town's contribution rate was 56.7 percent of annual payroll.

The contributions made to the plan for the fiscal year ended June 30, 2016 were \$872,701 which consists of employer contributions of \$700,000 and employee contributions of \$172,701.

(2) Investments

(a) Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Police Pension Board (PPB) by a majority vote of its members. It is the policy of the PPB to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2016:

<u>Asset Class</u>	<u>Target Allocation</u>
Equities	80.0%
Fixed income	17.0%
Cash and cash equivalents	3.0%
Total	<u>100.0%</u>

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Police Pension Plan (Continued)

(b) Concentrations

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in diversified mutual funds, external investment pools, and other pooled investments are excluded. As of June 30, 2016, the Plan had no investments in any one organization that represented 5% or more of the Plan's net position restricted for pension.

(c) Money-Weighted Rate of Return

For the year ended June 30, 2016 the annual money-weighted rate of return on Plan investments, net of investment expense, was unavailable. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

(d) Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Plan will not be able to recover its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan, and are held by either the counterparty or the counterparty's trust department or agent but not in the Plan's name.

At June 30, 2016, there were no deposits subject to custodial credit risk.

(e) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. At June 30, 2015, there were no deposits subject to custodial interest rate risk.

(f) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. As of June 30, 2016, the Plan has no single issuer that exceeds 5% of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in diversified mutual funds, external investment pools, and other pooled investments are excluded.

(g) Credit Risk

Credit risk is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations to the Plan. There are no Plan-wide policy limitations for credit risk exposures within the portfolio. Each portfolio is managed in accordance with an investment contract that is specific as to permissible credit quality ranges, the average credit quality of the overall portfolios, and issuer concentration.

(h) Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment or a deposit. At June 30, 2016, there were no deposits subject to foreign currency risk.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Police Pension Plan (Continued)

(i) Derivatives

Derivatives are financial instruments whose values depend upon, or are derived from, the value of something else, such as one or more underlying investments, indexes or currencies. Derivatives may be used both for hedging and to enhance returns. Derivatives may be traded on organized exchanges, or individually negotiated transactions with other parties, known as over-the-counter derivatives. Derivatives involve special risks and costs and may result in losses to the Plan. The successful use of derivatives requires sophisticated management, and, to the extent that derivatives are used, the Plan will depend on the investment managers and their advisors to analyze and manage derivatives transactions.

Certain commingled funds held by the Plan at the year-end were permitted through their individual investment guidelines to use derivative instruments, including forwards, futures, swaps, and options. Disclosures about derivative holdings of the commingled fund managers can be found in their respective audited financial statements. The plan did not directly own any derivatives as of June 30, 2016.

(3) Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2016, were as follows:

Total pension liability	\$	15,266,488
Plan fiduciary net position		<u>(9,556,569)</u>
Town's net pension liability	\$	<u>5,709,919</u>
Plan fiduciary net position as a percentage of the total pension liability		62.60%

(a) Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	N/A
Salary increases	3.50 percent, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period ended June 30, 2016.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Police Pension Plan (Continued)

(3) Net Pension Liability of the Town (Continued)

(b) Discount rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of 7/1/2015	\$ 14,604,337	\$ 9,778,266	\$ 4,826,071
Changes for the year:			
Service cost	322,696	-	322,696
Interest on total pension liability	1,091,027	-	1,091,027
Differences between expected and actual experience	10,225	-	10,225
Changes in assumptions	-	-	-
Contributions - employer	-	700,000	(700,000)
Contributions - employee	-	172,701	(172,701)
Net investment income	-	(332,601)	332,601
Benefit payments	(761,797)	(761,797)	-
Administrative expense	-	-	-
Net changes	662,151	(221,697)	883,848
Balance as of 6/30/2016	\$ 15,266,488	\$ 9,556,569	\$ 5,709,919

(c) Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the Town, calculated using the discount rate of 7.50 percent, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Plan's Net Pension Liability	\$ 7,449,294	\$ 5,709,919	\$ 4,245,202

(d) Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2016, the Town recognized benefits paid of \$761,797.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 11. Pension Plans

Police Pension Plan (Continued)

At June 30, 2016 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources		
Differences between expected and actual experience		\$ 8,584
Net difference between projected and actual investment earnings		877,428
Deferred inflows of resources		
Differences between expected and actual Experience		\$ 8,808
Total		<u>\$ 877,204</u>

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 218,944
2018	218,944
2019	218,944
2020	218,828
2021	1,165
Thereafter	379

Note 12. Commitments and Contingencies

a. Commitments:

1. Old Stone Bridge Project

The Town has entered into an agreement with Rhode Island Department of Transportation for the Old Stone Bridge Beautification Project. The State has agreed to reimburse the Town up to but not exceeding Two Million Six Hundred Fifty-Nine Thousand Dollars (\$2,659,000) for the cost of the Project. In fiscal year 2016, the Town of Tiverton incurred approximately \$30,180 worth of expenditures.

b. Contingencies

1. Faulkner v. Tiverton, pending in Newport County Superior Court

This case concerns the wrongful termination/whistle blower. Plaintiff turned in his supervisor to authorities and was terminated as a result. However, Plaintiff was correct in advising the Town that his supervisor was committing wrongful acts. Liability is clearly against the Town, however damages are undetermined at this time.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 12. Commitments and Contingencies (continued)

b. Contingencies (continued)

2. 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.

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. The Town used some of the funds to clean up the mercury contamination, and the EPA has now certified that the cleanup as to the mercury is complete. The case is still open and reported because some final items need to be completed. It is, however, anticipated that any other future remediation that may be necessary will be covered by the remaining settlement funds.

3. Boathouse Restaurant

This case is a tax appeal filed by BHR Realty, Inc. in January 2014. Discovery has been on-going and the matter will be assigned to trial. The Town does have potential liability, and damages are estimated to be in the range of \$20,000.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2016

Note 13. Fund Balance Classifications

	Major Funds		Non-Major Funds			Total
	General Fund	School Department	Special Revenue	Capital Projects	Debt Service Fund	
Fund Balances						
Nonspendable						
In Form	\$ 519,383	\$ -	\$ -	\$ -	\$ -	\$ 519,383
Restricted for						
Public safety programs	-	-	84,480	-	-	84,480
Educational purposes	-	1,670,788	230,021	-	-	1,900,809
Public works programs	-	-	378,074	-	-	378,074
Health and human services programs	-	-	17,629	-	-	17,629
Committed to						
General government purposes	25,163	-	366,467	-	-	391,630
Finance administration purposes	141,258	-	-	-	-	141,258
Public safety programs	-	-	27,703	-	-	27,703
Health and human services programs	-	-	14,322	-	-	14,322
Public works programs	216,952	-	46,166	6,803,412	-	7,066,530
Parks and recreation	-	-	121	381,579	-	381,700
Capital projects	-	-	-	19,224	-	19,224
Various school renovation projects	-	1,783,375	-	-	-	1,783,375
Debt service bonds	-	-	-	-	534,026	534,026
Unassigned	<u>1,617,493</u>	<u>-</u>	<u>(461)</u>	<u>(30,282)</u>	<u>-</u>	<u>1,586,750</u>
	<u>\$ 2,520,249</u>	<u>\$ 3,454,163</u>	<u>\$ 1,164,522</u>	<u>\$ 7,173,933</u>	<u>\$ 534,026</u>	<u>\$ 14,846,893</u>

Note 14. Fund Deficit

The following funds had deficits at year end:

Old Stone Bridge	\$ (30,282)
Wastewater Management	(336)
Parents as teachers	(125)

It was further noted that the deficit related to Old Stone Bridge has been recuperated as of December 2016 and the deficit related to the Wastewater Management fund was an outstanding receivable related to electricity costs that was received in 2016.

Note 15. Subsequent Events

For purposes of determining the effects of subsequent events on these financial statements, management has evaluated events that have occurred subsequent to June 30, 2016 and through December 19, 2016, the date of which the financial statements were issued.

As of December 19, 2016, the Town did not have any significant subsequent events to disclose.

Required Supplementary Information

TOWN OF TIVERTON, RHODE ISLAND
 Required Supplementary Information
 Budgetary Comparison Schedule - General Fund
 For the Year Ended June 30, 2016

	<u>Original Budget</u>			<u>Total</u>	<u>Actual</u>	<u>Encumbrances /</u> <u>Appropriations</u> <u>Carried To FY 17</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>T/C Resolution</u> <u>to Paving*</u>
	<u>Encumbrances</u> <u>Carried</u> <u>to FY 16</u>	<u>Original</u> <u>Budget</u>						
Revenues								
General property taxes	\$ -	\$ 37,788,059	\$ -	\$ 37,788,059	\$ 38,034,753	\$ -	\$ 246,694	\$ -
Intergovernmental	-	1,732,226	-	1,732,226	1,778,559	-	46,333	-
Licenses, permits, and usage fees	-	2,241,793	-	2,241,793	2,246,251	-	4,458	-
Fines and interest on late payments	-	290,000	-	290,000	319,773	-	29,773	-
Interest on investment	-	30,000	-	30,000	45,669	-	15,669	-
Other revenue	-	45,960	-	45,960	138,303	-	92,343	-
Total revenues	<u>-</u>	<u>42,128,038</u>	<u>-</u>	<u>42,128,038</u>	<u>42,563,308</u>	<u>-</u>	<u>435,270</u>	<u>-</u>
Expenditures								
General government	17,589	1,024,828	81,378	1,123,795	1,088,707	25,163	9,925	2,980
Finance administration	66,899	4,815,023	155,450	5,037,372	4,846,341	141,258	49,773	14,932
Public safety	-	5,753,897	(215,645)	5,538,252	5,456,128	-	82,124	24,637
Health and human services	-	685,780	(3,082)	682,698	669,005	-	13,693	4,108
Public works	200,020	2,215,771	(49,124)	2,366,667	2,184,264	130,380	52,023	15,607
Parks and recreation	-	105,090	6,023	111,113	110,764	-	349	105
Capital outlay	-	408,397	25,000	433,397	428,612	-	4,785	1,436
Debt service - principal	-	2,305,000	-	2,305,000	2,305,000	-	-	-
Debt service - interest	-	1,707,387	-	1,707,387	1,631,491	-	75,896	22,769
Total expenditures	<u>284,508</u>	<u>19,021,173</u>	<u>-</u>	<u>19,305,681</u>	<u>18,720,312</u>	<u>296,801</u>	<u>288,568</u>	<u>86,573</u>
Excess (deficiency) of revenues over expenditures	<u>(284,508)</u>	<u>23,106,865</u>	<u>-</u>	<u>22,822,357</u>	<u>23,842,996</u>	<u>(296,801)</u>	<u>723,838</u>	<u>86,573</u>

*See notes to the required supplementary information
 See independent auditor's report*

TOWN OF TIVERTON, RHODE ISLAND
 Required Supplementary Information
 Budgetary Comparison Schedule - General Fund
 For the Year Ended June 30, 2016

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances / Appropriations Carried To FY 17</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving*</u>
	<u>Encumbrances Carried to FY 16</u>	<u>Original Budget</u>						
Other financing sources and (uses)								
Transfer to other funds	-	(23,475,000)	-	(23,475,000)	(23,489,232)	-	(14,232)	-
Use of fund balance	-	368,135	-	368,135	-	-	(368,135)	-
Transfers from other funds	-	-	-	-	36,108	-	36,108	-
	<u>-</u>	<u>(23,106,865)</u>	<u>-</u>	<u>(23,106,865)</u>	<u>(23,453,124)</u>	<u>-</u>	<u>(346,259)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	<u>\$ (284,508)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (284,508)</u>	389,872	<u>\$ (296,801)</u>	<u>\$ 377,579</u>	<u>\$ 86,573</u>
Unfunded contingency liability					(175,000)			
Excess of revenue and other financing sources over expenditures and other uses, U.S. GAAP basis					<u>214,872</u>			
Fund balance, July 1, 2015					<u>2,305,378</u>			
Fund balance, June 30, 2016					<u>\$ 2,520,250</u>			

*See notes to the required supplementary information
 See independent auditor's report*

TOWN OF TIVERTON, RHODE ISLAND
 Required Supplementary Information
 Budgetary Comparison Schedule - School Unrestricted Fund
 For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Federal and State governments	\$ 5,980,785	\$ 5,980,785	\$ 6,008,046	\$ 27,261
Other revenues	-	-	2,136	2,136
Total revenues	<u>5,980,785</u>	<u>5,980,785</u>	<u>6,010,182</u>	<u>29,397</u>
Expenditures				
Salaries	16,803,375	16,803,375	16,745,282	58,093
Employee benefits	6,441,065	6,441,065	6,169,095	271,970
Purchased services	4,792,563	4,792,563	4,405,150	387,413
Supplies and materials	1,150,407	1,150,407	857,196	293,211
Capital outlay	173,600	173,600	104,500	69,100
Other operating expenditures	94,775	94,775	11,272	83,503
Total expenditures	<u>29,455,785</u>	<u>29,455,785</u>	<u>28,292,495</u>	<u>1,163,290</u>
Excess of expenditures over revenues, budgetary basis	<u>(23,475,000)</u>	<u>(23,475,000)</u>	<u>(22,282,313)</u>	<u>1,192,687</u>
Other financing sources (uses)				
Transfer from Town of Tiverton	23,475,000	23,475,000	23,489,232	14,232
Transfer to other funds	-	-	(76,052)	(76,052)
Total other financing sources (uses)	<u>23,475,000</u>	<u>23,475,000</u>	<u>23,413,180</u>	<u>61,820</u>
Excess of revenues and other financing sources over expenditures and other financing uses, budgetary basis	<u>\$ -</u>	<u>\$ -</u>	1,130,867	<u>\$ 1,254,507</u>
Adjustment of budgetary basis to U.S. GAAP basis			-	
Excess of revenues and other financing sources over expenditures and other financing uses, US GAAP basis			<u>1,130,867</u>	
Fund balance, July 1, 2015			<u>2,323,296</u>	
Committed fund balance June 30, 2016			1,783,375	
Restricted fund balance June 30, 2016			<u>1,670,788</u>	
Total fund balance June 30, 2016			<u>\$ 3,454,163</u>	

