

TOWN OF TIVERTON

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017



Paul McGreevy
Town Administrator

Denise G. Saurette
Treasurer

Prepared by: Finance Department

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

TOWN OF TIVERTON, RHODE ISLAND

June 30, 2017

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June 30, 2017

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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

List of Town Officials

TOWN OF TIVERTON, RHODE ISLAND

JUNE 30, 2017

TOWN COUNCIL

Denise M. deMedeiros, President

John G. Edwards, Vice President

Joan B. Chabot

Patricia M. Hilton

Randy J. Lebeau

Joseph C. Perry, Jr.

Christine E. Ryan

TOWN ADMINISTRATOR

Paul McGreevy

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

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2017, 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, 2017, 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 and Annual Supplemental Transparency Portal (MTP2) 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 and Annual Supplemental Transparency Portal (MTP2) 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, February 7, 2018, 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, Sakady & Co. PC

Fall River, Massachusetts
February 14, 2018

Management's Discussion and Analysis

TOWN OF TIVERTON, RHODE ISLAND

Management's Discussion and Analysis

For the Year Ended June 30, 2017

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, 2017. 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 \$2,148,929 as a result of current year operations. This increase is attributable to various factors including a sizeable increase in taxes paid in advance compared to the prior year of \$3,316,740.
- ❖ The government-wide assets and deferred outflows of the Town exceeded their liabilities and deferred inflows at the close of the most recent fiscal year by \$8,958,962. The net position of business activities increased by \$77,564, while the net position of Governmental Activities increased by \$2,071,365.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$55,547,353 a 4.2% increase from the prior year, while revenues collected were \$56,619,991 a 5.8% increase over the prior year.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$32,738,644. Of this amount \$1,898,325 or 5.8%, is unassigned in the general fund and available for use within the Town's designation and fiscal policies. \$4,429,210 is available for School expenditures and \$24,937,722 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 \$1,898,325, or 3.9% 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 \$851,462. On a budgetary basis, revenues exceeded expenditures and transfers by \$851,462. The School department unrestricted fund ended with a combined fund balance of \$4,429,210 or 15.0% of the current year budget. The current year's revenue and transfers exceed the current year expenditures by \$935,255.
- ❖ In 2017, the Town of Tiverton obtained a new piece of debt totaling \$15,438,230 (net of issuance costs) through the Rhode Island Health and Education Building Corporation. This money was borrowed on June 22, 2017 and projects will begin in fiscal year 2018.

Implementation of New Standards:

For the year ending June 30, 2017, the Town implemented the following pronouncements issued by the GASB:

- GASB Statement No. 74, *Postemployment Benefit Plans Other than Pension Plans*
- GASB Statement No. 77, *Tax Abatement Disclosures*

The implementation of GASB Statements No. 74 required significant disclosures be added to the current year financial statements, however GASB 77 had no material reporting impact for the Town.

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TOWN OF TIVERTON, RHODE ISLAND

Management's Discussion and Analysis

For the Year Ended June 30, 2017

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 statements 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 additional 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.

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TOWN OF TIVERTON, RHODE ISLAND

Management's Discussion and Analysis

For the Year Ended June 30, 2017

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.

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TOWN OF TIVERTON, RHODE ISLAND

Management's Discussion and Analysis

For the Year Ended June 30, 2017

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 84.

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 85 through 112.

Supplementary Information - The combining statements referred to earlier in connection with non-major governmental funds, as well as other information, are presented on pages 113 through 161.

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 162 to 167.

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 \$5,020,454 as of June 30, 2017. This represents a current years' increase of \$2,071,365. Listed below is a comparison of the current and prior fiscal years.

| | Governmental | | Business-Type | | Total | | \$ Change |
|---------------------------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| | Activities | | Activities | | | | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | |
| Assets | | | | | | | |
| Current assets | \$ 50,253,307 | \$ 28,120,086 | \$ 622,720 | \$ 618,391 | \$ 50,876,027 | \$ 28,738,477 | \$ 22,137,550 |
| Long-term assets | 56,395,068 | 56,257,399 | 3,360,000 | 3,360,000 | 59,755,068 | 59,617,399 | 137,669 |
| Total assets | <u>106,648,375</u> | <u>84,377,485</u> | <u>3,982,720</u> | <u>3,978,391</u> | <u>110,631,095</u> | <u>88,355,876</u> | <u>22,275,219</u> |
| Deferred outflows of resources | | | | | | | |
| Pension activity, net of inflows | 12,352,583 | 9,400,112 | - | - | 12,352,583 | 9,400,112 | 2,952,471 |
| Total deferred outflows of resources | <u>12,352,583</u> | <u>9,400,112</u> | <u>-</u> | <u>-</u> | <u>12,352,583</u> | <u>9,400,112</u> | <u>2,952,471</u> |
| Liabilities | | | | | | | |
| Current liabilities | 10,393,973 | 9,814,413 | 44,212 | 117,447 | 10,438,185 | 9,931,860 | 506,325 |
| Long-term liabilities | 98,006,742 | 77,031,781 | - | - | 98,006,742 | 77,031,781 | 20,974,961 |
| Total liabilities | <u>108,400,715</u> | <u>86,846,194</u> | <u>44,212</u> | <u>117,447</u> | <u>108,444,927</u> | <u>86,963,641</u> | <u>21,481,286</u> |
| Deferred inflows of resources | | | | | | | |
| Pension activity, net of outflows | 3,939,525 | 3,633,339 | - | - | 3,939,525 | 3,633,339 | 306,186 |
| Gain on refunding | 1,273,636 | - | - | - | 1,273,636 | - | 1,273,636 |
| Unearned revenue | 366,628 | 348,975 | - | - | 366,628 | 348,975 | 17,653 |
| Total deferred inflows of resources | <u>5,579,789</u> | <u>3,982,314</u> | <u>-</u> | <u>-</u> | <u>5,579,789</u> | <u>3,982,314</u> | <u>1,597,475</u> |
| Net Position | | | | | | | |
| Net investment in capital assets | 1,271,783 | 18,030,558 | 3,360,000 | 3,360,000 | 4,631,783 | 21,390,558 | (16,758,775) |
| Restricted | 3,663,668 | 2,380,992 | 139,951 | 139,951 | 3,803,619 | 2,520,943 | 1,282,676 |
| Unrestricted | 85,003 | (17,462,461) | 438,557 | 360,993 | 523,560 | (17,101,468) | 17,625,028 |
| Total net position | <u>\$ 5,020,454</u> | <u>\$ 2,949,089</u> | <u>\$ 3,938,508</u> | <u>\$ 3,860,944</u> | <u>\$ 8,958,962</u> | <u>\$ 6,810,033</u> | <u>\$ 2,148,929</u> |

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Management's Discussion and Analysis

For the Year Ended June 30, 2017

The Town's governmental activities net position invested in capital assets, net of related debt comprises \$1,271,783 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 \$3,803,619 represents resources that are subject to external restriction in how they may be used. Unrestricted net position, totals \$523,560, 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, 2017. Governmental activities increased the Town's net position by \$2,071,365 for the current period, while business-type activities increased the Town's net position by \$77,564. Overall the Town's current year's net position increase was \$2,148,929.

In the current fiscal year, the Town's governmental fund financial statements ended with a net increase in the overall fund balances of \$18,008,088. The increase in the overall fund balance is primarily a result of proceeds from bond issuance (net of issuance costs) totaling \$15,438,230.

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 \$1,361,821. 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 \$2,480,000. The current year addition of long term debt resulted in an increase in government wide expenses of \$15,438,230. Other material changes include an increase in the Town's other postemployment benefits of \$1,283,754 and an increase in the Town's net pension liability of \$3,874,956. The overall effect was a decrease in the Town's net position of \$13,710,529.

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, 2017

Changes in Net Position for the period ending June 30, 2017 and June 30, 2016 (Government-wide level)

| | Changes in Net Position | | | | | | \$ Change |
|---|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Governmental | | Business-Type | | Total | | |
| | Activities | Activities | Activities | Activities | Activities | Activities | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | |
| Revenues | | | | | | | |
| Program Revenues: | | | | | | | |
| Charges for service | \$ 3,110,641 | \$ 2,543,484 | \$ 367,101 | \$ 375,605 | \$ 3,477,742 | \$ 2,919,089 | \$ 558,653 |
| Operating grants & contributions | 2,917,653 | 3,314,565 | 320,165 | 284,473 | 3,237,818 | 3,599,038 | (361,220) |
| Capital grants & contributions | 306,207 | 675,595 | - | - | 306,207 | 675,595 | (369,388) |
| General Revenues: | | | | | | | |
| Property taxes | 41,435,177 | 38,051,354 | - | - | 41,435,177 | 38,051,354 | 3,383,823 |
| State aid to town | 1,528,058 | 1,582,974 | - | - | 1,528,058 | 1,582,974 | (54,916) |
| State aid to education | 6,283,966 | 6,008,046 | - | - | 6,283,966 | 6,008,046 | 275,920 |
| Medicaid reimbursement | 300,000 | | | | | | |
| Miscellaneous revenue | 521,674 | 515,358 | - | - | 521,674 | 515,358 | 6,316 |
| Earnings on investments | 216,615 | 150,908 | - | - | 216,615 | 150,908 | 65,707 |
| Total revenue | <u>56,619,991</u> | <u>52,842,284</u> | <u>687,266</u> | <u>660,078</u> | <u>57,007,257</u> | <u>53,502,362</u> | <u>3,504,895</u> |
| Expenses | | | | | | | |
| General government | 8,490,113 | 6,641,056 | - | - | 8,490,113 | 6,641,056 | 1,849,057 |
| Public safety | 7,277,290 | 6,613,293 | - | - | 7,277,290 | 6,613,293 | 663,997 |
| Education | 33,847,020 | 33,429,334 | - | - | 33,847,020 | 33,429,334 | 417,686 |
| Public works | 3,160,088 | 3,032,768 | - | - | 3,160,088 | 3,032,768 | 127,320 |
| Health and human services | 696,320 | 834,026 | - | - | 696,320 | 834,026 | (137,706) |
| Parks and recreation | 150,055 | 420,923 | - | - | 150,055 | 420,923 | (270,868) |
| Interest on debt | 1,271,765 | 1,599,748 | - | - | 1,271,765 | 1,599,748 | (327,983) |
| Land acquisition fund | - | - | - | 15,049 | - | 15,049 | (15,049) |
| Cafeteria fund | - | - | 654,702 | 633,952 | 654,702 | 633,952 | 20,750 |
| Total expenses | <u>54,892,651</u> | <u>52,571,148</u> | <u>654,702</u> | <u>649,001</u> | <u>55,547,353</u> | <u>53,220,149</u> | <u>2,327,204</u> |
| Increase(decrease) in net assets | | | | | | | |
| before transfers | 1,727,340 | 271,136 | 32,564 | 11,077 | 1,759,904 | 282,213 | 1,477,691 |
| Transfers in (out) - operating | 344,025 | (50,000) | 45,000 | 50,000 | 389,025 | - | 389,025 |
| Increase(decrease) in net position | 2,071,365 | 221,136 | 77,564 | 61,077 | 2,148,929 | 282,213 | 1,866,716 |
| Net position, July 1, 2016, restated | <u>2,949,089</u> | <u>2,727,953</u> | <u>3,860,944</u> | <u>3,799,867</u> | <u>6,810,033</u> | <u>6,527,820</u> | <u>282,213</u> |
| Net position, June 30, 2017 | <u>\$ 5,020,454</u> | <u>\$ 2,949,089</u> | <u>\$ 3,938,508</u> | <u>\$ 3,860,944</u> | <u>\$ 8,958,962</u> | <u>\$ 6,810,033</u> | <u>\$ 2,148,929</u> |

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Management's Discussion and Analysis

For the Year Ended June 30, 2017

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 \$32,738,644. Of this amount \$1,797,454 or 5.5% 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.

| | 2017 | 2016 | \$ Change |
|------------------------------------|---------------|---------------|------------------|
| Nonspendable for | | | |
| Prepays | \$ 599,754 | \$ 519,383 | \$ 80,371 |
| Restricted for | | | |
| Educational programs | 2,793,987 | 1,900,809 | 893,178 |
| Public safety programs | 108,090 | 84,480 | 23,610 |
| Debt service | 362,625 | 378,074 | (15,449) |
| Health and human services | 398,966 | 17,629 | 381,337 |
| Committed for | | | |
| Debt service | 16,059,568 | 561,729 | 15,497,839 |
| Public works programs | 7,706,870 | 7,066,530 | 640,340 |
| General government | 839,075 | 532,888 | 306,187 |
| Capital projects | 24,992 | 19,224 | 5,768 |
| Various school renovation projects | 1,661,973 | 1,783,375 | (121,402) |
| Health and human services | 3,035 | 14,324 | (11,289) |
| Culture and recreation | 382,255 | 381,700 | 555 |
| Unassigned | 1,797,454 | 1,586,750 | 210,704 |
| Total fund balances | \$ 32,738,644 | \$ 14,846,895 | \$ 17,891,749 |

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 \$438,557.

General Fund Budgetary Highlights:

The original budget for the fiscal year ended June 30, 2017 was adopted at the financial town referendum in the amount of \$48,510,795. 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 \$451,054, due principally to a surplus in licenses, permits, and usage fees in the amount of \$317,747.

Actual expenditures resulted in a favorable variance over the budget in the amount of \$99,975. The favorable amounts were in varying departments including \$65,732 related to capital outlay.

The total excess of expenditures and other financing sources over revenues and other financing uses on a budgetary basis was \$851,462 of which \$511,009 was encumbered and carried in fiscal year 2018.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Management's Discussion and Analysis

For the Year Ended June 30, 2017

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 \$55,473,637 net of accumulated depreciation at June 30, 2017. 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>2017</u> | <u>2016</u> | <u>2017</u> | <u>2016</u> | <u>2017</u> | <u>2016</u> | |
| Land | \$ 4,471,871 | \$ 4,471,871 | \$ 3,360,000 | \$ 3,360,000 | \$ 7,831,871 | \$ 7,831,871 | \$ - |
| Construction in progress | 445,014 | 445,014 | - | - | 445,014 | 445,014 | - |
| Infrastructure, net | 3,762,248 | 4,213,834 | - | - | 3,762,248 | 4,213,834 | (451,586) |
| Building & improvements, net | 39,636,292 | 40,646,967 | - | - | 39,636,292 | 40,646,967 | (1,010,675) |
| Vehicles, net | 1,445,535 | 1,358,293 | - | - | 1,445,535 | 1,358,293 | 87,242 |
| Equipment, net | <u>2,352,677</u> | <u>2,339,479</u> | <u>-</u> | <u>-</u> | <u>2,352,677</u> | <u>2,339,479</u> | <u>13,198</u> |
| Total | <u>\$ 52,113,637</u> | <u>\$ 53,475,458</u> | <u>\$ 3,360,000</u> | <u>\$ 3,360,000</u> | <u>\$ 55,473,637</u> | <u>\$ 56,835,458</u> | <u>\$ (1,361,821)</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 \$43,580,000. 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>\$ Change</u> |
|--------------------------|--------------------------------|----------------------|---------------------------------|-------------|----------------------|----------------------|----------------------|
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | | |
| | <u>2017</u> | <u>2016</u> | <u>2017</u> | <u>2016</u> | <u>2017</u> | <u>2016</u> | |
| General obligation bonds | \$ 43,580,000 | \$ 33,660,000 | \$ - | \$ - | \$ 43,580,000 | \$ 33,660,000 | \$ 9,920,000 |
| Capital leases | <u>1,347,762</u> | <u>829,249</u> | <u>-</u> | <u>-</u> | <u>1,347,762</u> | <u>829,249</u> | <u>518,513</u> |
| Total | <u>\$ 44,927,762</u> | <u>\$ 34,489,249</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 44,927,762</u> | <u>\$ 34,489,249</u> | <u>\$ 10,438,513</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, 2017

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 \$60,399,747 at year-end. The Town's outstanding general obligation debt is \$43,580,000 at year-end, which is \$16,819,747 under the State imposed limitation.

Economic Factors and Next Year's Budgets and Rates

FY17 was another challenging year for the Town of Tiverton. The elector petition adopted at the May 2017 FTR was remanded back to the Budget Committee, and required over \$700,000 in reductions from the Budget Committee proposal. The Budget Committee, the Town Council and the Town Administrator worked diligently to ensure that Municipal services remained intact. Funds became available from unfilled personnel positions and savings realized from refinancing the last eligible school bond. Balancing the budget still required a withdrawal from the general fund; however, building fees, Municipal Court collections, and Rescue Billing revenue results all exceeded expectations. Together with an unexpected FEMA reimbursement for a prior year, excess revenue closed the gap, and a withdrawal from the unassigned general fund was not necessary to meet the Town's expenditures. As a result of the FTR adopted resolutions, the Town continues to commit unexpended funds to grow our reserve accounts for future elections, revaluations, paving and capital.

While the Town continues to fully fund the Police Pension, year- end valuation results were positive and the Plan continues to grow and remain in a positive status.

The PAYT program continues and the Landfill Closure fund continues to increase; as of this publication, the reserve is over \$7.5 million.

Tax rates for FY2018 remained stable, but once again, balancing the budget required a withdrawal from Unreserved General Fund in the amount of \$103,077. FY2018 municipal expense budget of \$19,492,323 includes a capital budget of only \$442,476; a slight decrease from prior years. The School budget remained constant, increases funded by an increase in State Aid.

At this point in time, Town officials and residents alike remain focused on the Tiverton Casino project, and a Host Community agreement is being negotiated.

Results of the current budget are on target and as expected, and Town officials and department managers are already formulating the FY2019 budget.

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, 2017

| | Primary Government | | |
|---|---------------------------|----------------------|----------------|
| | Governmental | Business-Type | Total |
| | Activities | Activities | |
| ASSETS | | | |
| Cash and investments | \$ 40,649,349 | \$ 150,570 | \$ 40,799,919 |
| Receivables, net | | | |
| Personal property taxes | 2,417,486 | - | 2,417,486 |
| Intergovernmental | 998,718 | 93,350 | 1,092,068 |
| Departmental and other | 15,563 | - | 15,563 |
| Due from other funds | 5,572,437 | 378,800 | 5,951,237 |
| Prepaid expenses | 599,754 | - | 599,754 |
| Net pension asset | 4,281,431 | - | 4,281,431 |
| Capital assets: | | | |
| Land | 4,471,871 | 3,360,000 | 7,831,871 |
| Construction in progress | 445,014 | - | 445,014 |
| Infrastructure, net | 3,762,248 | - | 3,762,248 |
| Building and improvements, net | 39,636,292 | - | 39,636,292 |
| Automobiles and vessels, net | 1,445,535 | - | 1,445,535 |
| Machinery and equipment, net | 2,352,677 | - | 2,352,677 |
| Total capital assets | 52,113,637 | 3,360,000 | 55,473,637 |
| Total assets | 106,648,375 | 3,982,720 | 110,631,095 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related outflows | 12,352,583 | - | 12,352,583 |
| Total assets and deferred outflows of resources | \$ 119,000,958 | \$ 3,982,720 | \$ 122,983,678 |

The accompanying notes are an integral part of this statement.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Statement of Net Position

June 30, 2017

| | Primary Government | | |
|--|------------------------------------|-------------------------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | \$ 982,870 | \$ 44,212 | \$ 1,027,082 |
| Other liabilities | 41,912 | - | 41,912 |
| Accrued interest | 230,297 | - | 230,297 |
| Deposits held | 102,856 | - | 102,856 |
| Due to other funds | 6,369,686 | - | 6,369,686 |
| Current portion of capital leases | 303,923 | - | 303,923 |
| Current portion of bonds and notes payable | 2,085,000 | - | 2,085,000 |
| Current portion of bond premium | 224,611 | - | 224,611 |
| Current portion of compensated absences | 52,818 | - | 52,818 |
| Portion due or payable in more than one year: | | | |
| Capital leases | 1,043,839 | - | 1,043,839 |
| Bonds and notes payable | 41,495,000 | - | 41,495,000 |
| Bond premium | 4,185,548 | - | 4,185,548 |
| Compensated absences | 1,085,932 | - | 1,085,932 |
| Other post-employment benefit obligation | 8,109,735 | - | 8,109,735 |
| Net pension liability | 32,986,688 | - | 32,986,688 |
| Landfill closure and postclosure costs | <u>9,100,000</u> | <u>-</u> | <u>9,100,000</u> |
| Total liabilities | <u>108,400,715</u> | <u>44,212</u> | <u>108,444,927</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension related inflows | 3,939,525 | - | 3,939,525 |
| Gain on refunding | 1,273,636 | - | 1,273,636 |
| Unearned revenue | <u>366,628</u> | <u>-</u> | <u>366,628</u> |
| NET POSITION | | | |
| Net investment in capital assets | 1,271,783 | 3,360,000 | 4,631,783 |
| Restricted | 3,663,668 | 139,951 | 3,803,619 |
| Unrestricted | <u>85,003</u> | <u>438,557</u> | <u>523,560</u> |
| Total liabilities, deferred inflows or resources and net position | <u>\$ 119,000,958</u> | <u>\$ 3,982,720</u> | <u>\$ 122,983,678</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, 2017

| | <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 | \$ 8,490,113 | \$ 1,801,265 | \$ 7,294 | \$ 306,207 | \$ (6,375,347) | \$ - | \$ (6,375,347) |
| Public safety | 7,277,290 | 637,955 | 132,175 | - | (6,507,160) | - | (6,507,160) |
| Education | 32,482,085 | 39,038 | 1,404,484 | - | (31,038,563) | - | (31,038,563) |
| Public works | 3,160,088 | 570,133 | 83 | - | (2,589,872) | - | (2,589,872) |
| Health and human services | 696,320 | 10,541 | 8,682 | - | (677,097) | - | (677,097) |
| Parks and recreation | 150,055 | 51,709 | - | - | (98,346) | - | (98,346) |
| State contribution to teachers' pension plan | 1,364,935 | - | 1,364,935 | - | - | - | - |
| Interest on debt | 1,271,765 | - | - | - | (1,271,765) | - | (1,271,765) |
| Total governmental activities | <u>54,892,651</u> | <u>3,110,641</u> | <u>2,917,653</u> | <u>306,207</u> | <u>(48,558,150)</u> | <u>-</u> | <u>(48,558,150)</u> |
| Business-Type Activities | | | | | | | |
| Land acquisition fund | - | - | - | - | - | - | - |
| Cafeteria fund | 654,702 | 367,101 | 320,165 | - | - | 32,564 | 32,564 |
| Total business-type activities | <u>654,702</u> | <u>367,101</u> | <u>320,165</u> | <u>-</u> | <u>-</u> | <u>32,564</u> | <u>32,564</u> |
| Total Town of Tiverton | <u>\$ 55,547,353</u> | <u>\$ 3,477,742</u> | <u>\$ 3,237,818</u> | <u>\$ 306,207</u> | <u>\$ (48,558,150)</u> | <u>\$ 32,564</u> | <u>\$ (48,525,586)</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, 2017

| | Primary Government | | |
|--|------------------------------------|-------------------------------------|---------------|
| | Governmental Activities | Business-Type Activities | Total |
| General revenues | | | |
| Real estate and personal property, net of reserve for abatements | \$ 41,435,177 | \$ - | \$ 41,435,177 |
| Fines and interest payments | 318,199 | - | 318,199 |
| Meals and beverage tax | 220,957 | - | 220,957 |
| Public service corp tax | 203,475 | - | 203,475 |
| School housing aid | 847,595 | - | 847,595 |
| Library construction aid | 327,699 | - | 327,699 |
| Earnings on investments | 216,615 | - | 216,615 |
| State aid to town | 131,807 | - | 131,807 |
| Medicaid reimbursement | 300,000 | - | 300,000 |
| State aid to education | 6,283,966 | - | 6,283,966 |
| Total general revenues | 50,285,490 | - | 50,285,490 |
| Transfers between funds - operating | - | 45,000 | 45,000 |
| Transfers between funds - operating | 344,025 | - | 344,025 |
| Total general revenues, special items, and transfers | 50,629,515 | 45,000 | 50,674,515 |
| Changes in net position | 2,071,365 | 77,564 | 2,148,929 |
| Net position - July 1, 2016, restated | 2,949,089 | 3,860,944 | 6,810,033 |
| Net position - June 30, 2017 | \$ 5,020,454 | \$ 3,938,508 | \$ 8,958,962 |