*See notes to the required supplementary information
 See independent auditor's report*

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Notes to Required Supplementary Information - Reconciliation of Differences Between
Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

For the Year Ended June 30, 2016

The accompanying Statement of Revenues and Expenditures (GAAP or Budgetary Basis Non-GAAP) present comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principles 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, 2016 is presented below:

	<u>General Fund</u>	<u>School Unrestricted</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 389,872	\$ 1,130,867
State contribution to teachers' pension plan revenue on behalf	-	1,417,615
State contribution to teacher's pension plan expense on behalf	-	(1,417,615)
Unfunded contingency liability	<u>(175,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ 214,872</u>	<u>\$ 1,130,867</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Funding Progress - Other Post-Employment Benefits

For the Year Ended June 30, 2016

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
7/1/2012	-	24,492,216	(24,492,216)	0%	N/A	N/A
7/1/2013	-	24,689,939	(24,689,939)	0%	N/A	N/A
7/1/2014	-	21,366,918	(21,366,918)	0%	N/A	N/A

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Required Contributions - Other Post-Employment Benefits

For the Year Ended June 30, 2016

<u>Years Ending June 30</u>	<u>Town's Portion of Annual Required Contributions</u>	<u>Percentage Contributed</u>
2014	\$ 2,542,567	50.59%
2015	\$ 2,486,206	49.80%
2016	\$ 2,517,378	48.40%

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Town's Proportionate Share of Net Pension Liability

Employees' Retirement System (ERS)

For the Year Ended June 30, 2016

	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability	0.78949625%	0.67955856%
Employer's proportionate share of the net pension liability	\$ 21,734,853	\$ 16,540,458
State's proportionate share of the net pension liability associated with the school district	<u>14,848,569</u>	<u>11,342,554</u>
Total	<u>\$ 36,583,422</u>	<u>\$ 27,883,012</u>
Employer's covered employee payroll	\$ 15,064,982	\$ 14,797,140
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	242.84%	188.44%
Plan fiduciary net position as a percentage of the total pension liability	56.53%	61.40%

Notes:

1.) *The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.*

2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*

3.) *Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.*

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Town's Contribution

Employees' Retirement System (ERS)

For the Year Ended June 30, 2016

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,975,279	\$ 1,720,334
Contributions in relation to the actuarially determined contribution	<u>1,975,279</u>	<u>1,720,334</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 15,064,982	\$ 14,797,140
Contributions as a percentage of covered- employee payroll	13.11%	11.63%

Notes:

1.) *Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.*

2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*

3.) *Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.*

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND*Required Supplementary Information*

Schedule of Town's Changes in Net Pension Liability and Related Ratios

Municipal Employees' Retirement System

Fire Department

For the Year Ended June 30, 2016

	<u>Year Ended June 30, 2015</u>	<u>Year Ended June 30, 2014</u>
A. Total pension liability		
1. Service Cost	\$ 299,037	\$ 273,939
2. Interest on the Total Pension Liability	795,965	771,046
3. Changes of benefit terms	490,060	-
4. Difference between expected and actual experience of the Total Pension Liability	23,126	-
5. Changes of assumptions	-	(95,297)
6. Benefit payments, including refunds of employee contributions	<u>(606,263)</u>	<u>(653,720)</u>
7. Net change in total pension liability	1,001,925	295,968
8. Total pension liability – beginning	<u>10,766,475</u>	<u>10,470,507</u>
9. Total pension liability – ending (a)	<u><u>\$ 11,768,400</u></u>	<u><u>\$ 10,766,475</u></u>
B. Plan fiduciary net position		
1. Contributions – employer	\$ 266,991	\$ 164,296
2. Contributions – employee	139,329	133,465
3. Net investment income	228,566	1,297,206
4. Benefit payments, including refunds of employee contributions	(606,263)	(653,720)
5. Pension Plan Administrative Expense	(9,174)	(8,123)
6. Other	<u>(5,926)</u>	<u>(154)</u>
7. Net change in plan fiduciary net position	13,523	932,970
8. Plan fiduciary net position – beginning	<u>9,739,601</u>	<u>8,806,631</u>
9. Plan fiduciary net position – ending (b)	<u><u>\$ 9,753,124</u></u>	<u><u>\$ 9,739,601</u></u>
C. Net pension liability - ending (a) - (b)	<u><u>\$ 2,015,276</u></u>	<u><u>\$ 1,026,874</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	82.88%	90.46%
E. Covered employee payroll	\$ 1,741,627	\$ 1,668,325
F. Net pension liability as a percentage of covered payroll	115.71%	61.55%

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Town's Contribution

Municipal Employees' Retirement System
Fire Department

For the Year Ended June 30, 2016

	<u>Fiscal 2015</u>	<u>Fiscal 2014</u>
Actuarially determined contribution	\$ 266,991	\$ 164,296
Contributions in relation to the actuarially determined contribution	<u>266,991</u>	<u>164,296</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>
Covered-employee payroll	<u>\$ 1,741,627</u>	<u>\$ 1,668,325</u>
Contributions as a percentage of covered-employee payroll	15.33%	9.85%

Notes:

1.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

3.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

Municipal Employees' Retirement System

General Town Employees

For the Year Ended June 30, 2016

	<u>Year Ended June 30, 2015</u>	<u>Year Ended June 30, 2014</u>
A. Total pension liability		
1. Service Cost	\$ 300,404	\$ 320,597
2. Interest on the Total Pension Liability	763,644	725,531
3. Changes of benefit terms	175,946	-
4. Difference between expected and actual experience of the Total Pension Liability	(178,453)	-
5. Changes of assumptions	-	22,056
6. Benefit payments, including refunds of employee contributions	<u>(569,582)</u>	<u>(530,246)</u>
7. Net change in total pension liability	491,959	537,938
8. Total pension liability – beginning	<u>10,316,515</u>	<u>9,778,577</u>
9. Total pension liability – ending (a)	<u><u>\$ 10,808,474</u></u>	<u><u>\$ 10,316,515</u></u>
B. Plan fiduciary net position		
1. Contributions – employer	\$ 144,299	\$ 129,321
2. Contributions – employee	65,589	67,392
3. Net investment income	304,312	1,732,208
4. Benefit payments, including refunds of employee contributions	(569,582)	(530,246)
5. Pension Plan Administrative Expense	(12,548)	(10,847)
6. Other	<u>47,586</u>	<u>24,573</u>
7. Net change in plan fiduciary net position	(20,344)	1,412,401
8. Plan fiduciary net position – beginning	<u>13,005,651</u>	<u>11,593,250</u>
9. Plan fiduciary net position – ending (b)	<u><u>\$ 12,985,307</u></u>	<u><u>\$ 13,005,651</u></u>
C. Net pension liability - ending (a) - (b)	<u><u>\$ (2,176,833)</u></u>	<u><u>\$ (2,689,136)</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	120.14%	126.07%
E. Covered employee payroll	\$ 3,279,520	\$ 3,301,722
F. Net pension liability as a percentage of covered payroll	-66.38%	-81.45%

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Contributions

Municipal Employees' Retirement System
General Town Employees

For the Year Ended June 30, 2016

	<u>Fiscal 2015</u>	<u>Fiscal 2014</u>
Actuarially determined contribution	\$ 144,299	\$ 129,321
Contributions in relation to the actuarially determined contribution	<u>144,299</u>	<u>129,321</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>
Covered-employee payroll	<u>\$ 3,279,520</u>	<u>\$ 3,301,722</u>
Contributions as a percentage of covered-employee payroll	4.40%	3.92%

Notes:

1.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

3.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

Municipal Employees' Retirement System

Local 2670A Employees

For the Year Ended June 30, 2016

	<u>Year Ended June 30, 2015</u>	<u>Year Ended June 30, 2014</u>
A. Total pension liability		
1. Service Cost	\$ 89,239	\$ 94,889
2. Interest on the Total Pension Liability	289,484	277,106
3. Changes of benefit terms	95,897	-
4. Difference between expected and actual experience of the Total Pension Liability	210,697	-
5. Changes of assumptions	-	14,773
6. Benefit payments, including refunds of employee contributions	<u>(231,277)</u>	<u>(206,525)</u>
7. Net change in total pension liability	454,040	180,243
8. Total pension liability – beginning	<u>3,930,809</u>	<u>3,750,566</u>
9. Total pension liability – ending (a)	<u><u>\$ 4,384,849</u></u>	<u><u>\$ 3,930,809</u></u>
B. Plan fiduciary net position		
1. Contributions – employer	\$ 103,515	\$ 89,438
2. Contributions – employee	20,064	18,161
3. Net investment income	92,015	525,526
4. Benefit payments, including refunds of employee contributions	(231,277)	(206,525)
5. Pension Plan Administrative Expense	(3,693)	(3,291)
6. Other	<u>18</u>	<u>-</u>
7. Net change in plan fiduciary net position	(19,358)	423,309
8. Plan fiduciary net position – beginning	<u>3,945,724</u>	<u>3,522,415</u>
9. Plan fiduciary net position – ending (b)	<u><u>\$ 3,926,366</u></u>	<u><u>\$ 3,945,724</u></u>
C. Net pension liability - ending (a) - (b)	<u><u>\$ 458,483</u></u>	<u><u>\$ (14,915)</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	89.54%	100.38%
E. Covered employee payroll	\$ 1,002,691	\$ 985,345
F. Net pension liability as a percentage of covered payroll	45.73%	-1.51%

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Town's

Municipal Employees' Retirement System

Local 2670A Employees

For the Year Ended June 30, 2016

	<u>Fiscal 2015</u>	<u>Fiscal 2014</u>
Actuarially determined contribution	\$ 103,515	\$ 89,438
Contributions in relation to the actuarially determined contribution	<u>103,515</u>	<u>89,438</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>
Covered-employee payroll	<u>\$ 1,002,691</u>	<u>\$ 985,345</u>
Contributions as a percentage of covered-employee payroll	10.32%	9.08%

Notes:

1.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

3.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Notes to Required Supplementary Information

Schedule of Town's

Municipal Employees' Retirement System

For the Year Ended June 30, 2016

Changes in benefit provisions –

The June 30, 2015 measurement date determination of the net pension liability for the ERS and MERS plans reflects changes in benefit changes resulting from the settlement of litigation challenging the various pension reform measures enacted in previous years by the General Assembly. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision)
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before 7/1/2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 years rather than 5 year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less the discount rate (5yr Return - 7.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Town's Proportionate Share of Net Pension Liabilities and Related Ratios

Teachers' Survivors Benefit Plan

For the Year Ended June 30, 2016

	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension asset	2.97993976%	2.98594898%
Employer's proportionate share of the net pension asset	\$ 2,781,941	\$ 3,712,154
Employer's covered employee payroll	\$ 15,064,982	\$ 14,797,140
Employer's proportionate share of the net pension asset as a percentage of its covered employee payroll	18.47%	25.09%
Plan fiduciary net position as a percentage of the total pension liability	146.6%	173.3%

Notes:

1.) *The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.*

2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*

3.) *Employers participating in the Teachers' Survivors Benefit Plan contribute at a rate established by RI General Laws, Section 16-16-35.*

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Town's Contribution

Teachers' Survivors Benefit Plan

For the Year Ended June 30, 2016

	<u>2016</u>	<u>2015</u>
Statutorily determined contribution	\$ 18,602	\$ 18,364
Contributions in relation to the statutorily determined contribution	<u>18,602</u>	<u>18,364</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Cover's employee payroll	\$ 15,064,982	\$ 14,797,140
Contributions as a percentage of covered-employee payroll	0.12%	0.12%

Notes:

1.) *The amounts presented for each fiscal year were determined as of 6/30 measurement*

2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*

3.) *Employers participating in the Teachers' Survivors Benefit Plan contribute at a rate established by RI General Laws, Section 16-16-35.*