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, 2017

| | <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 | \$ 16,824,254 | \$ 45,683 | \$ 23,779,412 | \$ 40,649,349 |
| Receivables: | | | | |
| Property taxes, net | 2,417,486 | - | - | 2,417,486 |
| Intergovernmental | - | 21,508 | 977,210 | 998,718 |
| Other | 15,563 | - | - | 15,563 |
| Due from other funds | - | 4,668,885 | 903,552 | 5,572,437 |
| Prepaid expenses | 599,754 | - | - | 599,754 |
| Total assets | <u>19,857,057</u> | <u>4,736,076</u> | <u>25,660,174</u> | <u>50,253,307</u> |
| Deferred outflows of resources | | | | |
| None | - | - | - | - |
| Total assets and deferred outflows of resources | <u>\$ 19,857,057</u> | <u>\$ 4,736,076</u> | <u>\$ 25,660,174</u> | <u>\$ 50,253,307</u> |
| Liabilities | | | | |
| Accounts payable and accrued expenses | \$ 801,001 | \$ 147,154 | \$ 34,715 | \$ 982,870 |
| Other liabilities | 41,912 | - | - | 41,912 |
| Deposits held | 102,856 | - | - | 102,856 |
| Due to other funds | 5,869,660 | 159,712 | 340,314 | 6,369,686 |
| Total liabilities | <u>6,815,429</u> | <u>306,866</u> | <u>375,029</u> | <u>7,497,324</u> |
| Deferred inflows of resources | | | | |
| Deferred property tax | 2,313,990 | - | - | 2,313,990 |
| Property taxes paid in advance | 7,336,721 | - | - | 7,336,721 |
| Unearned revenue | 19,205 | - | 347,423 | 366,628 |
| Total deferred inflows of resources | <u>9,669,916</u> | <u>-</u> | <u>347,423</u> | <u>10,017,339</u> |
| Fund balances | | | | |
| Nonspendable | 599,754 | - | - | 599,754 |
| Restricted | 362,625 | 2,767,237 | 533,806 | 3,663,668 |
| Committed | 511,008 | 1,661,973 | 24,504,787 | 26,677,768 |
| Unassigned | 1,898,325 | - | (100,871) | 1,797,454 |
| Total fund balances | <u>3,371,712</u> | <u>4,429,210</u> | <u>24,937,722</u> | <u>32,738,644</u> |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 19,857,057</u> | <u>\$ 4,736,076</u> | <u>\$ 25,660,174</u> | <u>\$ 50,253,307</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, 2017

| | <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 | \$38,118,437 | \$ - | \$ - | \$ 38,118,437 |
| Fines and interest on late payments | 318,199 | - | - | 318,199 |
| Intergovernmental | 1,731,533 | 6,583,966 | 1,221,392 | 9,536,891 |
| Licenses, permits, and fees | 2,435,737 | - | - | 2,435,737 |
| Investment Income | 77,959 | - | 138,656 | 216,615 |
| State contribution to teachers' pension plan | - | 1,367,440 | - | 1,367,440 |
| Other Revenue | 143,143 | 205,626 | 963,668 | 1,312,437 |
| Total revenue | <u>42,825,008</u> | <u>8,157,032</u> | <u>2,323,716</u> | <u>53,305,756</u> |
| Expenditures | | | | |
| General government | 6,053,541 | - | 11,589 | 6,065,130 |
| Public safety | 5,658,247 | - | 108,169 | 5,766,416 |
| Education | - | 29,166,913 | 1,364,587 | 30,531,500 |
| Public works | 1,956,902 | - | 130,938 | 2,087,840 |
| Health and human services | 682,868 | - | 13,452 | 696,320 |
| Parks and recreation | 74,504 | - | 52,849 | 127,353 |
| State contribution to teachers' pension plan | - | 1,367,440 | - | 1,367,440 |
| Capital outlay | 608,377 | - | - | 608,377 |
| Debt service | | | | |
| Principal | 2,480,000 | - | - | 2,480,000 |
| Interest | 1,349,547 | - | - | 1,349,547 |
| Total expenditures | <u>18,863,986</u> | <u>30,534,353</u> | <u>1,681,584</u> | <u>51,079,923</u> |
| Excess (deficiency) of revenues over expenditures | 23,961,022 | (22,377,321) | 642,132 | 2,225,833 |
| Other financing sources (uses) | | | | |
| Proceeds from bond issuance | - | - | 15,438,230 | 15,438,230 |
| Sale of Town property | 389,025 | - | - | 389,025 |
| Transfers in | 6,230,844 | 23,475,000 | 141,009 | 29,846,853 |
| Transfers out | <u>(29,729,429)</u> | <u>(162,424)</u> | - | <u>(29,891,853)</u> |
| Other financing sources (uses) | <u>(23,109,560)</u> | <u>23,312,576</u> | <u>15,579,239</u> | <u>15,782,255</u> |
| Excess of revenue and other sources over expenditures and other uses | 851,462 | 935,255 | 16,221,371 | 18,008,088 |
| Fund balance, July 1, 2016, restated | <u>2,520,250</u> | <u>3,493,955</u> | <u>8,716,351</u> | <u>14,730,556</u> |
| Fund balance, June 30, 2017 | <u>\$ 3,371,712</u> | <u>\$ 4,429,210</u> | <u>\$ 24,937,722</u> | <u>\$ 32,738,644</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, 2017

| | |
|--|---------------------|
| Total governmental fund balances | \$ 32,738,644 |
| Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds | |
| Net pension asset | 4,281,431 |
| Capital assets, net | 52,113,637 |
| Other pension related liabilities are not available to pay for current-period expenditures and, therefore, are deferred outflows of resources in the funds | 8,413,058 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds | 9,650,711 |
| Long term liabilities relating to bond premiums amortized over the life of the bond and gain on refunding | (5,683,795) |
| In the statement of activities, interest is accrued on outstanding long-term debt whereas in governmental funds interest is not reported until due | (230,297) |
| 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 | (43,580,000) |
| Capital leases | (1,347,762) |
| Compensated absences | (1,138,750) |
| Other postemployment benefits | (8,109,735) |
| Net pension liability | (32,986,688) |
| Landfill closure and postclosure care costs | <u>(9,100,000)</u> |
| Net position of governmental activities | <u>\$ 5,020,454</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, 2017

| | |
|---|---------------------|
| Net change in fund balances - total governmental funds | \$ 18,008,088 |
| 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 | (1,361,821) |
| 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 | 3,316,740 |
| 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 | (11,712,149) |
| 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 | (3,762,587) |
| In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due | 77,782 |
| 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 | (111,722) |
| 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 | (1,283,754) |
| 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>(1,099,212)</u> |
| Change in net position of governmental activities | <u>\$ 2,071,365</u> |

The accompanying notes are an integral part of this statement.

TOWN OF TIVERTON, RHODE ISLAND

Proprietary Funds
Statement of Net Position

June 30, 2017

| | Business-type Activities Enterprise Funds | | |
|---|--|---------------------------|---------------------------------------|
| | Land Acquisition Fund | Cafeteria Fund | Total Enterprise Funds |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ - | \$ 150,570 | \$ 150,570 |
| Intergovernmental | - | 93,350 | 93,350 |
| Due from other funds | 378,800 | - | 378,800 |
| Total current assets | 378,800 | 243,920 | 622,720 |
| Non-current assets | | | |
| Land | 3,360,000 | - | 3,360,000 |
| Total non-current assets | 3,360,000 | - | 3,360,000 |
| Total assets | 3,738,800 | 243,920 | 3,982,720 |
| Deferred outflows of resources | | | |
| None | - | - | - |
| Total assets and deferred outflows of resources | \$ 3,738,800 | \$ 243,920 | \$ 3,982,720 |
| Liabilities | | | |
| Accounts payable | \$ - | \$ 44,212 | \$ 44,212 |
| 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 | 199,708 | 438,557 |
| Total liabilities, deferred inflows of resources and net position | \$ 3,738,800 | \$ 243,920 | \$ 3,982,720 |

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, 2017

| | Business-type Activities Enterprise Funds | | |
|---|--|---------------------------|---------------------------------------|
| | Land Acquisition Fund | Cafeteria Fund | Total Enterprise Funds |
| Operating revenues | | | |
| Federal and state revenue | \$ - | \$ 320,165 | \$ 320,165 |
| Charges for services | - | 367,101 | 367,101 |
| Total operating revenues | - | 687,266 | 687,266 |
| Operating expenses | | | |
| General expenses | - | 654,702 | 654,702 |
| Total operating expenses | - | 654,702 | 654,702 |
| Operating income (loss) | - | 32,564 | 32,564 |
| Nonoperating revenues (expenses) | | | |
| None | - | - | - |
| Income (loss) before transfers | - | 32,564 | 32,564 |
| Transfers | | | |
| Transfer in - operating | - | 45,000 | 45,000 |
| Transfers out - operating | - | - | - |
| Total transfers | - | 45,000 | 45,000 |
| Change in net position | - | 77,564 | 77,564 |
| Net position, July 1, 2016 | 3,738,800 | 122,144 | 3,860,944 |
| Net position, June 30, 2017 | \$ 3,738,800 | \$ 199,708 | \$ 3,938,508 |

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, 2017

| | Business-type Activity Enterprise Fund |
|---|---|
| | Cafeteria Fund |
| Cash flows from operating activities | |
| Cash received from customers | \$ 367,101 |
| Cash received from government | 242,931 |
| Payments to suppliers and employees | (727,937) |
| Net cash provided (used) by operating activities | (117,905) |
| 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 | (72,905) |
| Balances-beginning of the year | 178,475 |
| Balances-end of the year | \$ 105,570 |
| Displayed as: | |
| Cash and cash equivalents | \$ 150,570 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | |
| Operating income (loss) | \$ 32,564 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | |
| Change in assets and liabilities: | |
| (Increase) decrease in receivables | (77,234) |
| Increase (decrease) accounts payable and accrued expenses | (73,235) |
| Net cash provided (used) by operating activities | \$ (117,905) |

The accompanying notes are an integral part of this statement.

TOWN OF TIVERTON, RHODE ISLAND

Fiduciary Funds
Statement of Net Position

June 30, 2017

| | <u>Police Pension Trust</u> | <u>Town OPEB Trust Funds</u> | <u>School OPEB Trust Funds</u> | <u>Private Purpose Trust Funds</u> | <u>Agency Funds</u> | <u>Total Fiduciary Funds</u> |
|---|---------------------------------|--------------------------------------|--|--|-------------------------|--------------------------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 59,743 | \$ 97,373 | \$ (514) | \$ 453,174 | \$ 230,600 | \$ 840,376 |
| Due from other funds | - | - | - | - | 429,310 | 429,310 |
| Other accounts receivable | 21,787 | - | - | - | - | 21,787 |
| Investments, at fair value | | | | | | |
| Cash management investment fund | - | - | 269,791 | 60,598 | - | 330,389 |
| Equities | 8,908,167 | - | - | - | - | 8,908,167 |
| Mutual funds | <u>2,061,333</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,061,333</u> |
| Total investments | <u>10,969,500</u> | <u>-</u> | <u>269,791</u> | <u>60,598</u> | <u>-</u> | <u>11,299,889</u> |
| Total assets | <u>11,051,030</u> | <u>97,373</u> | <u>269,277</u> | <u>513,772</u> | <u>659,910</u> | <u>12,591,362</u> |
| Deferred outflows of resources | | | | | | |
| None | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total assets and deferred outflows of resources | <u>\$ 11,051,030</u> | <u>\$ 97,373</u> | <u>\$ 269,277</u> | <u>\$ 513,772</u> | <u>\$ 659,910</u> | <u>\$ 12,591,362</u> |
| Liabilities | | | | | | |
| Due to other funds | \$ - | \$ - | \$ - | \$ 10,861 | \$ - | \$ 10,861 |
| Deposits held | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>659,910</u> | <u>659,910</u> |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>10,861</u> | <u>659,910</u> | <u>670,771</u> |
| Deferred inflows of resources | | | | | | |
| None | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net position | | | | | | |
| Restricted | <u>11,051,030</u> | <u>97,373</u> | <u>269,277</u> | <u>502,911</u> | <u>-</u> | <u>11,920,591</u> |
| Total net position | <u>11,051,030</u> | <u>97,373</u> | <u>269,277</u> | <u>502,911</u> | <u>-</u> | <u>11,920,591</u> |
| Total liabilities and net position | <u>\$ 11,051,030</u> | <u>\$ 97,373</u> | <u>\$ 269,277</u> | <u>\$ 513,772</u> | <u>\$ 659,910</u> | <u>\$ 12,591,362</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, 2017

| | <u>Police Pension Trust</u> | <u>Town OPEB Trust Funds</u> | <u>School OPEB Trust Funds</u> | <u>Private Purpose Trust Funds</u> | <u>Total Fiduciary Funds</u> |
|--|---------------------------------|--------------------------------------|--|--|--------------------------------------|
| Additions | | | | | |
| Employer contributions | \$ 650,000 | \$ - | \$ 594,483 | \$ - | \$ 1,244,483 |
| Plan member contributions | 186,677 | 729,965 | 23,157 | - | 939,799 |
| Investment income (net of related fees) | <u>1,471,204</u> | <u>5,564</u> | <u>-</u> | <u>7,165</u> | <u>1,483,933</u> |
| Total additions | <u>2,307,881</u> | <u>735,529</u> | <u>617,640</u> | <u>7,165</u> | <u>3,668,215</u> |
| Deductions | | | | | |
| Benefits paid | 779,901 | 638,156 | 404,269 | - | 1,822,326 |
| Administrative costs | - | - | - | - | - |
| Per trust agreements | <u>33,519</u> | <u>-</u> | <u>-</u> | <u>28,953</u> | <u>62,472</u> |
| Total deductions | <u>813,420</u> | <u>638,156</u> | <u>404,269</u> | <u>28,953</u> | <u>1,884,798</u> |
| Other financing sources (uses): | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Changes in fund equity held in trust for individuals, organizations, and other governments | 1,494,461 | 97,373 | 213,371 | (21,788) | 1,783,417 |
| Net position, July 1, 2016 | <u>9,556,569</u> | <u>-</u> | <u>55,906</u> | <u>524,699</u> | <u>10,137,174</u> |
| Net position, June 30, 2017 | <u>\$ 11,051,030</u> | <u>\$ 97,373</u> | <u>\$ 269,277</u> | <u>\$ 502,911</u> | <u>\$ 11,920,591</u> |

The accompanying notes are an integral part of this statement.

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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 97.4% of the total December 31, 2016 levy. The Town's fiscal 2017 property tax were levied in July 2016 on assessed valuation as of December 31, 2016.

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, 2017

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 inservice.

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>Estimated 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, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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, 2017, the Town implemented the following pronouncements issued by the GASB:

- GASB Statement No. 74, *Postemployment Benefit Plans Other than Pension Plans*
- GASB Statement No. 77, *Tax Abatement Disclosures*

The implementation of GASB Statements No. 74 required significant disclosures be added to the current year financial statements, however GASB 77 had no material reporting impact for the Town.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

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 \$60,399,747 based on the December 31, 2016 assessment. As of June 30, 2017, the Town's debt is under the debt limit by \$16,819,747. 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:

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". 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.

Deposits:

At June 30, 2017, the carrying amount of the Town's cash and cash equivalents was \$32,166,330 while the bank balance was \$33,259,419. Of the bank balance, \$11,065,157 was covered by federal depository insurance, \$6,532,481 was collateralized by securities held by financial institution and/or third parties in the name of the Town, and \$15,438,230 was backed by Government securities. The remaining balance of \$223,551 was uninsured. Information on the Town's book balance of \$32,166,330 is provided below.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 4. Cash and Investments (Continued):

Cash and investment of the Town consist of the following at June 30, 2017:

| | | |
|--------------------------------------|-----------|-------------------|
| Cash and Cash Equivalents | | |
| Deposits with financial institutions | \$ | 32,166,330 |
| Investments | | |
| Certificate of Deposits | \$ | 3,035,756 |
| Municipal Bonds | | 370,943 |
| Corporate bonds | | 2,999,429 |
| Equity | | 9,524,146 |
| Fixed Index Annuities | | 1,129,009 |
| Fixed Income | | 3,805,730 |
| Total Cash and Investments | \$ | 53,031,343 |

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

| | | |
|-----------------------------------|-----------|-------------------|
| Statement of Net Assets | | |
| Cash and cash equivalents | \$ | 31,325,954 |
| Investments | | 9,565,124 |
| Fiduciary Funds | | |
| Cash and cash equivalents | | 840,376 |
| Investments | | 11,299,889 |
| Total Cash and Investments | \$ | 53,031,343 |

Custodial Credit Risk:

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

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. The Town follows the guidance of the fair value measurement and disclosures in accordance with GASB Statement No. 72, "Fair Value Measurement and Application". The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Unadjusted quoted priced in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Unobservable inputs for asset or liability (supported by little or no market activity). Level 3 inputs include management’s own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 4. Cash and Investments (Continued):

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Town are open-ended mutual funds that are registered with the Securities and Exchange Commission.

Fixed income securities: Valued using market quotations or prices obtained from independent pricing sources which may employ various pricing methods to value the investments, including matrix pricing based on quoted prices for securities with similar coupons, ratings and maturities.

The following table summarizes the assets of the Town for which fair values are determined on a recurring basis as of June 30, 2017.

| <u>Investments at Fair Value</u> | <u>June 30, 2017</u> | <u>Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
|--|--------------------------|--|--|--|
| Municipal Bonds | \$ 370,943 | \$ 370,943 | \$ - | \$ - |
| Corporate Bonds | 2,999,429 | 2,999,429 | - | - |
| Equity | 9,524,146 | 9,524,146 | - | - |
| Fixed Index Annuity | 1,129,009 | 1,129,009 | - | - |
| Fixed Income | <u>3,805,730</u> | <u>3,805,730</u> | - | - |
| Total investments measured at fair value | <u>\$ 17,829,257</u> | <u>\$ 17,829,257</u> | <u>\$ -</u> | <u>\$ -</u> |

Interest Rate Risk:

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the town's debt type investments to this risk using the segment time distribution model is as follows:

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.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 4. Cash and Investments (Continued):

| Moody's Average Rating | Municipal Bonds and Corporate Bonds |
|---------------------------|--|
| A1 | \$ 51,118 |
| A2 | 238,541 |
| Ba2 | 207,373 |
| Baa1 | 1,154,454 |
| Baa2 | 675,491 |
| Baa3 | 1,043,395 |
| | \$ 3,370,372 |

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, 2017.

| | Due from Other Funds | Due to Other Funds |
|-------------------------------------|-------------------------|-----------------------|
| Major Governmental Funds | | |
| General Fund | \$ - | \$ 5,869,660 |
| School Unrestricted | 4,668,885 | 159,712 |
| Non-Major Governmental Funds | | |
| Special Revenue Funds | 900,295 | 47,734 |
| Capital Projects | - | 292,580 |
| Debt Service Fund | 3,257 | |
| Proprietary Funds | | |
| Land Acquisition Fund | 378,800 | - |
| Fiduciary Funds | | |
| Agency Funds | 429,310 | - |
| Private Purpose Trust Funds | - | 10,861 |
| Totals | \$ 6,380,547 | \$ 6,380,547 |

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, 2017.

| | Transfers In | Transfers Out |
|-------------------------------------|---------------|---------------|
| Major Governmental Funds | | |
| General Fund | \$ 6,230,844 | \$ 29,729,429 |
| School Unrestricted | 23,475,000 | 162,424 |
| Non-Major Governmental Funds | | |
| Capital Projects | 23,585 | - |
| School Special Revenue | 117,424 | - |
| Proprietary Funds | | |
| Cafeteria Fund | 45,000 | - |
| Totals | \$ 29,891,853 | \$ 29,891,853 |

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

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, 2017 was as follows:

| | Balance July 1, 2016 | Increases | Decreases | Balance June 30, 2017 |
|--|---------------------------------|------------------|------------------|----------------------------------|
| <u>Governmental Activities:</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 4,471,871 | \$ - | \$ - | \$ 4,471,871 |
| Construction in progress | 445,014 | - | - | 445,014 |
| Subtotal | 4,916,885 | - | - | 4,916,885 |
| Other Capital Assets: | | | | |
| Buildings and improvements | 57,355,012 | 175,698 | - | 57,530,710 |
| Motor vehicles | 5,703,891 | 432,432 | - | 6,136,323 |
| Infrastructure | 15,651,927 | 188,893 | - | 15,840,820 |
| Machinery and equipment | 4,366,698 | 319,800 | - | 4,686,498 |
| Subtotal | 83,077,528 | 1,116,823 | - | 84,194,351 |
| Accumulated Depreciation: | | | | |
| Buildings and improvements | 16,708,045 | 1,186,373 | - | 17,894,418 |
| Motor vehicles | 4,345,598 | 345,190 | - | 4,690,788 |
| Infrastructure, | 11,438,093 | 640,479 | - | 12,078,572 |
| Machinery and equipment | 2,027,219 | 306,602 | - | 2,333,821 |
| Subtotal | 34,518,955 | 2,478,644 | - | 36,997,599 |
| Net other capital assets | 48,558,573 | (1,361,821) | - | 47,196,752 |
| Net capital assets | \$ 53,475,458 | \$ (1,361,821) | \$ - | \$ 52,113,637 |

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 7. Capital Assets (Continued)