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

Police Pension Plan

For the Year Ended June 30, 2016

*Last 10 Fiscal Years**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Total pension liability			
Service cost	\$ 322,696	\$ 315,103	\$ 285,815
Interest	1,091,027	1,733,891	1,461,475
Changes of benefit terms	-	-	-
Differences between expected and actual experience	10,225	(699,268)	(595,528)
Changes of assumptions	-	-	-
Benefit payments, including refunds of participant contributions	<u>(761,797)</u>	<u>(748,242)</u>	<u>(765,309)</u>
Net change in total pension liability	662,151	601,484	386,453
Total pension liability - beginning	<u>14,604,337</u>	<u>14,002,853</u>	<u>13,616,400</u>
Total pension liability - ending	<u>\$ 15,266,488</u>	<u>\$ 14,604,337</u>	<u>\$ 14,002,853</u>
Pension fiduciary net position			
Contributions - employer	\$ 700,000	\$ 800,000	\$ 825,000
Contributions - employee	172,701	179,257	166,440
Net investment income	(332,601)	698,683	1,157,063
Benefit payments, including refunds of participant contributions	(761,797)	(748,242)	(765,309)
Administrative expense	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	(221,697)	929,698	1,383,194
Plan fiduciary net position - beginning	<u>9,778,266</u>	<u>8,848,568</u>	<u>7,465,374</u>
Plan fiduciary net position - ending	<u>\$ 9,556,569</u>	<u>\$ 9,778,266</u>	<u>\$ 8,848,568</u>
Plan's net pension liability - ending	<u>\$ 5,709,919</u>	<u>\$ 4,826,071</u>	<u>\$ 5,154,285</u>

** Third year of implementation of GASB 67 therefore only three years of the 10 year required data is available*

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

Police Pension Plan

For the Year Ended June 30, 2016

Last 10 Fiscal Years*

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Total pension liability	\$ 15,266,488	\$ 14,604,337	\$ 14,002,853	\$ 13,616,400
Plan fiduciary net position	<u>9,556,569</u>	<u>9,778,266</u>	<u>8,848,568</u>	<u>7,465,374</u>
Town's net pension liability	<u>\$ 5,709,919</u>	<u>\$ 4,826,071</u>	<u>\$ 5,154,285</u>	<u>\$ 6,151,026</u>
Plan fiduciary net position as a percentage of the total pension liability	62.60%	66.95%	63.19%	54.83%
Covered-employee payroll	1,716,424	1,454,719	1,448,086	1,473,196
Net pension liability as a percentage of covered-employee payroll	332.66%	331.75%	355.94%	417.53%

* Third year of implementation of GASB 67 therefore only three years of the ten years required data is available

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Contributions

Police Pension Plan

For the Year Ended June 30, 2016

Last 10 Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Actuarially determined contribution	\$ 503,576	\$ 536,634	\$ 544,334	\$ 590,573	\$ 682,092	\$1,067,884	\$1,023,362	\$ 711,225	\$ 597,226	\$ 647,343
Contributions in relation to the actuarially determined contribution	<u>700,000</u>	<u>800,000</u>	<u>825,000</u>	<u>700,000</u>	<u>550,000</u>	<u>448,511</u>	<u>-</u>	<u>711,225</u>	<u>597,226</u>	<u>595,556</u>
Contribution deficiency (excess)	<u>\$ (196,424)</u>	<u>\$ (263,366)</u>	<u>\$ (280,666)</u>	<u>\$ (109,427)</u>	<u>\$ 132,092</u>	<u>\$ 619,373</u>	<u>\$1,023,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,787</u>
Covered-employee payroll	1,716,424	1,454,719	1,448,086	1,473,196	1,587,328	1,762,244	1,716,156	1,511,997	1,338,190	1,275,405
Contributions as a percentage of covered-employee payroll	40.78%	54.99%	56.97%	47.52%	34.65%	25.45%	0.00%	47.04%	44.63%	46.70%

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND
Required Supplementary Information
Schedule of Investment Returns – Police Pension Plan
For the Year Ended June 30, 2016
*Last 10 Fiscal Years**

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Annual money-weighted rate of return, net of investment expense	0.04%	0.28%	15.30%

** Third year of implementation of GASB 67 therefore only three years of the ten year required data is available*

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Notes to Police Pension Plan Required Supplementary Information

For the Year Ended June 30, 2016

Notes to the Schedule:

Valuation Date:

Actuarially determined contribution rates are calculated as of June 30, 2016.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent-of-payroll
Remaining amortization period	21 years
Asset valuation method	Market plus receivables
Inflation	Contribution as a percentage of payroll
Salary increases	3.50%
Investment rate of return	7.50%, net of administrative expenses paid by the Trust
Retirement age	The rate is 50% at first eligibility, then the rate is 10% per year thereafter, with 100% at age 55 (or first eligible if later)
Mortality	Assumed life expectancies were adjusted as a result of adopting the RP-2000 Healthy Annuitant Mortality Table
Disability	Annual rates of disability increase males from age 25 to .03% to age 60 at .90% and in females from age 25 at .05% to age 60 at 1.21%
Turnover	None
Cost of living adjustments	1.3% increase each year

See independent auditor's report

Supplementary Information

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Detailed Budgetary Comparison Schedule - General Fund
Schedule of Revenues – Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget Revenues</u>	<u>Transfers</u>	<u>Total Budget Available</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General property taxes					
Real estate and personal property tax	\$ 37,798,059	\$ -	\$ 37,798,059	\$ 38,034,753	\$ 236,694
Total general property taxes	<u>37,798,059</u>	<u>-</u>	<u>37,798,059</u>	<u>38,034,753</u>	<u>236,694</u>
Intergovernmental					
State of Rhode Island	1,732,226	-	1,732,226	1,778,559	46,333
Total intergovernmental	<u>1,732,226</u>	<u>-</u>	<u>1,732,226</u>	<u>1,778,559</u>	<u>46,333</u>
Licenses, permits, and usage fees					
Business fees	722,868	-	722,868	696,061	(26,807)
Usage fees	1,518,925	-	1,518,925	1,550,190	31,265
Total licenses, permits, and usage fees	<u>2,241,793</u>	<u>-</u>	<u>2,241,793</u>	<u>2,246,251</u>	<u>4,458</u>
Fines and interest on late payments	290,000	-	290,000	319,773	29,773
Interest on investments	30,000	-	30,000	45,669	15,669
Other revenues	35,960	-	35,960	138,303	102,343
Total revenues	<u>42,128,038</u>	<u>-</u>	<u>42,128,038</u>	<u>42,563,308</u>	<u>435,270</u>
Other financing sources					
Use of fund balance	368,135	-	368,135	-	(368,135)
Transfers from other funds	-	-	-	36,108	36,108
Total other financing sources	<u>368,135</u>	<u>-</u>	<u>368,135</u>	<u>36,108</u>	<u>(332,027)</u>
Total revenue and other financing sources	<u>\$ 42,496,173</u>	<u>\$ -</u>	<u>\$ 42,496,173</u>	<u>\$ 42,599,416</u>	<u>\$ 103,243</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Detailed Budgetary Comparison Schedule - General Fund
Schedule of Expenditures – Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances to FY 17</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances Carried to FY 16</u>	<u>Original Budget</u>	<u>Transfers</u>					
<u>General government</u>								
<i>Town clerk's office</i>								
Dept management salary	\$ -	\$ 60,732	\$ -	\$ 60,732	\$ 60,732	\$ -	\$ -	\$ -
Staff salaries - AFSCME	-	155,314	1,248	156,562	156,562	-	-	-
Longevity	-	5,235	-	5,235	5,235	-	-	-
Photocopier lease	-	4,000	(2,528)	1,472	1,472	-	-	-
Recording Expenses	-	18,000	2,164	20,164	20,164	-	-	-
Recodify Town Code	-	6,000	(274)	5,726	5,726	-	-	-
Supplies and misc.	-	8,600	(454)	8,146	8,146	-	-	-
Total town clerk's office	-	257,881	156	258,037	258,037	-	-	-
<i>Town council</i>								
Town council stipends	-	17,300	-	17,300	17,300	-	-	-
Contingency fund	-	50,000	(38,212)	11,788	10,048	-	1,749	525
Advertising/ ordinances	-	18,000	843	18,843	18,843	-	-	-
Adv/ ord - Comp Plan	-	10,000	(10,000)	-	-	-	-	-
Supplies and misc.	-	2,000	549	2,549	2,549	-	-	-
Total town council	-	97,300	(46,820)	50,480	48,740	-	1,749	525
<i>Board of canvassers</i>								
Board of canvas stipends	-	3,600	(1,300)	2,300	2,300	-	-	-
Elections	17,589	20,000	2,458	40,047	14,884	25,163	-	-
Supplies and misc.	-	2,000	(400)	1,600	1,600	-	-	-
Computer service	-	1,500	(850)	650	650	-	-	-
Total board of canvassers	17,589	27,100	(92)	44,597	19,434	25,163	-	-
<i>Town hall</i>								
Heat	-	3,500	703	4,203	4,203	-	-	-
Electric	-	12,100	1,990	14,090	14,090	-	-	-
Water and supplies	-	550	144	694	694	-	-	-
Telephone	-	3,750	(400)	3,350	2,772	-	578	173
Building maintenance	-	7,000	2,174	9,174	9,174	-	-	-
Total town hall	-	26,900	4,611	31,511	30,933	-	578	173
<i>Legal Services</i>								
Town solicitor	-	98,000	-	98,000	98,000	-	-	-
Litigation	-	50,000	3,516	53,516	53,516	-	-	-
Prosecutions	-	18,000	(4,482)	13,518	13,518	-	-	-
Legal zoning issues	-	12,000	6,819	18,819	18,819	-	-	-
Labor counsel	-	30,000	57,029	87,029	87,029	-	-	-
Total legal services	-	208,000	62,882	270,882	270,882	-	-	-

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Detailed Budgetary Comparison Schedule - General Fund
Schedule of Expenditures – Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances Carried to FY 17</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances Carried to FY 16</u>	<u>Original Budget</u>	<u>Transfers</u>					
<i>Building / zoning inspector</i>								
Dept management salary	-	60,000	6,000	66,000	65,000	-	1,000	300
Staff salaries - AFSCME	-	38,641	1,015	39,656	39,656	-	-	-
Longevity	-	2,318	-	2,318	2,301	-	17	5
Vacation coverage	-	1,350	(570)	780	780	-	-	-
Copy Services	-	672	(432)	240	-	-	240	72
Postage	-	1,500	(700)	800	701	-	99	30
Automobile expenses	-	2,000	1,418	3,418	3,418	-	-	-
Education seminars	-	500	394	894	894	-	-	-
Telephone	-	1,200	(17)	1,183	1,183	-	-	-
Boarding of buildings	-	500	10,401	10,901	10,901	-	-	-
Professional/ Tech Services	-	-	1,300	1,300	1,300	-	-	-
Supplies and misc.	-	3,600	(1,428)	2,172	2,120	-	52	16
Software maintenance	-	2,244	-	2,244	2,000	-	244	73
<i>Total building / zoning inspec</i>	-	114,525	17,381	131,906	130,254	-	1,652	496
<i>Planning board</i>								
Administrative Officer Stipend	-	8,000	-	8,000	4,667	-	3,333	1,000
Comp Plan Mapping	-	-	1,710	1,710	1,710	-	-	-
Comp Plan Advertising & Print	-	1,500	(1,500)	-	-	-	-	-
Subdivision Regs Amendment	-	500	281	781	781	-	-	-
Professional/ Tech Svcs	-	5,000	-	5,000	4,600	-	400	120
Supplies and Misc	-	1,500	-	1,500	1,378	-	122	37
CPU upgrades, Maint and Equi	-	500	(491)	9	-	-	9	3
<i>Total planning board</i>	-	17,000	-	17,000	13,136	-	3,864	1,159
<i>Zoning board of review</i>								
Public stenographer	-	4,000	434	4,434	4,278	-	156	47
<i>Total zoning board of review</i>	-	4,000	434	4,434	4,278	-	156	47
<i>Town sergeant</i>								
Town sergeant stipend	-	1,500	-	1,500	1,500	-	-	-
Total town sergeant	-	1,500	-	1,500	1,500	-	-	-
<i>Financial town referendum</i>								
Financial town referendum	-	12,000	(1,208)	10,792	10,792	-	-	-
<i>Total financial town referend</i>	-	12,000	(1,208)	10,792	10,792	-	-	-