Depreciation was charged to functions as follows:

| | | |
|----------------------|----|-----------|
| General government | \$ | 253,496 |
| Public safety | | 302,480 |
| Public works | | 770,657 |
| Parks and recreation | | 22,702 |
| Education | | 1,129,309 |
| | | 1,129,309 |
| | \$ | 2,478,644 |

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, 2017 was as follows:

| | <u>Balance</u> <u>July 1, 2016</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u> <u>June 30, 2017</u> | <u>Due within</u> <u>one year</u> |
|--|---------------------------------------|------------------|--------------------|--|--------------------------------------|
| Governmental activities | | | | | |
| Bonds and notes payable | | | | | |
| Bonds payable | \$ 33,660,000 | \$ 25,540,000 | \$ 15,620,000 | \$ 43,580,000 | \$ 2,085,000 |
| Bond premium | 647,572 | 3,928,929 | 166,342 | 4,410,159 | 224,611 |
| Gain on refunding | - | 1,360,000 | 86,364 | 1,273,636 | 106,864 |
| Total bonds payable | 34,307,572 | 30,828,929 | 15,872,706 | 49,263,795 | 2,416,475 |
| Capital Leases | 829,249 | 824,395 | 305,882 | 1,347,762 | 303,923 |
| Other post-employment benefit obligation | 6,825,981 | 1,283,754 | - | 8,109,735 | - |
| Net pension liability - police | 5,709,919 | 177,608 | - | 5,887,527 | - |
| Net pension liability - ERS | 21,734,853 | 2,118,633 | - | 23,853,486 | - |
| Net pension liability - MERS | 2,473,760 | 771,915 | - | 3,245,675 | - |
| Landfill closure and postclosure care costs | 9,000,000 | 100,000 | - | 9,100,000 | - |
| Accrued compensated absences | 1,127,028 | 96,834 | 85,112 | 1,138,750 | 52,818 |
| Total long-term obligations | 47,700,790 | 5,373,139 | 390,994 | 52,682,935 | 356,741 |
| Total government-wide obligations | \$ 82,008,362 | \$ 36,202,068 | \$ 16,263,700 | \$ 101,946,730 | \$ 2,773,216 |

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 8. Long-Term Debt (Continued):

Maturities of long-term debt for the year ending June 30, 2018 through 2038 are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|----------------------|----------------------|----------------------|
| 2018 | 2,085,000 | 1,691,895 | 3,776,895 |
| 2019 | 3,095,000 | 1,699,269 | 4,794,269 |
| 2020 | 3,175,000 | 1,598,965 | 4,773,965 |
| 2021 | 3,260,000 | 1,493,379 | 4,753,379 |
| 2022 | 3,340,000 | 1,397,262 | 4,737,262 |
| 2023-2027 | 14,725,000 | 5,046,163 | 19,771,163 |
| 2028-2032 | 7,495,000 | 2,111,413 | 9,606,413 |
| 2033-2037 | 5,400,000 | 932,956 | 6,332,956 |
| 2038 | 1,005,000 | 50,250 | 1,055,250 |
| | <u>\$ 43,580,000</u> | <u>\$ 16,021,550</u> | <u>\$ 59,601,550</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, 2017:

| <u>Year End</u> | <u>Town & School Lease Payments</u> |
|---------------------------------|---|
| 2018 | \$ 303,923 |
| 2019 | 272,560 |
| 2020 | 239,665 |
| 2021 | 159,667 |
| 2022 | 104,877 |
| Thereafter | <u>267,070</u> |
| Future minimum rental payments | 1,347,762 |
| Interest portion of payments | <u>142,202</u> |
| Obligation under capital leases | <u>\$ 1,489,964</u> |

The Town and school has entered into various operating leases for rentals of office copy equipment. Operating lease expenses totaled \$6,047 for 2017 for the governmental funds. The following is a schedule of minimum lease payments:

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

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

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 \$9.1M. 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 2016 and 2017, the Town has set aside \$479,105 and \$550,496 respectively. As of June 30, 2017, the Town has accumulated \$7,331,678 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 60 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, 2017

Note 10. Other Post Retirement Benefits (Continued)

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.

Town Membership

| Description | Active Employees | Inactive or Beneficiaries Receiving Benefits | Total |
|-------------|---------------------|---|-------|
| Number | 68 | 79 | 147 |

School Membership

| Description | Active Employees | Inactive or Beneficiaries Receiving Benefits | Total |
|-------------|---------------------|---|-------|
| Number | 275 | 60 | 335 |

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. For the 2017 fiscal year, total Town premium plus implicit costs for the retiree medical program are \$638,156 and the total School premium plus implicit costs for retiree medical programs are \$404,269. The Town is also projected to make an additional contribution to an OPEB Trust of \$91,808 for the 2017 fiscal year for a total contribution of \$729,965. The School is projected to make an additional contribution to an OPEB Trust of \$190,214 for the 2017 fiscal year for a total contribution of \$594,483.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 10. Other Post Retirement Benefits (Continued)

Town Annual OPEB Funded Status

| Actuarial Valuation Date | Fiduciary Net Position | Total OPEB Liability (TOL) | Net OPEB Liability (NOL) | Funded Ratio | Covered Payroll | NOL as a % of Covered Payroll |
|--------------------------------|------------------------------|----------------------------------|--------------------------------|-----------------|--------------------|-------------------------------------|
| 6/30/2017 | 97,373 | 20,389,409 | 20,292,036 | 0.48% | 6,622,134 | 306.43% |

School Annual OPEB Funded Status

| Actuarial Valuation Date | Fiduciary Net Position | Total OPEB Liability (TOL) | Net OPEB Liability (NOL) | Funded Ratio | Covered Payroll | NOL as a % of Covered Payroll |
|--------------------------------|------------------------------|----------------------------------|--------------------------------|-----------------|--------------------|-------------------------------------|
| 6/30/2017 | 269,277 | 7,588,517 | 7,319,240 | 3.55% | 17,842,663 | 41.02% |

Net OPEB Obligation

Net OPEB Obligation: Below are the required pension obligation presentations per GASB 45 for the fiscal year ended June 30, 2017.

| | |
|--|----------------------------|
| Annual required contribution | \$ 2,619,001 |
| Interest on OPEB obligation | 238,910 |
| Adjustment to annual required contribution | (358,590) |
| Amortization of actuarial (gains)/losses | <u>(81,334)</u> |
| Annual OPEB cost | 2,417,987 |
| Employer contributions | <u>1,134,233</u> |
| Increase (decrease) in OPEB obligation | 1,283,754 |
| Net OPEB obligation beginning of year | <u>6,825,981</u> |
| Net OPEB obligation end of year | <u><u>\$ 8,109,735</u></u> |

Required Contributions:

| <u>Years Ending June 30</u> | <u>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% |
| 2017 | \$ 2,619,001 | 46.90% |

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 10. Other Post Retirement Benefits (Continued)

Investment Policy

The Town and School's policy in regard to the allocation of invested assets is established and may be amended by the committee by a majority vote of its members. It is the policy of the Town and School to pursue an investment strategy that reduced risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Town and School's adopted asset allocation policy as of June 30, 2017:

| Asset Class | Target Allocation |
|---|--------------------------|
| Domestic Equity - Large Cap | 37.10% |
| Domestic Equity - Small/Mid Cap | 0.00% |
| International Equity - Developed Market | 15.90% |
| International Equity - Emerging Market | 0.00% |
| Domestic Fixed Income | 39.00% |
| International Fixed Income | 0.00% |
| Alternatives | 0.00% |
| Real Estate | 8.00% |
| Cash | 0.00% |
| Total | <u>100.00%</u> |

Concentrations

There were no concentrations noted as of June 30, 2017.

Rate of return

For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 12.49% for the Town and 15.69% for the School. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the Town

The components of the net OPEB liability of the Town at June 30, 2017 were as follows:

| | |
|------------------------------|----------------------|
| Total OPEB liability | \$ 20,389,409 |
| Plans fiduciary net position | <u>97,373</u> |
| Town's net OPEB liability | <u>\$ 20,292,036</u> |

| | |
|---|-------|
| Plan net position as a percentage of the total OPEB liability | 0.48% |
|---|-------|

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 10. Other Post Retirement Benefits (Continued)

Net OPEB Liability of the School

| | |
|--|---------------------|
| Total OPEB liability | \$ 7,588,517 |
| Plans fiduciary net position | <u>269,277</u> |
| Town's net OPEB liability | <u>\$ 7,319,240</u> |
| | |
| Plan net position as a percentage of the total OPEB liability | 3.55% |

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: | Actuarially Determined Contribution was calculated as of June 30, 2017. |
| Actuarial Cost Method: | Individual Entry Age Normal |
| Asset-Valuation Method: | Market Value of Assets as of the Measurement Date, June 30, 2017. |

Actuarial Assumptions:

| | |
|----------------------------------|---|
| Investment Rate of Return: | 5.86%, net of OPEB plan investment expense |
| Single Equivalent Discount Rate: | 3.50%, net of OPEB plan investment expense, including inflation |
| Inflation: | 2.75% as of June 30, 2017 and for future periods |
| Salary Increases: | 3.00% annually as of June 30, 2017 and for future periods |
| Pre-Retirement Mortality: | RP-2000 Employees Mortality Table projected generationally with scale BB and a base year 2009 for males and females |
| Post-Retirement Mortality: | RP-2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2009 for males and females |
| Disabled Mortality: | RP-2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2009 for males and females |
| Changes in Assumptions: | Effective June 30, 2017 Changes to both pre and post retirement mortality tables. |

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2017 are summarized in the following table:

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 10. Other Post Retirement Benefits (Continued)

Actuarial Methods and Assumptions (Continued)

| Asset Class | Long-term Expected Real Rate of Return |
|---|---|
| Domestic Equity - Large Cap | 4.00% |
| Domestic Equity - Small/Mid Cap | 6.00% |
| International Equity - Developed Market | 4.50% |
| International Equity - Emerging Market | 7.00% |
| Domestic Fixed Income | 2.00% |
| International Fixed Income | 3.00% |
| Alternatives | 6.50% |
| Real Estate | 6.25% |
| Cash | 0.00% |
| | |
| I. Real Rate of Return | 3.48% |
| II. Inflation Assumption | <u>2.75%</u> |
| | |
| III. Total Nominal Return [I. + II.] | 6.23% |
| IV. Investment Expense | <u>0.37%</u> |
| V. Net Investment Return (III.-IV.) | <u>5.86%</u> |

Discount rate

The discount rate used to measure the total OPEB liability was 3.5 percent. The projection of cash flows used to determine the discount rate assumed that Town and School contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentagepoint lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current discount rate:

| | Impact of 1% Change in Discount Rate | | |
|----------------------|---|--|--------------------------------|
| | 1% Decrease (2.50%) | Current discount rate (3.50%) | 1% Increase (4.50%) |
| Total OPEB liability | 23,676,858 | 20,292,036 | 17,624,095 |

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 10. Other Post Retirement Benefits (Continued)

Sensitivity of the net OPEB liability to changes in the discount rate (Continued)

The following presents the net OPEB liability of the School, as well as what the School's net OPEB liability would be if it were calculated using a discount rate that is 1-percentagepoint lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current discount rate:

| | Impact of 1% Change in Discount Rate | | |
|----------------------|---|--|--------------------------------|
| | 1% Decrease (2.50%) | Current discount rate (3.50%) | 1% Increase (4.50%) |
| Total OPEB liability | 8,579,001 | 7,319,240 | 6,326,288 |

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost 79 trend rates that are 1-percentage-point lower (4.0 percent) or 1-percentage-point higher (6.0 percent) than the current healthcare cost trend rates:

| | Impact of 1% Change in Healthcare Trend Rate | | |
|----------------------|---|---------------------------------------|--------------------------------|
| | 1% Decrease (4.00%) | Current trend rate (5.00%) | 1% Increase (6.00%) |
| Total OPEB liability | 17,117,212 | 20,292,036 | 24,368,896 |

The following presents the net OPEB liability of the School, as well as what the School's net OPEB liability would be if it were calculated using healthcare cost 79 trend rates that are 1-percentage-point lower (4.0 percent) or 1-percentage-point higher (6.0 percent) than the current healthcare cost trend rates:

| | Impact of 1% Change in Healthcare Trend Rate | | |
|----------------------|---|---------------------------------------|--------------------------------|
| | 1% Decrease (4.00%) | Current trend rate (5.00%) | 1% Increase (6.00%) |
| Total OPEB liability | 6,156,819 | 7,319,240 | 8,811,930 |

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

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 2017, 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 9.27% and 12.76% of annual covered payroll for the fiscal year ended June 30, 2017 for the state and Town, respectively. The Town contributed \$1,803,412 and \$1,720,334 for the fiscal years ended June 30, 2017 and 2016, respectively, equal to 100% of the required contributions for each year.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

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, 2017, the Town reported a liability of \$23,853,486 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 | \$ 23,853,486 |
| State's proportionate share of the net pension liability associated with the Town | <u>16,336,135</u> |
| Total net pension liability | <u>\$ 40,189,621</u> |

The net pension liability was measured as of June 30, 2016, 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, 2015 rolled forward to June 30, 2016. 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, 2016, the Town proportion was 0.79949274%.

For the year ended June 30, 2017 the Town recognized gross pension expense of \$3,979,562 and revenue of \$1,367,440 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 | \$ 1,878,971 |
| Net difference between projected and actual investment earnings | 2,699,257 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 2,442,207 |
| Deferred inflows of resources | |
| Change of assumptions | \$ 494,112 |
| Differences between expected and actual experience | 470,641 |
| Net difference between projected and actual earnings on pension plan investments | <u>837,843</u> |
| Total | <u>\$ 5,217,839</u> |

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 11. Pension Plans

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

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

\$1,878,971 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2017 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2017. 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: | |
| 2017 | \$ 598,348 |
| 2018 | 598,348 |
| 2019 | 1,017,269 |
| 2020 | 707,229 |
| 2021 | 264,945 |
| thereafter | 152,729 |

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, 2015 valuation rolled forward to June 30, 2016 and the calculation of the total pension liability at June 30, 2016 were consistent with the results of an actuarial experience study performed as of June 30, 2015.

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 35 sources. The June 30, 2016 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, 2017

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 | - | 6.98% |
| International Developed | - | 7.26% |
| International Emerging Markets | - | 9.57% |
| Equity Hedge Funds | 8.0% | 4.10% |
| Private Equity | 7.0% | 10.15% |
| Core Fixed Income | 15.0% | 2.37% |
| Absolute Return Hedge Funds | 7.0% | 4.10% |
| Infrastructure | 3.0% | 5.58% |
| Real Estate | 8.0% | 5.33% |
| Other Real Return Assets: | 11.0% | - |
| Master Limited Partnerships | - | 4.97% |
| Credit | - | 4.97% |
| Inflation Linked Bonds | - | 1.76% |
| Cash, Overlay, Money Market | 3.0% | 0.82% |
| | 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, 2017

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%) |
|--------------------------|---------------------------------|-------------------------|
| \$ 29,456,967 | \$ 23,853,486 | \$ 19,266,195 |

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 Tiverton School Department recognized pension expense of \$321,450, for the fiscal year ended June 30, 2017.

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, 2017

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, 2017

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, 2017

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, 2017

Note 11. Pension Plans

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

At the June 30, 2015 valuation date, the following employees were covered by the benefit terms:

| | General Employees | Local 2670A | Fire Department |
|-------------------------------|----------------------|----------------|--------------------|
| Retirees and Beneficiaries | 45 | 17 | 24 |
| Inactive, Non-retired Members | 34 | 8 | 9 |
| Active Members | <u>93</u> | <u>27</u> | <u>31</u> |
| Total | <u>172</u> | <u>52</u> | <u>64</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 \$120,565 to their general employee MERS plan in the year ended June 30, 2017 which was 3.6% of annual covered payroll, \$87,977 to their Local 2670A MERS plan in the year ended which was 8.6% of annual covered payroll, and contributed \$230,385 to their Fire employee MERS plan in the year ended June 30, 2017 which was 14.2% of annual covered payroll.

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2015 and rolled forward to June 30, 2016, 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, 2016 measurement date (June 30, 2015 valuation rolled forward to June 30, 2016) | |
|---|---|
| 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, 2017

Note 11. Pension Plans

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

The actuarial assumptions used in the June 30, 2015 valuation rolled forward to June 30, 2016 and the calculation of the total pension liability at June 30, 2016 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 35 sources. The June 30, 2016 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

| <u>Type of Investment</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------------------|------------------------------|---|
| Global Equity: | 38.00% | |
| U.S. Equity | | 6.98% |
| International Developed | | 7.26% |
| International Emerging Markets | | 9.57% |
| Equity Hedge Funds | 8.00% | 4.10% |
| Private Equity | 7.00% | 10.15% |
| Core Fixed Income | 15.00% | 2.37% |
| Absolute Return Hedge Funds | 7.00% | 4.10% |
| Infrastructure | 3.00% | 5.58% |
| Real Estate | 8.00% | 5.33% |
| Other Real Return Assets: | 11.00% | |
| Master Limited Partnerships | | 4.97% |
| Credit | | 4.97% |
| Inflation Linked Bonds | | 1.76% |
| Cash, Overlay and Money Market | 3.00% | 0.82% |
| | <u>100.00%</u> | |

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, 2017

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 | Plan Fiduciary Net Position | Increase (Decrease) Net Pension Liability |
|--|--------------------------------|------------------------------------|--|
| Balances as of June 30, 2015 | \$10,808,474 | \$ 12,985,306 | (\$2,176,832) |
| Changes for the Year | | | |
| Service cost | 305,777 | - | 305,777 |
| Interest on the total pension liability | 800,893 | - | 800,893 |
| Benefit changes | - | - | - |
| Difference between expected and actual experience of the total pension liability | (84,123) | - | (84,123) |
| Employer contributions | - | 120,565 | (120,565) |
| Employee contributions | - | 107,803 | (107,803) |
| Net investment income | - | 842 | (842) |
| Benefit payments, including employee refunds | (565,572) | (565,572) | - |
| Administrative expense | - | (17,026) | 17,026 |
| Other changes | - | 3,563 | (3,563) |
| Net changes | <u>456,975</u> | <u>(349,825)</u> | <u>806,800</u> |
| Balances as of June 30, 2016 | <u>\$11,265,449</u> | <u>\$ 12,635,481</u> | <u>(\$1,370,032)</u> |

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

| | Total Pension Liability | Plan Fiduciary Net Position | Increase (Decrease) Net Pension Liability |
|--|--------------------------------|------------------------------------|--|
| Balances as of June 30, 2015 | \$ 4,384,849 | \$ 3,926,366 | \$458,483 |
| Changes for the Year | | | |
| Service cost | 88,291 | - | 88,291 |
| Interest on the total pension liability | 322,762 | - | 322,762 |
| Benefit changes | - | - | - |
| Difference between expected and actual experience of the total pension liability | (192,656) | - | (192,656) |
| Employer contributions | - | 87,977 | (87,977) |
| Employee contributions | - | 29,253 | (29,253) |
| Net investment income | - | (1,306) | 1,306 |
| Benefit payments, including employee refunds | (251,012) | (251,12) | - |
| Administrative expense | - | (3,513) | 3,513 |
| Other changes | - | (24,641) | 25,641 |
| Net changes | <u>32,615</u> | <u>(164,242)</u> | <u>131,627</u> |
| Balances as of June 30, 2016 | <u>\$ 4,352,234</u> | <u>\$ 3,762,124</u> | <u>\$ 590,110</u> |

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 11. Pension Plans

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

| | | Increase (Decrease) | |
|--|-------------------------|-----------------------------|-----------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Balances as of June 30, 2014 | \$ 11,768,400 | \$ 9,753,123 | \$ 2,015,277 |
| Changes for the Year | | | |
| Service cost | 300,210 | - | 300,210 |
| Interest on the total pension liability | 866,241 | - | 866,241 |
| Benefit changes | - | - | - |
| Difference between expected and actual experience of the total pension liability | (229,980) | - | (229,980) |
| Employer contributions | - | 230,385 | (230,385) |
| Employee contributions | - | 161,761 | (161,761) |
| Net investment income | - | (3,232) | 3,232 |
| Benefit payment including employee refunds | (737,239) | (737,239) | - |
| Administrative expense | - | (8,695) | 8,695 |
| Other changes | - | (84,036) | 84,036 |
| Net changes | <u>199,232</u> | <u>(441,056)</u> | <u>640,288</u> |
| Balances as of June 30, 2015 | <u>\$ 11,967,632</u> | <u>\$ 9,312,067</u> | <u>\$ 2,655,565</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.

| | General Employees Plan Current Discount Rate (7.5%) | |
|----------------------------------|--|---------------------------------|
| 1.00% Decrease (6.5%) | | 1.00 Increase (8.5%) |
| (\$ 184,262) | (\$ 1,370,032) | (\$ 2,340,524) |
| | Local 2670A Plan Current Discount Rate (7.5%) | |
| 1.00% Decrease (6.5%) | | 1.00 Increase (8.5%) |
| \$ 1,051,585 | \$ 590,110 | \$ 212,388 |
| | Fire Department Plan Current Discount Rate (7.5%) | |
| 1.00% Decrease (6.5%) | | 1.00 Increase (8.5%) |
| \$ 3,929,907 | \$ 2,655,565 | \$ 1,612,464 |

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

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

For the year ended June 30, 2017 the employer recognized pension expense of \$156,622. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

| | Deferred outflows of Resources | Deferred inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Contribution subsequent to measurement date | \$ 127,918 | \$ - |
| Differences in assumptions | - | 184,867 |
| Differences between expected and actual experience | 13,167 | - |
| Net difference between projected and actual earnings on pension plan investments | <u>1,163,288</u> | <u>349,884</u> |
| Total | <u>\$ 1,304,373</u> | <u>\$ 534,751</u> |

\$127,918 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2017 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2017. 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/(Inflows) of Resources |
|------------------------|---|
| 2018 | \$ 105,040 |
| 2019 | 105,038 |
| 2020 | 279,983 |
| 2021 | 155,496 |
| 2022 | (3,853) |
| Thereafter | <u>-</u> |
| Total | <u>\$ 641,704</u> |

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 11. Pension Plans

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

Local 2670A Employees Plan

For the year ended June 30, 2017 the employer recognized pension expense of \$176,293. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

| | Deferred outflows of Resources | Deferred inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Contribution subsequent to measurement date | \$ 38,339 | \$ - |
| Differences in assumptions | 6,604 | 158,094 |
| Differences between expected and actual experience | 129,301 | - |
| Net difference between projected and actual earnings on pension plan investments | <u>351,580</u> | <u>106,070</u> |
| Total | <u><u>\$ 525,824</u></u> | <u><u>\$ 264,164</u></u> |

\$38,339 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2017 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2017. 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 |
|------------------------|---------------------------------------|
| 2018 | \$ 53,706 |
| 2019 | 53,708 |
| 2020 | 105,175 |
| 2021 | 30,578 |
| 2022 | (19,846) |
| Thereafter | <u>-</u> |
| Total | <u><u>\$ 223,321</u></u> |

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

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 expense of \$450,585. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

| | Deferred outflows of Resources | Deferred inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Contribution subsequent to measurement date | \$ 300,731 | \$ - |
| Differences in assumptions | - | 60,920 |
| Differences between expected and actual experience | 15,660 | 193,582 |
| Net difference between projected and actual earnings on pension plan investments | <u>870,942</u> | <u>260,146</u> |
| Total | <u><u>\$ 1,187,333</u></u> | <u><u>\$ 514,648</u></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> |
|--------------------------------|---|
| 2018 | \$ 68,230 |
| 2019 | 68,232 |
| 2020 | 198,304 |
| 2021 | 99,534 |
| 2022 | (47,129) |
| Thereafter | <u>(15,217)</u> |
| Total | <u><u>\$ 371,954</u></u> |

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 11. Pension Plans

Defined Contribution Pension Plan

Defined Contribution Plan Description:

Certain employees participating in the defined benefit plan, as described above, may 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 7% of their annual covered salary and employers contribute 3% to 3.5% depending on years of service of annual covered salary. 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 recognized pension expense of \$19,024, for the fiscal year ended June 30, 2017.