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Detailed Budgetary Comparison Schedule - General Fund
Schedule of Expenditures – Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>			Total Available	Actual	Encumbrances Carried to FY 17	Variance Favorable (Unfavorable)	T/C Resolution to Paving
	Encumbrances Carried to FY 16	Original Budget	Transfers					
Town administrator								
Dept mgmt salary	-	93,177	(256)	92,921	92,053	-	868	260
Personnel svcs	-	41,694	256	41,950	41,950	-	-	-
Photocopier lease	-	2,500	(179)	2,321	2,321	-	-	-
Automobile expenses	-	400	(298)	102	33	-	69	21
Town wide internet svcs	-	2,800	1,058	3,858	3,858	-	-	-
Employee manual maint	-	3,000	(2,394)	606	605	-	1	0
Website	-	3,000	(581)	2,419	2,419	-	-	-
League of cities & towns	-	-	8,831	8,831	8,831	-	-	-
Supplies and misc.	-	750	3,950	4,700	4,674	-	26	8
Computer services	-	5,000	8,767	13,767	13,767	-	-	-
Expense account	-	200	50	250	250	-	-	-
Total town administrator	-	152,521	19,204	171,725	170,761	-	964	289
Planning department								
Dept mgmt salary	-	28,250	27,600	55,850	55,850	-	-	-
Staf salaries - AFSCME	-	36,955	(16,291)	20,664	20,663	-	1	0
Longevity	-	1,848	-	1,848	1,834	-	14	4
Photocopier lease	-	1,050	230	1,280	1,197	-	83	25
Education / seminars	-	500	427	927	927	-	-	-
Telephone	-	700	22	722	722	-	-	-
Professional / tech svcs	-	1,000	(657)	343	30	-	313	94
Publications	-	100	-	100	-	-	100	30
Supplies and maint	-	1,000	(644)	356	298	-	58	17
Software maint	-	250	-	250	-	-	250	75
Total planning department	-	71,653	10,687	82,340	81,521	-	819	246
Municipal court								
Municipal court judge	-	12,500	-	12,500	12,500	-	-	-
Clerical assistant	-	10,718	(3,785)	6,933	6,933	-	-	-
Telephone	-	350	-	350	277	-	73	22
Supplies and misc.	-	1,080	18,253	19,333	19,333	-	-	-
Computer	-	-	-	-	-	-	-	-
Total municipal court	-	24,648	14,468	39,116	39,043	-	73	22
Probate account								
Probate court judge	-	8,500	1	8,501	8,501	-	-	-
Supplies and misc	-	1,000	(326)	674	600	-	74	22
Program software	-	300	-	300	295	-	5	2
Total probate account	-	9,800	(325)	9,475	9,396	-	79	24
Total general government	\$ 17,589	\$ 1,024,828	\$ 81,378	\$ 1,123,795	\$ 1,088,707	\$ 25,163	\$ 9,934	\$ 2,980

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Detailed Budgetary Comparison Schedule - General Fund
Schedule of Expenditures – Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances to FY 17</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances Carried to FY 16</u>	<u>Original Budget</u>	<u>Transfers</u>					
<i>Finance and administration</i>								
<i>Tax assessor's</i>								
Dept mgmt salary	\$ -	\$ 70,760	\$ -	\$ 70,760	\$ 70,680	\$ -	\$ 80	24
Staff salaries - AFSCME	-	57,119	(702)	56,417	56,416	-	1	0
Longevity	-	3,427	-	3,427	3,401	-	26	8
Printing	-	2,000	721	2,721	2,721	-	-	-
GIS web hosting	-	3,000	(141)	2,859	2,700	-	159	48
GIS update / data layers	-	4,000	(603)	3,397	3,397	-	-	-
Mileage	-	1,000	(200)	800	317	-	483	145
Education / seminars	-	1,000	(600)	400	37	-	363	109
Telephone	-	1,300	-	1,300	1,001	-	299	90
Professional/ tech svcs	-	2,500	(520)	1,980	1,652	-	328	98
Supplies and misc.	-	3,000	600	3,600	3,416	-	184	55
Software maint	-	5,500	-	5,500	5,433	-	67	20
Total tax assessor's	-	154,606	(1,445)	153,161	151,171	-	1,990	597
<i>Revaluation acct</i>								
Revaluation - consulting	66,899	53,000	-	119,899	(21,359)	141,258	-	-
Total revaluation acct	66,899	53,000	-	119,899	(21,359)	141,258	-	-
<i>Treasurer's office</i>								
Dept mgmt salary	-	67,195	-	67,195	67,195	-	-	-
Staff salaries - AFSCME	-	85,980	(2,661)	83,319	73,489	-	9,830	2,949
Longevity	-	4,134	-	4,134	4,134	-	-	-
Office equip	-	1,000	(520)	480	396	-	84	25
Education / seminars	-	500	115	615	615	-	-	-
Telephone	-	1,300	(480)	820	815	-	5	2
Computerized payroll	-	16,000	1,222	17,222	17,222	-	-	-
Consultant - GASB 45	-	2,000	-	2,000	1,900	-	100	30
Consulting services	-	1,500	780	2,280	2,280	-	-	-
Supplies and misc.	-	5,000	(2,169)	2,831	2,830	-	1	0
Software maint	-	2,000	1,339	3,339	3,339	-	-	-
Total treasurer's office	-	186,609	(2,374)	184,235	174,215	-	10,020	3,006
<i>Tax collector</i>								
Dept mgmt salary	-	31,152	-	31,152	31,151	-	1	0
Staff salaries - AFSCME	-	57,119	702	57,821	57,821	-	-	-
Longevity	-	3,400	1	3,401	3,401	-	-	-
Postage	-	8,800	(796)	8,004	8,004	-	-	-
Telephone	-	800	(97)	703	683	-	20	6
Consulting svcs	-	5,000	3,743	8,743	8,743	-	-	-
Supplies and misc.	-	5,000	2,835	7,835	7,835	-	-	-
Software maint	-	3,735	-	3,735	3,735	-	-	-
Total tax collector	-	115,006	6,388	121,394	121,373	-	21	6

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Detailed Budgetary Comparison Schedule - General Fund
Schedule of Expenditures – Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances Carried to FY 17</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances Carried to FY 16</u>	<u>Original Budget</u>	<u>Transfers</u>					
Tax sale								
Tax sale	-	3,000	(2,568)	432	432	-	-	-
Total tax sale	-	3,000	(2,568)	432	432	-	-	-
Insurance								
ER - health savings contributi	-	180,000	(30,333)	149,667	149,667	-	-	-
Group health ins. - active	-	1,201,000	2,471	1,203,471	1,201,993	-	1,478	443
Group health ins - retired	-	650,600	59,201	709,801	709,801	-	-	-
Dental ins - active	-	70,000	138	70,138	70,138	-	-	-
Dental ins - retired	-	30,000	1,051	31,051	31,051	-	-	-
Life ins - active	-	40,000	5,570	45,570	45,525	-	45	14
Town bldgs / pers prop	-	299,200	(16,538)	282,662	282,662	-	-	-
Workmens comp insurance	-	95,000	(8,894)	86,106	86,106	-	-	-
Total insurance	-	2,565,800	12,666	2,578,466	2,576,943	-	1,523	457
Audit of town accounts								
Audit services	-	22,000	-	22,000	22,000	-	-	-
Total audit of town accounts	-	22,000	-	22,000	22,000	-	-	-
Pension plans								
Special retirement	-	16,500	-	16,500	16,500	-	-	-
Fire pension - 1534	-	265,000	(4,615)	260,385	230,385	-	30,000	9,000
Pension plan - police	-	700,000	-	700,000	700,000	-	-	-
ERSRI - pension 1532	-	45,000	11,448	56,448	56,282	-	166	50
TIAA CREF - 1532	-	8,090	5,000	13,090	12,975	-	115	35
ERSRI - pension 1538	-	95,000	(5,226)	89,774	87,629	-	2,145	644
TIAA CREF - 1538	-	9,608	226	9,834	9,834	-	-	-
Total pension plans	-	1,139,198	6,833	1,146,031	1,113,605	-	32,426	9,728
Social security								
Social security and medicare	-	509,554	(14,220)	495,334	495,334	-	-	-
Total social security	-	509,554	(14,220)	495,334	495,334	-	-	-
Unemployment security								
Unemployment security	-	10,000	-	10,000	7,345	-	2,655	797
Total unemployment security	-	10,000	-	10,000	7,345	-	2,655	797
Unfunded liability								
Unfunded liability	-	55,000	150,170	205,170	204,782	-	388	116
Total unfunded liability	-	55,000	150,170	205,170	204,782	-	388	116
Budget committee								
Supplies and misc.	-	1,250	-	1,250	500	-	750	225
Total budget committee	-	1,250	-	1,250	500	-	750	225
Total finance administration	\$ 66,899	\$ 4,815,023	\$ 155,450	\$ 5,037,372	\$ 4,846,341	\$ 141,258	\$ 49,773	\$ 14,932

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TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Detailed Budgetary Comparison Schedule - General Fund
Schedule of Expenditures – Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances to FY 17</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances to FY 16</u>	<u>Original Budget</u>	<u>Transfers</u>					
<i>Public safety</i>								
<i>Fire department</i>								
Dept mgmt salary	\$ -	\$ 82,865	\$ -	\$ 82,865	\$ 82,146	\$ -	\$ 719	216
Personnel svcs	-	1,506,762	(188,012)	1,318,750	1,317,325	-	1,425	428
Staff salaries	-	47,558	-	47,558	47,553	-	5	2
Overtime	-	175,000	(9,108)	165,892	159,173	-	6,719	2,016
Shift differential	-	4,000	-	4,000	3,491	-	509	153
Holiday pay	-	69,980	(3,400)	66,580	66,570	-	10	3
Longevity	-	82,913	(8,400)	74,513	73,431	-	1,082	325
Education allowance	-	3,000	4,300	7,300	7,286	-	14	4
EMS incentive	-	92,170	(17,080)	75,090	73,025	-	2,065	620
Fire marshall inspections	-	30,000	7,994	37,994	37,994	-	-	-
Clothing allowance	-	48,125	(4,300)	43,825	43,815	-	10	3
Recruiting process	-	2,500	2,800	5,300	5,043	-	257	77
Equipment svcs contract	-	33,184	-	33,184	32,300	-	884	265
Radio maintenance	-	10,500	-	10,500	10,416	-	84	25
Minor equip replacements	-	13,000	2,000	15,000	14,411	-	589	177
Hazardous equipment	-	2,000	-	2,000	1,700	-	300	90
Heat	-	19,000	(7,300)	11,700	11,340	-	360	108
Sewer fee	-	500	-	500	491	-	9	3
Electric	-	11,000	-	11,000	10,706	-	294	88
Water and supplies	-	1,600	-	1,600	1,171	-	429	129
Firefighter training	-	9,000	1,500	10,500	10,500	-	-	-
Operational technologies	-	3,000	3,400	6,400	6,362	-	38	11
Telephone	-	18,000	4,800	22,800	22,726	-	74	22
Medical Director - EMS	-	8,000	-	8,000	8,000	-	-	-
Medical physicals	-	8,000	(3,775)	4,225	2,686	-	1,539	462
Medical supplies	-	28,000	7,275	35,275	35,180	-	95	29
Personal and protective gear	-	20,000	-	20,000	19,981	-	19	6
Supplies and misc.	-	5,000	2,500	7,500	7,488	-	12	4
Software maint	-	5,500	3,400	8,900	8,900	-	-	-
Fuel oil and tires	-	71,100	(9,800)	61,300	57,920	-	3,380	1,014
Apparatus maintenance	-	45,000	15,000	60,000	59,920	-	80	24
Station maintenance	-	25,000	-	25,000	24,305	-	695	209
<i>Total fire department</i>	<u>-</u>	<u>2,481,257</u>	<u>(196,206)</u>	<u>2,285,051</u>	<u>2,263,355</u>	<u>-</u>	<u>21,696</u>	<u>6,509</u>

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TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Detailed Budgetary Comparison Schedule - General Fund
Schedule of Expenditures – Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>				<u>Actual</u>	<u>Encumbrances to FY 17</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Carried to FY 16</u>	<u>Original Budget</u>	<u>Transfers</u>	<u>Total Available</u>				
<i>Police department</i>								
Dept mgmt salary	-	88,096	-	88,096	87,609	-	487	146
Personnel svcs	-	1,605,521	(43,729)	1,561,792	1,535,105	-	26,687	8,006
Staff salaries - AFSCME	-	516,264	(50,007)	466,257	451,173	-	15,084	4,525
Overtime	-	200,000	38,298	238,298	229,514	-	8,784	2,635
Shift differential	-	16,053	-	16,053	14,908	-	1,145	344
Out of rank	-	2,664	(2,385)	279	222	-	57	17
Holiday pay	-	140,444	(26,646)	113,798	113,798	-	-	-
Longevity	-	90,190	(1,914)	88,276	88,276	-	-	-
Health and wellness	-	-	14,500	14,500	14,500	-	-	-
Education incentive	-	48,516	(229)	48,287	46,306	-	1,981	594
Sick leave buy back	-	30,571	(12,631)	17,940	14,994	-	2,946	884
Clothing allowance	-	50,000	11,050	61,050	61,050	-	-	-
In-service training	-	20,000	(5,188)	14,812	14,812	-	-	-
Uniform equip replacement	-	5,000	406	5,406	5,406	-	-	-
Animal shelter	-	26,828	(718)	26,110	26,110	-	-	-
Animal controls expenses	-	500	(250)	250	250	-	-	-
Tires, parts, and maintenance	-	18,500	8,408	26,908	26,908	-	-	-
Operations, ammo & photo s	-	17,000	16,137	33,137	31,936	-	1,201	360
Chief's misc expenses	-	1,600	-	1,600	1,599	-	1	0
Photocopier lease	-	19,000	1,040	20,040	20,040	-	-	-
State qualifications	-	2,000	139	2,139	2,139	-	-	-
Heat	-	11,500	(2,976)	8,524	8,524	-	-	-
Electric	-	21,215	587	21,802	21,802	-	-	-
Water and supplies	-	1,000	32	1,032	1,032	-	-	-
Prisoner meals	-	600	-	600	600	-	-	-
Education / seminars	-	45,000	36,179	81,179	81,179	-	-	-
Radio, communications	-	12,000	1,225	13,225	13,222	-	3	1
Telephone	-	17,000	388	17,388	17,388	-	-	-
Medical supplies	-	700	2,775	3,475	3,474	-	1	0
Code Red System	-	5,000	-	5,000	5,000	-	-	-
Psychological testing	-	2,500	375	2,875	2,300	-	575	173
Supplies and misc	-	10,800	2,142	12,942	12,939	-	3	1
Fued, oil, tires	-	80,000	(35,047)	44,953	44,883	-	70	21
Station maintenance	-	9,500	4,157	13,657	13,657	-	-	-
Resource officer - school	-	(54,432)	-	(54,432)	(54,432)	-	-	-
<i>Total police department</i>	-	3,061,130	(43,882)	3,017,248	2,958,223	-	59,025	17,708
<i>Harbor commission</i>								
Education / seminars	-	1,400	2,200	3,600	3,600	-	-	-
<i>Total harbor commission</i>	-	1,400	2,200	3,600	3,600	-	-	-

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TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Detailed Budgetary Comparison Schedule - General Fund
Schedule of Expenditures – Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>				<u>Actual</u>	<u>Encumbrances to FY 17</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances Carried to FY 16</u>	<u>Original Budget</u>	<u>Transfers</u>	<u>Total Available</u>				
Harbor master								
Harbormaster stipend	-	5,250	-	5,250	5,250	-	-	-
Assistant Harbormaster	-	2,000	(1,200)	800	333	-	467	140
Uniforms / clothing	-	300	-	300	300	-	-	-
Misc operating supplies	-	13,760	(875)	12,885	12,885	-	-	-
Mandated Educ & Training	-	250	-	250	-	-	250	75
Radio communications	-	750	-	750	305	-	445	134
Supplies and misc	-	800	(125)	675	434	-	241	72
Total harbor master	-	23,110	(2,200)	20,910	19,507	-	1,403	421
Street lighting								
Lighting expense	-	185,500	24,443	209,943	209,943	-	-	-
Total street lighting	-	185,500	24,443	209,943	209,943	-	-	-
Hydrant service								
North Tiverton & Stone Bridge	-	1,500	-	1,500	1,500	-	-	-
Total hydrant service	-	1,500	-	1,500	1,500	-	-	-
Total public safety	\$ -	\$ 5,753,897	\$ (215,645)	\$ 5,538,252	\$ 5,456,128	\$ -	\$ 82,124	\$ 24,637
Health and human services								
Senior citizens service								
Dept mgmt salary	\$ -	\$ 51,032	\$ 405	\$ 51,437	\$ 51,032	\$ -	\$ 405	122
Staff salaries AFSCME	-	16,548	-	16,548	16,422	-	126	38
Bus service	-	16,000	(3,525)	12,475	11,565	-	910	273
Heat	-	3,200	-	3,200	2,102	-	1,098	329
Electric	-	4,500	-	4,500	3,021	-	1,479	444
Water and supplies	-	175	38	213	213	-	-	-
Repairs, Maint&Gas Vehicle	-	600	-	600	450	-	150	45
Telephone	-	700	-	700	529	-	171	51
Agency dues and devel.	-	975	-	975	175	-	800	240
Supplies and misc.	-	10,500	-	10,500	10,099	-	401	120
My senior center	-	1,500	-	1,500	1,200	-	300	90
Building maintenance	-	6,000	-	6,000	5,612	-	388	116
Total senior citizens service	-	111,730	(3,082)	108,648	102,420	-	6,228	1,868
Economic devel. comm.								
Postage	-	600	-	600	-	-	600	180
Brochure / pamphlet	-	2,000	-	2,000	-	-	2,000	600
Website	-	200	16	216	216	-	-	-
Supplies and misc.	-	300	(16)	284	-	-	284	85
Total economic devel. comm.	-	3,100	-	3,100	216	-	2,884	865
Boards and commissions								
Historical cemetery comm	-	3,000	246	3,246	3,246	-	-	-
Garden club	-	500	-	500	498	-	2	1
Arts council	-	150	-	150	150	-	-	-
Open space commission	-	3,400	-	3,400	3,293	-	107	32
Conservation commission	-	1,000	(215)	785	100	-	685	206
Fort barton park	-	3,200	-	3,200	3,197	-	3	1
Tree commission	-	1,000	35	1,035	1,035	-	-	-
Recycling commission	-	150	(60)	90	-	-	84	25
Total boards & commissions	-	12,400	-	12,400	11,519	-	881	411

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TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Detailed Budgetary Comparison Schedule - General Fund
Schedule of Expenditures – Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances to FY 17</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances Carried to FY 16</u>	<u>Original Budget</u>	<u>Transfers</u>					
<i>Civic appropriations</i>								
Samaritans	-	500	-	500	500	-	-	-
Newport cnty mental health	-	2,500	-	2,500	-	-	2,500	750
Newport cnty visiting nurse	-	5,500	-	5,500	5,500	-	-	-
East bay com action plan	-	5,500	-	5,500	5,500	-	-	-
Newport cnty women's ctr	-	500	-	500	500	-	-	-
East RI conservation district	-	500	-	500	500	-	-	-
Tiverton historical society	-	250	-	250	250	-	-	-
Wildlife rehab assoc of RI	-	200	-	200	200	-	-	-
Pocasset cemetery-vets plot	-	150	-	150	150	-	-	-
Eastern RI cooperative ext	-	1,200	-	1,200	-	-	1,200	360
Fire - community training	-	1,250	-	1,250	1,250	-	-	-
Parents as Teachers	-	500	-	500	500	-	-	-
<i>Total civic appropriations</i>	-	18,550	-	18,550	14,850	-	3,700	1,110
<i>Library Services</i>								
Personnel services	-	-	-	-	360,504	-	(360,504)	-
Payroll benefits	-	-	-	-	101,673	-	(101,673)	-
Approp - operating exp's	-	540,000	-	540,000	77,823	-	462,177	-
<i>Total library services</i>	-	540,000	-	540,000	540,000	-	-	-
Total health & human svcs	\$ -	\$ 685,780	\$ (3,082)	\$ 682,698	\$ 669,005	\$ -	\$ 13,693	\$ 4,108
<i>Public works</i>								
<i>Town maintenance</i>								
Staff salaries - AFSCME	\$ -	\$ 77,929	\$ 4,444	\$ 82,373	\$ 82,373	\$ -	\$ -	\$ -
Uniform rental	-	600	-	600	527	-	73	22
Misc operating supplies	-	2,000	-	2,000	1,996	-	4	1
<i>Total town maintenance</i>	-	80,529	4,444	84,973	84,896	-	77	23
<i>Rubbish / recycling collection</i>								
Contracted services	-	625,919	(112)	625,807	611,958	-	13,849	4,155
<i>Total rubbish / recycling coll</i>	-	625,919	(112)	625,807	611,958	-	13,849	4,155
<i>Landfill</i>								
Personnel svcs	-	88,959	-	88,959	87,885	-	1,074	322
Overtime	-	200	-	200	47	-	153	46
Longevity	-	4,348	-	4,348	4,348	-	-	-
Sick leave buy back	-	4,000	285	4,285	4,262	-	23	7
Clothing allowance	-	300	-	300	300	-	-	-
Uniform rental	-	600	-	600	573	-	27	8
Landfill equip rent / cover	-	40,000	112	40,112	39,981	-	131	39
Stormwater mgmt	-	7,000	-	7,000	3,776	-	3,224	967
Electric	-	350	-	350	326	-	24	7
Engineering testing permits	-	50,000	7,782	57,782	57,782	-	-	-
Fuel, oil, and tires	-	15,000	(7,782)	7,218	6,626	-	592	178
Bulldozer repairs	-	15,000	5,000	20,000	19,916	-	84	25
On-site wastewater mgmt	-	20,000	-	20,000	20,000	-	-	-
<i>Total landfill</i>	-	245,757	5,397	251,154	245,822	-	5,332	1,600

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TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Detailed Budgetary Comparison Schedule - General Fund
Schedule of Expenditures – Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>					Encumbrances Carried to FY 17	Variance Favorable (Unfavorable)	T/C Resolution to Paving
	Encumbrances Carried to FY 16	Original Budget	Transfers	Total Available	Actual			
Public works operations								
Dept mgmt salary	-	87,436	(6,600)	80,836	80,825	-	11	3
Personnel services	-	398,521	(27,120)	371,401	355,629	-	15,772	4,732
Staff salaries - AFSCME	-	36,955	-	36,955	36,955	-	-	-
Overtime	-	50,000	-	50,000	36,117	-	13,883	4,165
Longevity	-	20,204	(34)	20,170	19,395	-	775	233
Sick leave buy back	-	15,000	(285)	14,715	12,391	-	2,324	697
Clothing allowance	-	1,350	-	1,350	1,350	-	-	-
Uniform rental	-	3,300	432	3,732	3,732	-	-	-
Snow removal	-	70,000	(27,539)	42,461	41,772	689	-	-
Tree removal	-	5,000	-	5,000	4,925	75	-	-
Minor equip replacements	-	75,000	15,000	90,000	89,869	131	-	-
Shop tools	-	1,000	-	1,000	1,000	-	-	-
Sand, salt, gravel, and pipe	-	90,000	26,879	116,879	116,879	-	-	-
Paving account	200,020	245,000	(25,000)	420,020	340,952	79,068	-	-
Drainage account	-	50,000	(24,216)	25,784	8,338	17,446	-	-
Line Painting	-	5,000	-	5,000	4,642	358	-	-
Guard rails	-	5,000	-	5,000	(332)	5,332	-	-
Heat	-	15,000	-	15,000	7,437	7,563	-	-
Electric	-	6,500	-	6,500	6,273	227	-	-
Water / sewer	-	1,000	-	1,000	763	237	-	-
Radio communications	-	6,000	570	6,570	6,571	(1)	-	-
Telephone	-	1,300	60	1,360	1,352	8	-	-
High way signs	-	5,000	-	5,000	4,813	187	-	-
Supplies and misc.	-	15,000	9,000	24,000	21,511	2,489	-	-
Fuel, oil, and tires	-	55,000	-	55,000	38,429	16,571	-	-
<i>Total public works operation.</i>	<u>200,020</u>	<u>1,263,566</u>	<u>(58,853)</u>	<u>1,404,733</u>	<u>1,241,588</u>	<u>130,380</u>	<u>32,765</u>	<u>9,830</u>
Total public works	<u>\$ 200,020</u>	<u>\$ 2,215,771</u>	<u>\$ (49,124)</u>	<u>\$ 2,366,667</u>	<u>\$ 2,184,264</u>	<u>\$ 130,380</u>	<u>\$ 52,023</u>	<u>\$ 15,607</u>
Parks and recreation								
Town beaches								
Seasonal employees	\$ -	\$ 18,600	\$ 12,847	\$ 31,447	\$ 31,447	\$ -	\$ -	\$ -
Misc operating supplies	-	2,150	3,420	5,570	5,570	-	-	-
<i>Total town beaches</i>	<u>-</u>	<u>20,750</u>	<u>16,267</u>	<u>37,017</u>	<u>37,017</u>	<u>-</u>	<u>-</u>	<u>-</u>
Red cross swim program								
Seasonal employees	-	-	-	-	-	-	-	-
Misc operating supplies	-	-	-	-	-	-	-	-
<i>Total red cross swim program</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Recreation commission								
Recreation director	-	10,000	(6,158)	3,842	3,500	-	342	103
Seasonal employees	-	24,010	(12,566)	11,444	11,444	-	-	-
Transportation, fees and equi	-	1,500	3,865	5,365	5,365	-	-	-
Winter recreation	-	2,500	(499)	2,001	1,994	-	7	2
Supplies and misc	-	2,000	(50)	1,950	1,950	-	-	-
<i>Total recreation commission</i>	<u>-</u>	<u>40,010</u>	<u>(15,408)</u>	<u>24,602</u>	<u>24,253</u>	<u>-</u>	<u>349</u>	<u>105</u>