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.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 11. Pension Plans

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

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 |

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 \$18,210 and \$18,602 for the fiscal years ended June 30, 2017 and 2016, 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, 2017, the Town reported an asset of \$129,458 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, 2016, 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, 2015 rolled forward to June 30, 2016. The Town proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2016 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2016, the Town proportion was 2.92391721%. For the year ended June 30, 2017 the Town recognized pension expense of \$(42,146) – an increase in the net pension asset. At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 11. Pension Plans

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

| | |
|---|-------------------|
| Deferred outflows of resources | |
| Contributions subsequent to the measurement date | \$ 18,210 |
| Differences between expected and actual experience | 554,234 |
| Net difference between projected and actual investment earnings | 770,392 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 62,314 |
| Deferred inflows of resources | |
| Difference between expected and actual experience | \$ 578,780 |
| Net difference between projected and actual earnings on pension plan investments | <u>237,861</u> |
| Total | <u>\$ 588,509</u> |

\$18,210 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2017 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| | |
|---------------------|------------|
| Year ended June 30: | |
| 2018 | \$ 109,390 |
| 2019 | 109,390 |
| 2020 | 228,321 |
| 2021 | 141,610 |
| 2022 | 14,045 |
| Thereafter | (32,457) |

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.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 11. Pension Plans

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

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, 2015 valuation rolled forward to June 30, 2016 and the calculation of the total pension liability at June 30, 2016 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

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 35 sources. The June 30, 2016 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

| <u>Type of Investment</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------------------|--------------------------|---|
| Global Equity: | 38.00% | |
| U.S. Equity | | 6.98% |
| International Developed | | 7.26% |
| International Emerging Markets | | 9.57% |
| Equity Hedge Funds | 8.00% | 4.10% |
| Private Equity | 7.00% | 10.15% |
| Core Fixed Income | 15.00% | 2.37% |
| Absolute Return Hedge Funds | 7.00% | 4.10% |
| Infrastructure | 3.00% | 5.58% |
| Real Estate | 8.00% | 5.33% |
| Other Real Return Assets: | 11.00% | |
| Master Limited Partnerships | | 4.97% |
| Credit | | 4.97% |
| Inflation Linked Bonds | | 1.76% |
| Cash, Overlay and Money Market | 3.00% | 0.82% |
| | <u>100.00%</u> | |

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, 2017

Note 11. Pension Plans

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

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%) |
|----------------------------------|---|---------------------------------|
| (\$ 2,310,229) | (\$ 2,911,399) | (\$ 3,403,266) |

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, 2017

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, 2017, pension plan membership consisted of the following:

| | |
|---|------------------|
| Inactive plan members or beneficiaries currently receiving benefits | 30 |
| Inactive plan members entitled to but not yet receiving benefits | - |
| Active plan members | <u>32</u> |
| Subtotal | <u><u>62</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, 2017

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, 2017, the active member contribution rate was 10 percent of annual pay, and the Town's contribution rate was 38.6 percent of annual payroll.

The contributions made to the plan for the fiscal year ended June 30, 2017 were \$836,677 which consists of employer contributions of \$650,000 and employee contributions of \$186,677.

(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, 2017:

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

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

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, 2017, 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, 2017 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, 2017, 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, 2017, 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, 2017, 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, 2017, there were no deposits subject to foreign currency risk.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

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, 2017.

(3) Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2017, were as follows:

| | |
|---|---------------------|
| Total pension liability | \$ 16,938,557 |
| Plan fiduciary net position | <u>(11,051,030)</u> |
| Town's net pension liability | <u>\$ 5,887,527</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 65.24% |

(a) Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2017, 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, 2017 valuation were based on the results of an actuarial experience study for the period ended June 30, 2017.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

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 7/1/2016 | \$ 15,266,488 | \$ 9,556,569 | \$ 5,709,919 |
| Changes for the year: | | | |
| Service cost | 302,324 | - | 302,324 |
| Interest on total pension liability | 1,138,411 | - | 1,138,411 |
| Differences between expected and actual experience | 333,268 | - | 333,268 |
| Changes in assumptions | 677,967 | - | 677,967 |
| Contributions - employer | - | 650,000 | (650,000) |
| Contributions - employee | - | 186,677 | (186,677) |
| Net investment income | - | 1,471,204 | (1,471,204) |
| Benefit payments | (779,901) | (779,901) | - |
| Administrative expense | - | (33,519) | 33,519 |
| Net changes | <u>1,672,069</u> | <u>1,494,461</u> | <u>177,608</u> |
| Balance as of 6/30/2017 | <u>\$ 16,938,557</u> | <u>\$ 11,051,030</u> | <u>\$ 5,887,527</u> |

(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 | \$ 7,924,952 | \$ 5,887,527 | \$ 4,199,773 |

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

For the year ended June 30, 2017 the Town recognized benefits paid of \$779,901.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 11. Pension Plans

Police Pension Plan (Continued)

At June 30, 2017 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 | \$ 279,946 |
| Changes in assumptions | 555,369 |
| Net difference between projected and actual investment earnings | 74,153 |
| Deferred inflows of resources | |
| Differences between expected and actual Experience | \$ 6,725 |
| Total | <u>\$ 902,743</u> |

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

| | |
|---------------------|------------|
| Year ended June 30: | |
| 2018 | \$ 255,835 |
| 2019 | 255,835 |
| 2020 | 255,719 |
| 2021 | 38,055 |
| 2022 | 97,299 |
| Thereafter | - |

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 2017, the Town of Tiverton incurred approximately \$34,387 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, 2017

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, 2017

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 | \$ 599,754 | \$ - | \$ - | \$ - | \$ - | \$ 599,754 |
| Restricted for | | | | | | |
| Public safety programs | - | - | 108,090 | - | - | 108,090 |
| Educational purposes | - | 2,767,237 | 26,750 | - | - | 2,793,987 |
| Debt service fund | 362,625 | - | - | - | - | 362,625 |
| Health and human services programs | - | - | 398,966 | - | - | 398,966 |
| Committed to | | | | | | |
| General government purposes | 35,581 | - | 636,338 | - | - | 671,919 |
| Finance administration purposes | 167,156 | - | - | - | - | 167,156 |
| Public safety programs | - | - | 85,201 | - | - | 85,201 |
| Health and human services programs | - | - | 3,035 | - | - | 3,035 |
| Public works programs | 283,279 | - | 48,328 | 7,375,263 | - | 7,706,870 |
| Parks and recreation | - | - | 121 | 382,134 | - | 382,255 |
| Capital projects | 24,992 | - | - | - | - | 24,992 |
| Various school renovation projects | - | 1,661,973 | - | - | - | 1,661,973 |
| Debt service bonds | - | - | - | 15,438,230 | 536,137 | 15,974,367 |
| Unassigned | <u>1,898,325</u> | <u>-</u> | <u>(27,488)</u> | <u>(73,383)</u> | <u>-</u> | <u>1,797,454</u> |
| | <u>\$ 3,371,712</u> | <u>\$ 4,429,210</u> | <u>\$ 1,279,341</u> | <u>\$ 23,122,244</u> | <u>\$ 536,137</u> | <u>\$ 32,738,644</u> |

Note 14. Fund Deficit

The following funds had deficits at year end:

| | |
|-------------------------|----------|
| Old Stone Bridge | (64,669) |
| Grinnells Beach | (8,714) |
| Wastewater Management | (366) |
| RIDE Wireless Classroom | (1,289) |
| EMA Grant | (11,772) |
| Police Equipment | (8,290) |
| NCPC | (3,492) |
| Tiverton PC | (624) |
| Local Task Force | (1,655) |

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, 2017 and through February 7, 2018, the date of which the financial statements were issued.

As of February 7, 2018, the Town did not have any significant subsequent events to disclose.

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2017

Note 16. Restatement Note

The following funds were restated as of July 1, 2016:

| | <u>Governmental Activities</u> | |
|---|--|-------------------------|
| Beginning balance, July 1, 2016 | \$ | 3,065,428 |
| To restate special revenue for miscellaneous grants not maintained on books | | (156,130) |
| To record prior years high cost SPED revenue not recorded in the school unrestricted fund | | <u>39,791</u> |
| Beginning balance, July 1, 2016, restated | \$ | <u><u>2,949,089</u></u> |
| | | |
| | <u>School Special Revenue</u> | |
| Beginning balance, July 1, 2016 | \$ | 229,896 |
| To restate special revenue for miscellaneous grants not maintained on books | | <u>(156,130)</u> |
| Beginning balance, July 1, 2016, restated | \$ | <u><u>73,766</u></u> |
| | | |
| | <u>School Unrestricted Fund</u> | |
| Beginning balance, July 1, 2016 | \$ | 3,454,163 |
| To record prior years high cost SPED revenue not recorded in the school unrestricted fund | | <u>39,791</u> |
| Beginning balance, July 1, 2016, restated | \$ | <u><u>3,493,954</u></u> |