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TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Detailed Budgetary Comparison Schedule - General Fund
Schedule of Expenditures – Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances to FY 17</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances Carried to FY 16</u>	<u>Original Budget</u>	<u>Transfers</u>					
Maint, supplies, and mowing								
Mowing services	-	27,330	2,224	29,554	29,554	-	-	-
Field rehabilitation	-	3,500	3,655	7,155	7,155	-	-	-
Preventive maintenance	-	13,500	(715)	12,785	12,785	-	-	-
Total maint, supplies, and mo	-	44,330	5,164	49,494	49,494	-	-	-
Total parks and recreation	\$ -	\$ 105,090	\$ 6,023	\$ 111,113	\$ 110,764	\$ -	\$ 349	\$ 105
Capital outlay								
School department								
School - capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total school department	-	-	-	-	-	-	-	-
Non-recurring exps								
DPW - Street Sweeper	-	20,000	-	20,000	20,000	-	-	-
DPW - Backhoe	-	15,912	-	15,912	15,867	-	45	14
DPW - Hotbox	-	15,000	25,000	40,000	39,240	-	760	228
DPW - 6 wheel with plow an	-	40,163	-	40,163	40,163	-	-	-
DPW - 6 wheel with plow an	-	41,233	-	41,233	41,232	-	1	0
DPW - Furnace	-	7,500	-	7,500	7,475	-	25	8
FD - engine 1	-	57,855	-	57,855	56,381	-	1,474	442
FD - rescue 2	-	49,034	-	49,034	49,034	-	-	-
FD - pumper	-	62,000	-	62,000	61,219	-	781	234
PD - patrol cars	-	63,000	-	63,000	63,000	-	-	-
PD - AV Recording Equip	-	4,200	-	4,200	4,200	-	-	-
Senior Center Maintenance	-	32,500	-	32,500	30,801	-	1,699	510
Total non-recurring exps	-	408,397	25,000	433,397	428,612	-	4,785	1,436
Total capital outlay	\$ -	\$ 408,397	\$ 25,000	\$ 433,397	\$ 428,612	\$ -	\$ 4,785	\$ 1,436
Debt service								
Principal	\$ -	\$ 2,305,000	\$ -	2,305,000	\$ 2,305,000	\$ -	-	\$ -
Interest	-	1,707,387	-	1,707,387	1,631,491	-	75,896	22,769
Total debt service	\$ -	\$ 4,012,387	\$ -	\$ 4,012,387	\$ 3,936,491	\$ -	\$ 75,896	\$ 22,769
Total expenditures	\$ 284,508	\$ 19,021,173	\$ -	\$ 19,305,681	\$ 18,720,312	\$ 296,801	\$ 288,577	\$ 86,573
Other financing uses								
Transfers to school	-	23,475,000	-	23,475,000	23,489,232	-	(14,232)	-
Total expenditures & other	\$ 284,508	\$ 42,496,173	\$ -	\$ 42,780,681	\$ 42,209,544	\$ 296,801	\$ 274,345	\$ 86,573

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TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Non Major Governmental Funds - Combining Balance Sheet

June 30, 2016

	<u>Town Special Revenue</u>	<u>School Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
Assets					
Cash and investments	\$ 378,074	\$ 265,721	\$ 7,207,037	\$ 534,026	\$ 8,384,858
Due from other governments	348,974	-	228,684	-	577,658
Due from other funds	<u>556,889</u>	<u>19,038</u>	<u>21,454</u>	<u>-</u>	<u>597,381</u>
Total assets	<u>1,283,937</u>	<u>284,759</u>	<u>7,457,175</u>	<u>534,026</u>	<u>9,559,897</u>
Deferred outflows of resources					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 1,283,937</u>	<u>\$ 284,759</u>	<u>\$ 7,457,175</u>	<u>\$ 534,026</u>	<u>\$ 9,559,897</u>
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ 30,255	\$ -	\$ -	\$ 30,255
Due to other funds	<u>336</u>	<u>24,608</u>	<u>283,242</u>	<u>-</u>	<u>308,186</u>
Total liabilities	<u>336</u>	<u>54,863</u>	<u>283,242</u>	<u>-</u>	<u>338,441</u>
Deferred inflows of resources					
Unearned revenue	<u>348,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>348,975</u>
Total deferred inflows of resources	<u>348,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>348,975</u>
Fund balance					
Restricted	480,183	230,021	-	-	710,204
Committed	454,779	-	7,204,215	534,026	8,193,020
Unassigned	<u>(336)</u>	<u>(125)</u>	<u>(30,282)</u>	<u>-</u>	<u>(30,743)</u>
Total fund balance	<u>934,626</u>	<u>229,896</u>	<u>7,173,933</u>	<u>534,026</u>	<u>8,872,481</u>
Town liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,283,937</u>	<u>\$ 284,759</u>	<u>\$ 7,457,175</u>	<u>\$ 534,026</u>	<u>\$ 9,559,897</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Non Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2016

	Town Special Revenue	School Special Revenue	Capital Projects	Debt Service Fund	Total Non-Major Governmental Funds
Revenues					
Federal and state grant income	\$ 297,321	\$ 1,043,479	\$ -	\$ -	\$ 1,340,800
Other revenue	176,145	151,394	675,595	-	1,003,134
Investment income	2,015	-	100,312	2,912	105,239
Total revenue	<u>475,481</u>	<u>1,194,873</u>	<u>775,907</u>	<u>2,912</u>	<u>2,449,173</u>
Expenditures					
General government	22,262	-	-	-	22,262
Public safety	83,455	-	-	-	83,455
Public works	33,459	-	123,035	-	156,494
Education	-	1,088,049	-	-	1,088,049
Health and human services	165,021	-	-	-	165,021
Parks and recreation	318,649	-	-	-	318,649
Total Expenditures	<u>622,846</u>	<u>1,088,049</u>	<u>123,035</u>	<u>-</u>	<u>1,833,930</u>
Excess (deficiency) of revenues over expenditures	(147,365)	106,824	652,872	2,912	615,243
Other financing sources (uses)					
Proceeds from issuance of long term debt			-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(10,056)	-	(10,056)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(10,056)</u>	<u>-</u>	<u>(10,056)</u>
Excess of revenue and other sources over expenditures and other uses					
	(147,365)	106,824	642,816	2,912	605,187
Fund balance, July 1, 2015	1,081,991	123,072	6,531,117	531,114	8,267,294
Fund balance, June 30, 2016	<u>\$ 934,626</u>	<u>\$ 229,896</u>	<u>\$ 7,173,933</u>	<u>\$ 534,026</u>	<u>\$ 8,872,481</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - Town - Combining Balance Sheet

June 30, 2016

	Fire Detection Fund	Meds Grant	Substance Abuse	PD Crime Prevention	Drug Forfeiture
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investment	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	<u>1,759</u>	<u>25,944</u>	<u>31,335</u>	<u>1,675</u>	<u>41,039</u>
Total assets	<u>1,759</u>	<u>25,944</u>	<u>31,335</u>	<u>1,675</u>	<u>41,039</u>
Deferred Outflows of Resources					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total outflows of resources and assets	<u>\$ 1,759</u>	<u>\$ 25,944</u>	<u>\$ 31,335</u>	<u>\$ 1,675</u>	<u>\$ 41,039</u>
Liabilities					
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Unearned Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	-	-	31,335	1,675	41,039
Committed	1,759	25,944	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>1,759</u>	<u>25,944</u>	<u>31,335</u>	<u>1,675</u>	<u>41,039</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,759</u>	<u>\$ 25,944</u>	<u>\$ 31,335</u>	<u>\$ 1,675</u>	<u>\$ 41,039</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - Town - Combining Balance Sheet

June 30, 2016

	<u>Byrne Stimulus</u>	<u>EMA Grant</u>	<u>CDBG</u>	<u>Planning Challenge</u>	<u>Senior Center</u>
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investment	-	-	-	-	-
Due from other governments	-	-	348,974	-	-
Due from other funds	10,431	-	15,240	6,500	5,640
Total assets	<u>10,431</u>	<u>-</u>	<u>364,214</u>	<u>6,500</u>	<u>5,640</u>
Deferred Outflows of Resources					
None	-	-	-	-	-
Total outflows of resources and assets	<u>\$ 10,431</u>	<u>\$ -</u>	<u>\$ 364,214</u>	<u>\$ 6,500</u>	<u>\$ 5,640</u>
Liabilities					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-
Deferred Inflows of Resources					
Unearned Revenue	-	-	348,975	-	-
Total deferred inflows of resources	-	-	348,975	-	-
Fund Balances					
Restricted	10,431	-	15,239	-	-
Committed	-	-	-	6,500	5,640
Unassigned	-	-	-	-	-
Total fund balances (deficits)	<u>10,431</u>	<u>-</u>	<u>15,239</u>	<u>6,500</u>	<u>5,640</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 10,431</u>	<u>\$ -</u>	<u>\$ 364,214</u>	<u>\$ 6,500</u>	<u>\$ 5,640</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - Town - Combining Balance Sheet

June 30, 2016

	Senior Center Waite Account	Senior Center Roof Repair	North Tiverton Contamination Award	Bulgarmarsh Park	Recycling
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ 17,721	\$ -	\$ -
Investment	-	-	360,353	-	-
Due from other governments	-	-	-	-	-
Due from other funds	2,182	2,390	-	121	46,166
Total assets	<u>2,182</u>	<u>2,390</u>	<u>378,074</u>	<u>121</u>	<u>46,166</u>
Deferred Outflows of Resources					
None	-	-	-	-	-
Total outflows of resources and assets	<u>\$ 2,182</u>	<u>\$ 2,390</u>	<u>\$ 378,074</u>	<u>\$ 121</u>	<u>\$ 46,166</u>
Liabilities					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-
Deferred Inflows of Resources					
Unearned Revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances					
Restricted	-	2,390	378,074	-	-
Committed	2,182	-	-	121	46,166
Unassigned	-	-	-	-	-
Total fund balances (deficits)	<u>2,182</u>	<u>2,390</u>	<u>378,074</u>	<u>121</u>	<u>46,166</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 2,182</u>	<u>\$ 2,390</u>	<u>\$ 378,074</u>	<u>\$ 121</u>	<u>\$ 46,166</u>

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TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - Town - Combining Balance Sheet

June 30, 2016

	<u>Historical Records</u>	<u>Land Evidence</u>	<u>Open Space Acquisition</u>	<u>Vicious Dog</u>	<u>Open Space Stewardship</u>
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investment	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	<u>18,553</u>	<u>72,457</u>	<u>214,398</u>	<u>49,436</u>	<u>7,817</u>
Total assets	<u>18,553</u>	<u>72,457</u>	<u>214,398</u>	<u>49,436</u>	<u>7,817</u>
Deferred Outflows of Resources					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total outflows of resources and assets	<u>\$ 18,553</u>	<u>\$ 72,457</u>	<u>\$ 214,398</u>	<u>\$ 49,436</u>	<u>\$ 7,817</u>
Liabilities					
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Unearned Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	-	-	-	-	-
Committed	18,553	72,457	214,398	49,436	7,817
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>18,553</u>	<u>72,457</u>	<u>214,398</u>	<u>49,436</u>	<u>7,817</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 18,553</u>	<u>\$ 72,457</u>	<u>\$ 214,398</u>	<u>\$ 49,436</u>	<u>\$ 7,817</u>

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TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - Town - Combining Balance Sheet

June 30, 2016

	Pocassetlands Stewardship	Wastewater Management	Tree at Lawton Ave	Library Memorial Gift	Total
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 17,721
Investments	-	-	-	-	360,353
Due from other governments	-	-	-	-	348,974
Due from other funds	3,806	-	-	-	556,889
Total assets	<u>3,806</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,283,937</u>
Deferred Outflows of Resources					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total outflows of resources and assets	<u>\$ 3,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,283,937</u>
Liabilities					
Due to other funds	<u>\$ -</u>	<u>\$ 336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 336</u>
Total liabilities	<u>-</u>	<u>336</u>	<u>-</u>	<u>-</u>	<u>336</u>
Deferred Inflows of Resources					
Unearned Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>348,975</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>348,975</u>
Fund Balances					
Restricted	-	-	-	-	480,183
Committed	3,806	-	-	-	454,779
Unassigned	<u>-</u>	<u>(336)</u>	<u>-</u>	<u>-</u>	<u>(336)</u>
Total fund balances (deficits)	<u>3,806</u>	<u>(336)</u>	<u>-</u>	<u>-</u>	<u>934,626</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 3,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,283,937</u>

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TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - Town - Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2016

	Fire Detection Fund	Meds Grant	Substance Abuse	PD Crime Prevention	Drug Forfeiture
Revenues					
Intergovernmental revenue	\$ -	\$ -	\$ 88,493	\$ 1,500	\$ -
Charges for service	-	-	-	-	-
Investment income	-	-	-	-	-
Other revenue	<u>11,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>650</u>
Total revenues	<u>11,775</u>	<u>-</u>	<u>88,493</u>	<u>1,500</u>	<u>650</u>
Expenditures					
General	15,310	-	-	-	-
Public safety	-	-	81,258	2,197	-
Public works	-	-	-	-	-
Health and human Services	-	-	-	-	-
Parks and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>15,310</u>	<u>-</u>	<u>81,258</u>	<u>2,197</u>	<u>-</u>
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	(3,535)	-	7,235	(697)	650
Other financing sources (uses)					
Transfers (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(3,535)	-	7,235	(697)	650
Fund Balance, July 1, 2015	<u>5,294</u>	<u>25,944</u>	<u>24,100</u>	<u>2,372</u>	<u>40,389</u>
Fund Balance, June 30, 2016	<u>\$ 1,759</u>	<u>\$ 25,944</u>	<u>\$ 31,335</u>	<u>\$ 1,675</u>	<u>\$ 41,039</u>

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TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - Town - Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2016

	<u>Byrne Stimulus</u>	<u>EMA Grant</u>	<u>CDBG</u>	<u>Planning Challenge</u>	<u>Senior Center</u>
Revenues					
Intergovernmental revenue	\$ 1,611	\$ -	\$ 164,849	\$ -	\$ 9,936
Charges for service	-	-	-	-	-
Investment income	-	-	-	-	-
Other revenue	-	2,820	-	-	-
Total revenues	<u>1,611</u>	<u>2,820</u>	<u>164,849</u>	<u>-</u>	<u>9,936</u>
Expenditures					
General	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	2,820	-	-	-
Health and human Services	-	-	153,849	-	10,058
Parks and recreation	-	-	-	-	-
Total expenditures	<u>-</u>	<u>2,820</u>	<u>153,849</u>	<u>-</u>	<u>10,058</u>
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	1,611	-	11,000	-	(122)
Other financing sources (uses)					
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	1,611	-	11,000	-	(122)
Fund Balance, July 1, 2015	<u>8,820</u>	<u>-</u>	<u>4,239</u>	<u>6,500</u>	<u>5,762</u>
Fund Balance, June 30, 2016	<u>\$ 10,431</u>	<u>\$ -</u>	<u>\$ 15,239</u>	<u>\$ 6,500</u>	<u>\$ 5,640</u>

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TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - Town - Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2016

	<u>Senior Center Waite Account</u>	<u>Senior Center Roof Repair</u>	<u>North Tiverton Contamination Award</u>	<u>Bulgarmarsh Park</u>	<u>Recycling</u>
Revenues					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 30,932
Charges for service	-	-	-	-	-
Investment income	-	-	2,015	-	-
Other revenue	-	-	-	56	-
Total revenues	<u>-</u>	<u>-</u>	<u>2,015</u>	<u>56</u>	<u>30,932</u>
Expenditures					
General	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	30,552
Health and human Services	-	-	1,114	-	-
Parks and recreation	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>1,114</u>	<u>-</u>	<u>30,552</u>
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	-	-	901	56	380
Other financing sources (uses)					
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses					
	-	-	901	56	380
Fund Balance, July 1, 2015	<u>2,182</u>	<u>2,390</u>	<u>377,173</u>	<u>65</u>	<u>45,786</u>
Fund Balance, June 30, 2016	<u>\$ 2,182</u>	<u>\$ 2,390</u>	<u>\$ 378,074</u>	<u>\$ 121</u>	<u>\$ 46,166</u>

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TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - Town - Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2016

	<u>Historical Records</u>	<u>Land Evidence</u>	<u>Open Space Acquisition</u>	<u>Vicious Dog</u>	<u>Open Space Stewardship</u>
Revenues					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	7,949	16,982	133,998	-	-
Investment income	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>7,949</u>	<u>16,982</u>	<u>133,998</u>	<u>-</u>	<u>-</u>
Expenditures					
General	577	6,375	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and human Services	-	-	-	-	-
Parks and recreation	-	-	314,961	-	-
Total expenditures	<u>577</u>	<u>6,375</u>	<u>314,961</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	7,372	10,607	(180,963)	-	-
Other financing sources (uses)					
Transfers from (to) other funds	-	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	7,372	10,607	(180,963)	-	-
Fund Balance, July 1, 2015	<u>11,181</u>	<u>61,850</u>	<u>395,361</u>	<u>49,436</u>	<u>7,817</u>
Fund Balance, June 30, 2016	<u>\$ 18,553</u>	<u>\$ 72,457</u>	<u>\$ 214,398</u>	<u>\$ 49,436</u>	<u>\$ 7,817</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - Town - Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2016

	<u>Pocassetlands Stewardship</u>	<u>Wastewater Management</u>	<u>Tree at Lawton Ave</u>	<u>Library Memorial Gift</u>	<u>Total</u>
Revenues					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 297,321
Charges for service	-	-	-	-	158,929
Investment income	-	-	-	-	2,015
Other revenue	<u>1,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,216</u>
Total revenues	<u>1,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>475,481</u>
Expenditures					
General	-	-	-	-	22,262
Public safety	-	-	-	-	83,455
Public works	-	87	-	-	33,459
Health and human Services	-	-	-	-	165,021
Parks and recreation	<u>1,065</u>	<u>-</u>	<u>123</u>	<u>2,500</u>	<u>318,649</u>
Total expenditures	<u>1,065</u>	<u>87</u>	<u>123</u>	<u>2,500</u>	<u>622,846</u>
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	850	(87)	(123)	(2,500)	(147,365)
Other financing sources (uses)					
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	850	(87)	(123)	(2,500)	(147,365)
Fund Balance, July 1, 2015	<u>2,956</u>	<u>(249)</u>	<u>123</u>	<u>2,500</u>	<u>1,081,991</u>
Fund Balance, June 30, 2016	<u>\$ 3,806</u>	<u>\$ (336)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 934,626</u>

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TOWN OF TIVERTON, RHODE ISLAND
 Supplementary Information
 Special Revenue Funds - School - Combining Balance Sheet
 June 30, 2016

	SPED IDEA Part B	SPED IDEA Preschool	Title I Part A Disadvantaged Youth	Title II Part A Teacher Quality	Van Beuren Grant	Perkins Vocational Edu
Assets						
Cash	\$ 9,724	\$ -	\$ 20,000	\$ 834	\$ -	\$ 1,597
Due from unrestricted Fund	-	-	-	-	-	-
Due from state or federal government	-	-	-	-	-	-
Total assets	<u>9,724</u>	<u>-</u>	<u>20,000</u>	<u>834</u>	<u>-</u>	<u>1,597</u>
Deferred Outflows of Resources						
None	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 9,724</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 834</u>	<u>\$ -</u>	<u>\$ 1,597</u>
Liabilities						
Accounts payable and accrued expenses	9,724	\$ -	\$ -	\$ -	\$ -	\$ -
Due to school unrestricted	-	-	20,000	-	-	-
Total liabilities	<u>9,724</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources						
Unearned revenue	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, restricted	-	-	-	834	-	1,597
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 9,724</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 834</u>	<u>\$ -</u>	<u>\$ 1,597</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND
Supplementary Information
Special Revenue Funds - School - Combining Balance Sheet
June 30, 2016

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND
 Supplementary Information
 Special Revenue Funds - School - Combining Balance Sheet
 June 30, 2016

	Prepare RI PLTW	Math and Science	Ride Common Core	Substance Abuse	RIDE Wireless Classroom	SAMHSA Substance Abuse
Assets						
Cash	\$ 40,068	\$ -	\$ 4,608	\$ -	\$ -	\$ -
Due from unrestricted Fund	-	-	-	-	19,038	-
Due from state or federal government	-	-	-	-	-	-
Total assets	<u>40,068</u>	<u>-</u>	<u>4,608</u>	<u>-</u>	<u>19,038</u>	<u>-</u>
Deferred Outflows of Resources						
None	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 40,068</u>	<u>\$ -</u>	<u>\$ 4,608</u>	<u>\$ -</u>	<u>\$ 19,038</u>	<u>\$ -</u>
Liabilities						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 20,327	\$ -
Due to school unrestricted	-	-	4,608	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>4,608</u>	<u>-</u>	<u>20,327</u>	<u>-</u>
Deferred inflows of resources						
Unearned revenue	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, restricted	<u>40,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,289)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 40,068</u>	<u>\$ -</u>	<u>\$ 4,608</u>	<u>\$ -</u>	<u>\$ 19,038</u>	<u>\$ -</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND
 Supplementary Information
 Special Revenue Funds - School - Combining Balance Sheet
 June 30, 2016

	<u>PLTW</u>	<u>Parents as Teachers</u>	<u>RI Full Day Kindergarten</u>	<u>Marijuana Grant</u>	<u>Van Beuren Award 2</u>	<u>Other School Grants</u>	<u>Total</u>
Assets							
Cash	\$ 204	\$ (125)	\$ -	\$ -	\$ 32,681	\$ 156,130	\$ 265,721
Due from unrestricted Fund	-	-	-	-	-	-	19,038
Due from state or federal government	-	-	-	-	-	-	-
Total assets	<u>204</u>	<u>(125)</u>	<u>-</u>	<u>-</u>	<u>32,681</u>	<u>156,130</u>	<u>284,759</u>
Deferred Outflows of Resources							
None	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 204</u>	<u>\$ (125)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,681</u>	<u>\$ 156,130</u>	<u>\$ 284,759</u>
Liabilities							
Accounts payable and accrued expenses	\$ 204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,255
Due to school unrestricted	-	-	-	-	-	-	24,608
Total liabilities	<u>204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,863</u>
Deferred inflows of resources							
Unearned revenue	-	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, restricted	<u>-</u>	<u>(125)</u>	<u>-</u>	<u>-</u>	<u>32,681</u>	<u>156,130</u>	<u>229,896</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 204</u>	<u>\$ (125)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,681</u>	<u>\$ 156,130</u>	<u>\$ 284,759</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND
Supplementary Information
Special Revenue Funds - School - Combining Balance Sheet
June 30, 2016

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Fund - School - Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2016

	<u>SPED IDEA Part B</u>	<u>SPED IDEA Preschool</u>	<u>Title I Part A Disadvantaged Youth</u>	<u>Title II Part A Teacher Quality</u>	<u>Van Beuren Grant</u>	<u>Perkins Vocational Edu</u>
Revenues						
Federal and state grant income	\$ 463,130	\$ 12,441	\$ 207,710	\$ 77,373	\$ -	\$ 23,031
Other grant income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,399</u>	<u>-</u>
Total revenues	463,130	12,441	207,710	77,373	16,399	23,031
Expenditures						
Education	<u>463,130</u>	<u>12,441</u>	<u>207,710</u>	<u>77,373</u>	<u>16,399</u>	<u>23,031</u>
Excess (deficiency) of revenue over expenditures	-	-	-	-	-	-
Other financing sources (uses)						
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-	-
Fund Balance, July 1, 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>834</u>	<u>-</u>	<u>1,597</u>
Fund Balance, June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 834</u>	<u>\$ -</u>	<u>\$ 1,597</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Fund - School - Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2016

	Prepare RI PLTW	Math and Science	Ride Common Core	Substance Abuse	RIDE Wireless Classroom	SAMHSA Substance Abuse
Revenues						
Federal and state grant income	\$ 40,068	\$ 14,733	\$ 1,600	\$ 9,500	\$ 19,038	\$ 111,869
Other grant income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	40,068	14,733	1,600	9,500	19,038	111,869
Expenditures						
Education	<u>-</u>	<u>14,733</u>	<u>1,600</u>	<u>9,500</u>	<u>20,327</u>	<u>111,869</u>
Excess (deficiency) of revenue over expenditures	40,068	-	-	-	(1,289)	-
Other financing sources (uses)						
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other use	40,068	-	-	-	(1,289)	-
Fund Balance, July 1, 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2016	<u><u>\$ 40,068</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,289)</u></u>	<u><u>\$ -</u></u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Fund - School - Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2016

	PLTW	Parents as Teachers	RI Full Day Kindergarten	Marijuana Grant	Van Beuren Award 2	Other School Grants	Total
Revenues							
Federal and state grant income	\$ -	\$ 500	\$ 60,486	\$ 2,000	\$ -	\$ -	\$ 1,043,479
Other grant income	<u>25,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,681</u>	<u>76,859</u>	<u>151,394</u>
Total revenues	25,455	500	60,486	2,000	32,681	76,859	1,194,873
Expenditures							
Education	<u>25,455</u>	<u>625</u>	<u>101,856</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>1,088,049</u>
Excess (deficiency) of revenue over expenditures	-	(125)	(41,370)	-	32,681	76,859	106,824
Other financing sources (uses)							
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other	-	(125)	(41,370)	-	32,681	76,859	106,824
Fund Balance, July 1, 2015	<u>-</u>	<u>-</u>	<u>41,370</u>	<u>-</u>	<u>-</u>	<u>79,271</u>	<u>123,072</u>
Fund Balance, June 30, 2016	<u>\$ -</u>	<u>\$ (125)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,681</u>	<u>\$ 156,130</u>	<u>\$ 229,896</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Capital Project Funds - Combining Balance Sheet

June 30, 2016

	Landfill Closure	Old Stone Bridge	Grinnells Beach	TIF Bond	Street Sweeper	Library Const. Bond	Sea Side Gas Station	Total
Assets								
Cash & Cash Equivalents	\$ 24,208	\$ -	\$ -	\$ 407,594	\$ -	\$ -	\$ -	\$ 431,802
Investments	6,775,235	-	-	-	-	-	-	6,775,235
Intergovernmental receivable	-	-	-	-	228,684	-	-	228,684
Due from other funds	-	-	19,224	-	-	-	2,230	21,454
Total assets	<u>6,799,443</u>	<u>-</u>	<u>19,224</u>	<u>407,594</u>	<u>228,684</u>	<u>-</u>	<u>2,230</u>	<u>7,457,175</u>
Deferred outflows of resources								
None	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 6,799,443</u>	<u>\$ -</u>	<u>\$ 19,224</u>	<u>\$ 407,594</u>	<u>\$ 228,684</u>	<u>\$ -</u>	<u>\$ 2,230</u>	<u>\$ 7,457,175</u>
Liabilities								
Accounts Payable and Accrued Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retainage Payable	-	-	-	-	-	-	-	-
BAN Payable	-	-	-	-	-	-	-	-
Due to Other funds	18,261	30,282	-	26,015	208,684	-	-	283,242
Total liabilities	<u>18,261</u>	<u>30,282</u>	<u>-</u>	<u>26,015</u>	<u>208,684</u>	<u>-</u>	<u>-</u>	<u>283,242</u>
Deferred inflows of resources								
None	-	-	-	-	-	-	-	-
Fund Balances								
Committed	6,781,182	-	19,224	381,579	20,000	-	2,230	7,204,215
Unassigned	-	(30,282)	-	-	-	-	-	(30,282)
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,799,443</u>	<u>\$ -</u>	<u>\$ 19,224</u>	<u>\$ 407,594</u>	<u>\$ 228,684</u>	<u>\$ -</u>	<u>\$ 2,230</u>	<u>\$ 7,457,175</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Capital Project Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2016

	<u>Landfill Closure</u>	<u>Old Stone Bridge</u>	<u>Grinnells Beach</u>	<u>TIF Bond</u>	<u>Street Sweeper</u>	<u>Library Const. Bond</u>	<u>Sea Side Gas Station</u>	<u>Total</u>
Revenues								
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	97,910	-	-	2,321	-	81	-	100,312
Other	<u>472,700</u>	<u>184,171</u>	<u>18,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>675,595</u>
Total revenues	<u>570,610</u>	<u>184,171</u>	<u>18,724</u>	<u>2,321</u>	<u>-</u>	<u>81</u>	<u>-</u>	<u>775,907</u>
Expenditures								
Parks and recreation	-	-	-	-	-	-	-	-
Public works	<u>91,505</u>	<u>30,180</u>	<u>-</u>	<u>750</u>	<u>-</u>	<u>-</u>	<u>600</u>	<u>123,035</u>
Total expenditures	<u>91,505</u>	<u>30,180</u>	<u>-</u>	<u>750</u>	<u>-</u>	<u>-</u>	<u>600</u>	<u>123,035</u>
Excess (deficiency) of revenue over expenditures	479,105	153,991	18,724	1,571	-	81	(600)	652,872
Other financing sources (uses)								
Proceeds from issuance of long term debt	-	-	-	-	-	-	-	-
Transfer from (to) other funds	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>20,000</u>	<u>(30,556)</u>	<u>-</u>	<u>(10,056)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>20,000</u>	<u>(30,556)</u>	<u>-</u>	<u>(10,056)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	479,105	153,991	19,224	1,571	20,000	(30,475)	(600)	642,816
Fund Balance, July 1, 2015	<u>6,302,077</u>	<u>(184,273)</u>	<u>-</u>	<u>380,008</u>	<u>-</u>	<u>30,475</u>	<u>2,830</u>	<u>6,531,117</u>
Fund Balance, June 30, 2016	<u>\$ 6,781,182</u>	<u>\$ (30,282)</u>	<u>\$ 19,224</u>	<u>\$ 381,579</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 2,230</u>	<u>\$ 7,173,933</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Private Purpose Trust - Town - Combining Balance Sheet

June 30, 2016

	<u>Burial Lots</u>	<u>Pocasset Hill Cemetery</u>	<u>Totals</u>
Assets			
Cash	\$ 11,416	\$ 450,826	\$ 462,242
Investments	<u>9,993</u>	<u>60,549</u>	<u>70,542</u>
Total assets	<u>\$ 21,409</u>	<u>\$ 511,375</u>	<u>\$ 532,784</u>
Liabilities			
Due to General Fund	<u>\$ -</u>	<u>\$ 8,083</u>	<u>\$ 8,083</u>
Total liabilities	<u>-</u>	<u>8,083</u>	<u>8,083</u>
Net position			
Restricted for pension benefits and oth	<u>21,409</u>	<u>503,292</u>	<u>524,701</u>
Total liabilities and net position	<u>\$ 21,409</u>	<u>\$ 511,375</u>	<u>\$ 532,784</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Private Purpose Trust - Town - Combining Statement of Changes in Net Position

For the Year Ended June 30, 2016

	Burial Lots	Pocasset Hill Cemetery	Total
Additions			
Investment income	\$ 126	\$ 19,330	\$ 19,456
Other	<u>-</u>	<u>16,075</u>	<u>16,075</u>
Total additions	126	35,405	35,531
Deductions			
Per trust agreements	<u>-</u>	<u>22,826</u>	<u>22,826</u>
Changes in fund equity held in trust for individuals, organizations, and other governments	126	12,579	12,705
Net position, July 1, 2015	<u>21,283</u>	<u>490,713</u>	<u>511,996</u>
Net position, June 30, 2016	<u>\$ 21,409</u>	<u>\$ 503,292</u>	<u>\$ 524,701</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Agency Fund - Town - Combining Statement of Additions and Deductions

For the Year Ended June 30, 2016

	<u>Student Activities</u>	<u>Gravel Permits</u>	<u>Escrow Funds</u>	<u>Total</u>
Assets				
Cash Checking	\$ 155,740	\$ 4,801	\$ 76,082	\$ 236,623
Due from other funds	<u>-</u>	<u>-</u>	<u>459,396</u>	<u>459,396</u>
Total assets	<u>155,740</u>	<u>4,801</u>	<u>535,478</u>	<u>696,019</u>
Deferred outflows of resources				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total outflows of resources and assets	<u>\$ 155,740</u>	<u>\$ 4,801</u>	<u>\$ 535,478</u>	<u>\$ 696,019</u>
Liabilities				
Deposits held	<u>155,740</u>	<u>4,801</u>	<u>535,478</u>	<u>696,019</u>
Total Liabilities	<u>\$ 155,740</u>	<u>\$ 4,801</u>	<u>\$ 535,478</u>	<u>\$ 696,019</u>
Deferred Inflows of Resources				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 155,740</u>	<u>\$ 4,801</u>	<u>\$ 535,478</u>	<u>\$ 696,019</u>

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Agency Fund - Town - Combining Statement of Additions and Deductions

For the Year Ended June 30, 2016

	<u>Student Activities</u>	<u>Gravel Permits</u>	<u>Escrow Funds</u>	<u>Total</u>
Statement of Additions and Deductions				
Additions				
Miscellaneous revenue	\$ 228,208	\$ 7	\$ 104,659	\$ 332,874
Funds transferred in	<u>-</u>	<u>-</u>	<u>191,500</u>	<u>191,500</u>
Total additions	<u>228,208</u>	<u>7</u>	<u>296,159</u>	<u>332,874</u>
Deductions				
Amount expended	240,393	-	92,236	332,629
Funds transferred out	<u>-</u>	<u>5,552</u>	<u>-</u>	<u>5,552</u>
Total deductions	<u>240,393</u>	<u>5,552</u>	<u>92,236</u>	<u>338,181</u>
Increase (decrease) in deposits held	(12,185)	(5,545)	203,923	(5,307)
Deposits Held, July 1, 2015	<u>167,925</u>	<u>10,346</u>	<u>331,555</u>	<u>509,826</u>

See independent auditor's report

STATISTICAL SECTION

The Statistical Section differs 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, RHODE ISLAND

Schedule of Uncollected Property Taxes

For the Year Ended June 30, 2016

<u>Tax Roll Year</u>	<u>Balance July 1, 2015</u>	<u>Assessment</u>	<u>Abatements Refunds</u>	<u>Adjustments Transfers</u>	<u>Amount to be collected</u>	<u>Collections</u>	<u>Balance June 30, 2016</u>
2015	\$ -	\$ 33,832,742	\$ (42,074)	\$ 177,753	\$ 33,968,421	\$ 33,015,229	\$ 953,191
2014	1,012,735	-	(1,064)	6,170	1,017,841	520,841	497,001
2013	500,875	-	1,146	2,553	504,574	363,114	141,460
2012	159,332	-	-	3,297	162,629	28,134	134,495
2011	155,041	-	-	-	155,041	20,673	134,368
2010	134,775	-	-	-	134,775	15,728	119,047
2009	91,380	-	-	-	91,380	1,995	89,385
2008	82,499	-	-	(3)	82,496	590	81,906
2007	60,445	-	-	-	60,445	231	60,214
2006	33,123	-	-	-	33,123	520	32,603
2005	22,822	-	(9,402)	-	13,420	94	13,326
2004	20,006	-	(5,654)	-	14,353	345	14,008
2003	4,173	-	-	-	4,173	-	4,173
2002 and prior	4,973	-	-	-	4,973	-	4,973
	<u>2,282,178</u>	<u>33,832,742</u>	<u>(57,047)</u>	<u>189,770</u>	<u>36,247,643</u>	<u>33,967,494</u>	<u>2,280,149</u>
						Less allowance for doubtful accounts	-
							<u>\$ 2,280,149</u>

TOWN OF TIVERTON, RHODE ISLAND

Tax Collector's Annual Report

For the Year Ended June 30, 2016

<u>Description of property</u>	<u>Valuations</u>	<u>Levy</u>
Real Property	\$ 1,705,281,900	\$ 32,310,802
Commerical / industrial real estate	172,194,600	3,223,189
Motor vehicles	156,581,683	1,494,617
Tangible property	<u>42,813,523</u>	<u>819,451</u>
Total	2,076,871,706	37,848,059
Expemptions	<u>99,437,539</u>	<u>-</u>
Current year assessment	<u>\$ 1,977,434,167</u>	<u>\$ 37,848,059</u>

Reconciliation of current year property tax revenue:

Current year collections	\$ 33,967,494
Revenue collected within 60 days subsequent to year ended June 30, 2016	<u>269,129</u>
	34,236,623
Prior year revenue received in current year	<u>(190,268)</u>
Current year real estate and personal property tax revenue	<u>\$ 34,046,355</u>

TOWN OF TIVERTON, RHODE ISLAND

Schedule of Long-Term Liabilities

For the Year Ended June 30, 2016

	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Authorized</u>	<u>Outstanding July 1, 2015</u>	<u>Additions</u>	<u>Maturities During the Year</u>	<u>Outstanding June 30, 2016</u>	<u>Interest Paid</u>
General long-term obligations									
Revenue financing bonds	6/27/2006	4.0%-5.0%	6/30/2026	\$ 3,735,000	\$ 2,075,000	\$ -	\$ 2,075,000	\$ -	\$ 97,175
General obligation bond	4/1/2008	4.25%-5.00%	5/15/2027	10,580,000	7,580,000	-	7,070,000	510,000	362,987
Ft Barton 10.0 million bond	7/15/2000	3.75%-6.00%	5/15/2028	10,000,000	7,525,000	-	425,000	7,100,000	377,831
Pocasset 10.1 million bond	7/1/2009	3.00%-6.25%	5/15/2029	10,100,000	8,250,000	-	415,000	7,835,000	445,763
Tax increment bond (Refi)	9/1/2013	3.530%	6/30/2022	5,310,000	4,195,000	-	540,000	3,655,000	148,084
RIHEBC Sereis 2015D	12/15/2015	3.00% - 5.00%	5/15/2027	8,025,000	-	8,025,000	-	8,025,000	-
Library bond	12/3/2014	3.00%-3.50%	10/1/2034	6,785,000	6,785,000	-	250,000	6,535,000	275,548
Total general obligation payable				<u>\$ 54,535,000</u>	<u>36,410,000</u>	<u>8,025,000</u>	<u>10,775,000</u>	<u>33,660,000</u>	<u>1,707,388</u>
Capital leases				-	999,757	75,700	246,208	829,249	34,779
Landfill closure and postclosure care costs				-	9,000,000	-	-	9,000,000	-
Other general long-term obligations				-	<u>9,999,757</u>	<u>75,700</u>	<u>246,208</u>	<u>9,829,249</u>	<u>34,779</u>
Accrued expenses									
Accrued compensated absences					1,062,674	201,888	137,534	1,127,028	n/a
Net pension liability - police					4,826,071	883,848	-	5,709,919	n/a
Net pension liability - ERS					16,540,458	5,194,395	-	21,734,853	n/a
Net pension liability - MERS					(1,677,177)	1,974,105	-	296,928	n/a
Net OPEB obligation					5,798,478	1,027,503	-	6,825,981	n/a
Total accrued expenses					<u>26,550,504</u>	<u>9,281,739</u>	<u>137,534</u>	<u>35,694,709</u>	
Total long-term liabilities					<u>\$ 72,960,261</u>	<u>\$ 17,382,439</u>	<u>\$ 11,158,742</u>	<u>\$ 79,183,958</u>	

TOWN OF TIVERTON, RHODE ISLAND

Schedule of Debt Service Requirements to Maturity

For the Year Ended June 30, 2016

<u>Year Ending June 30,</u>	<u>Percentage of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	7.37%	\$ 2,480,000	\$ 1,461,003	\$ 3,941,003
2018	14.94%	2,550,000	1,360,560	3,910,560
2019	22.80%	2,645,000	1,250,862	3,895,862
2020	30.88%	2,720,000	1,162,571	3,882,571
2021	39.20%	2,800,000	1,061,585	3,861,585
2022-2026	77.17%	12,780,000	3,486,718	16,266,718
2027-2031	95.96%	6,325,000	770,788	7,095,788
2032-2035	100.00%	<u>1,360,000</u>	<u>95,200</u>	<u>1,455,200</u>
		<u>\$ 33,660,000</u>	<u>\$ 10,649,287</u>	<u>\$ 44,309,287</u>

TOWN OF TIVERTON, RHODE ISLAND

Legal Debt Margin

For the Year Ended June 30, 2016

Gross assessed value	\$	2,076,871,706
Less: exempt property		<u>99,437,539</u>
Total taxable assessed value	\$	<u>1,977,434,167</u>
Debt limit - 3 percent of total assessed value	\$	59,323,025
Amount of debt applicable to debt limit:		
Total bonded debt		<u>33,660,000</u>
Legal debt margin	\$	<u>25,663,025</u>

TOWN OF TIVERTON, RHODE ISLAND

Photo Credit

For the Year Ended June 30, 2016

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David Robert