Required Supplementary Information

TOWN OF TIVERTON, RHODE ISLAND
 Required Supplementary Information
 Budgetary Comparison Schedule - General Fund
 For the Year Ended June 30, 2017

| | <u>Original Budget</u> | | | <u>Total Available</u> | <u>Actual</u> | <u>Encumbrances / Appropriations Carried To FY 18</u> | <u>Variance Favorable (Unfavorable)</u> | <u>T/C Resolution to Paving and Capital</u> |
|--|--------------------------------------|------------------------|-----------|------------------------|-------------------|---|---|---|
| | <u>Encumbrances Carried to FY 17</u> | <u>Original Budget</u> | | | | | | |
| Revenues | | | | | | | | |
| General property taxes | \$ - | \$ 38,218,533 | \$ - | \$ 38,218,533 | \$ 38,118,437 | \$ - | \$ (100,096) | \$ - |
| Intergovernmental | - | 1,662,751 | - | 1,662,751 | 1,731,533 | - | 68,782 | - |
| Licenses, permits, and usage fees | - | 2,117,990 | - | 2,117,990 | 2,435,737 | - | 317,747 | - |
| Fines and interest on late payments | - | 300,000 | - | 300,000 | 318,199 | - | 18,199 | - |
| Interest on investment | - | 32,000 | - | 32,000 | 77,959 | - | 45,959 | - |
| Other revenue | - | 42,680 | - | 42,680 | 143,143 | - | 100,463 | - |
| Total revenues | <u>-</u> | <u>42,373,954</u> | <u>-</u> | <u>42,373,954</u> | <u>42,825,008</u> | <u>-</u> | <u>451,054</u> | <u>-</u> |
| Expenditures | | | | | | | | |
| General government | 25,163 | 1,131,153 | (15,792) | 1,140,524 | 1,102,271 | 35,581 | 2,672 | 1,336 |
| Finance administration | 141,258 | 4,943,132 | 35,594 | 5,119,984 | 4,950,272 | 167,156 | 2,556 | 1,278 |
| Public safety | - | 5,812,794 | (132,327) | 5,680,467 | 5,658,242 | - | 22,225 | 11,113 |
| Health and human services | - | 696,271 | (9,788) | 686,483 | 683,878 | - | 2,605 | 1,303 |
| Public works | 216,953 | 1,753,409 | 245,288 | 2,215,650 | 1,956,899 | 258,285 | 466 | 233 |
| Parks and recreation | - | 103,100 | (24,881) | 78,219 | 74,502 | - | 3,717 | 1,857 |
| Capital outlay | - | 684,331 | 13,362 | 697,693 | 631,961 | - | 65,732 | 32,866 |
| Debt service - principal | - | 2,480,000 | - | 2,480,000 | 2,480,000 | - | - | - |
| Debt service - interest | - | 1,461,004 | (111,456) | 1,349,548 | 1,349,546 | - | 2 | 1 |
| Total expenditures | <u>383,374</u> | <u>19,065,194</u> | <u>-</u> | <u>19,448,568</u> | <u>18,887,571</u> | <u>461,022</u> | <u>99,975</u> | <u>49,987</u> |
| Excess (deficiency) of revenues over expenditures | <u>(383,374)</u> | <u>23,308,760</u> | <u>-</u> | <u>22,925,386</u> | <u>23,937,437</u> | <u>(461,022)</u> | <u>551,029</u> | <u>49,987</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, 2017

| | <u>Original Budget</u> | | | <u>Total Available</u> | <u>Actual</u> | <u>Encumbrances / Appropriations Carried To FY 18</u> | <u>Variance Favorable (Unfavorable)</u> | <u>T/C Resolution to Paving and Capital</u> |
|--|--------------------------------------|------------------------|-------------|------------------------|---------------------|---|---|---|
| | <u>Encumbrances Carried to FY 17</u> | <u>Original Budget</u> | | | | | | |
| Other financing sources and (uses) | | | | | | | | |
| Transfer to other funds | - | (23,475,000) | - | (23,475,000) | (23,475,000) | - | - | - |
| Use of fund balance | - | 166,240 | - | 166,240 | - | - | (166,240) | - |
| Sale of Town property | - | - | - | - | 389,025 | - | 389,025 | - |
| | <u>-</u> | <u>(23,308,760)</u> | <u>-</u> | <u>(23,308,760)</u> | <u>(23,085,975)</u> | <u>-</u> | <u>222,785</u> | <u>-</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis | <u>\$ (383,374)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (383,374)</u> | 851,462 | <u>\$ (461,022)</u> | <u>\$ 773,814</u> | <u>\$ 49,987</u> |
| Adjustment of budgetary basis to U.S. GAAP | | | | | - | | | |
| Excess of revenue and other financing sources over expenditures and other uses, U.S. GAAP basis | | | | | <u>851,462</u> | | | |
| Fund balance, July 1, 2016 | | | | | <u>2,520,250</u> | | | |
| Fund balance, June 30, 2017 | | | | | <u>\$ 3,371,712</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, 2017

| | <u>Original Budget</u> | <u>Amended Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|---|----------------------------|---------------------------|---------------------|---|
| Revenues | | | | |
| Federal and State governments | \$ 6,283,966 | \$ 6,283,966 | \$ 6,283,966 | \$ - |
| Other revenues | - | - | 505,626 | 505,626 |
| Total revenues | <u>6,283,966</u> | <u>6,283,966</u> | <u>6,789,592</u> | <u>505,626</u> |
| Expenditures | | | | |
| Salaries | 15,946,994 | 15,946,994 | 16,753,208 | (806,214) |
| Employee benefits | 6,543,763 | 6,543,763 | 6,521,208 | 22,555 |
| Purchased services | 5,893,586 | 5,893,586 | 4,547,578 | 1,346,008 |
| Supplies and materials | 1,084,420 | 1,084,420 | 976,147 | 108,273 |
| Capital outlay | 88,737 | 88,737 | 341,773 | (253,036) |
| Other operating expenditures | <u>65,724</u> | <u>65,724</u> | <u>26,999</u> | <u>38,725</u> |
| Total expenditures | <u>29,623,224</u> | <u>29,623,224</u> | <u>29,166,913</u> | <u>456,311</u> |
| Excess of expenditures over revenues, budgetary basis | <u>(23,339,258)</u> | <u>(23,339,258)</u> | <u>(22,377,321)</u> | <u>961,937</u> |
| Other financing sources (uses) | | | | |
| Transfer from Town of Tiverton | 23,475,000 | 23,475,000 | 23,475,000 | - |
| Transfer to other funds | - | - | (162,424) | (162,424) |
| Anticipated (surplus) deficit | <u>(135,742)</u> | <u>(135,742)</u> | <u>-</u> | <u>135,742</u> |
| Total other financing sources (uses) | <u>23,339,258</u> | <u>23,339,258</u> | <u>23,312,576</u> | <u>(26,682)</u> |
| Excess of revenues and other financing sources over expenditures and other financing uses, budgetary basis | <u>\$ -</u> | <u>\$ -</u> | 935,255 | <u>\$ 935,255</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>935,255</u> | |
| Fund balance, July 1, 2016 | | | <u>3,493,955</u> | |
| Committed fund balance June 30, 2017 | | | 1,661,973 | |
| Restricted fund balance June 30, 2017 | | | <u>2,767,237</u> | |
| Total fund balance June 30, 2017 | | | <u>\$ 4,429,210</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, 2017

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, 2017 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) | \$ 851,462 | \$ 935,255 |
| State contribution to teachers' pension plan revenue on behalf | - | 1,367,440 |
| State contribution to teacher's pension plan expense on behalf | <u>-</u> | <u>(1,367,440)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP) | <u>\$ 851,462</u> | <u>\$ 935,255</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, 2017

| <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> |
|---|--|--|---|-------------------------|----------------------------|---|
| 7/1/2013 | - | 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 |
| 7/1/2015 | - | 21,799,264 | (21,799,264) | 0% | N/A | N/A |
| 7/1/2016 | - | 27,174,905 | (27,174,905) | 0% | 24,464,797 | 111.1% |

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Town's Contributions - Other Post-Employment Benefits

For the Year Ended June 30, 2017

| | <u>June 30, 2017</u> |
|---|-----------------------------|
| Actuarial determined contribution | \$ 1,486,663 |
| Contributions in relation to the actuarially determined contribution | <u>729,965</u> |
| Contribution deficiency (excess) | <u>\$ 756,698</u> |
| | |
| Covered-employee payroll | \$ 6,622,134 |
| | |
| Contributions as a percentage of covered-employee payroll | 11.02% |

* First year of implementation of GASB 74, therefore only one year of the ten required data is available.

** Actuarial determined contributions are based on the Annual Required Contributions calculated in the prior GASB 45 actuarial valuations.

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios - Other Post-Employment Benefits

For the Year Ended June 30, 2017

| | <u>June 30, 2017</u> |
|--|-----------------------------|
| Total OPEB liability | |
| Service cost | \$ 442,043 |
| Interest on net OPEB liability and service cost | 700,377 |
| Differences between actual and expected experience | - |
| Changes of assumptions | - |
| Benefit payments, including refunds | <u>(638,156)</u> |
| Net change in total OPEB liability | 504,264 |
| Total OPEB liability - beginning | <u>19,885,145</u> |
| Total OPEB liability - ending | <u><u>\$ 20,389,409</u></u> |
| OPEB fiduciary net position | |
| Benefit payments, including refunds | \$ (638,156) |
| Trust administrative expenses | - |
| Contributions - employer | 729,965 |
| Contribution - Active employees | - |
| Net investment income | <u>5,564</u> |
| Net change in plan fiduciary net position | 97,373 |
| Plan fiduciary net position - beginning | <u>-</u> |
| Plan fiduciary net position - ending | <u><u>\$ 97,373</u></u> |
| Plan's net pension liability - ending | <u><u>\$ 20,292,036</u></u> |
| Plan fiduciary net position as % of total OPEB liability | 0.48% |
| Covered employee payroll | 6,622,134 |
| Plan NOL as % of covered employee payroll | 306.43% |

* First year of implementation of GASB 74, therefore only one year of the ten required data is available.

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Town's Investment Returns - Other Post-Employment Benefits

For the Year Ended June 30, 2017

| | <u>June 30, 2017</u> |
|--|----------------------|
| Annual money-weighted rate of return, net of investment expense | 12.49% |

* First year of implementation of GASB 74, therefore only one year of the ten required data is available.

Notes to Required Supplementary Information:

Valuation Date: Actuarially Determined Contribution was calculated as of June 30, 2017.
Actuarial Cost Method: Individual Entry Age Normal
Asset-Valuation Method: Market Value of Assets as of the Measurement Date, June 30, 2017.

Actuarial Assumptions:

Investment Rate of Return: 5.86%, net of OPEB plan investment expense
Single Equivalent Discount Rate: 3.50%, net of OPEB plan investment expense, including inflation
Inflation: 2.75% as of June 30, 2017 and for future periods
Salary Increases: 3.00% annually as of June 30, 2017 and for future periods
Pre-Retirement Mortality: RP-2000 Employees Mortality Table projected generationally with scale BB and a base year 2009 for males and females
Post-Retirement Mortality: RP-2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2009 for males and females
Disabled Mortality: RP-2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2009 for males and females
Changes in Assumptions: Effective June 30, 2017
Changes to both pre and post retirement mortality tables.

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of School's Contributions - Other Post-Employment Benefits

For the Year Ended June 30, 2017

| | <u>June 30, 2017</u> |
|---|-----------------------------|
| Actuarial determined contribution | \$ 741,396 |
| Contributions in relation to the actuarially determined contribution | <u>594,483</u> |
| Contribution deficiency (excess) | <u><u>\$ 146,913</u></u> |
| | |
| Covered-employee payroll | \$ 17,842,663 |
| | |
| Contributions as a percentage of covered-employee payroll | 3.33% |

* First year of implementation of GASB 74, therefore only one year of the ten required data is available.

** Actuarial determined contributions are based on the Annual Required Contributions calculated in the prior GASB 45 actuarial valuations.

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of Changes in the School's Net OPEB Liability and Related Ratios - Other Post-Employment Benefits

For the Year Ended June 30, 2017

| | <u>June 30, 2017</u> |
|--|-----------------------------|
| Total OPEB liability | |
| Service cost | \$ 357,050 |
| Interest on net OPEB liability and service cost | 263,514 |
| Differences between actual and expected experience | - |
| Changes in assumptions | - |
| Benefit payments, including refunds | <u>(404,269)</u> |
| Net change in total OPEB liability | 216,295 |
| Total OPEB liability - beginning | <u>7,372,222</u> |
| Total OPEB liability - ending | <u>\$ 7,588,517</u> |
| OPEB fiduciary net position | |
| Benefit payments, including refunds | \$ (404,269) |
| Trust administrative expenses | - |
| Contributions - employer | 594,483 |
| Contribution - Active employees | 23,157 |
| Net investment income | <u>-</u> |
| Net change in plan fiduciary net position | 213,371 |
| Plan fiduciary net position - beginning | <u>55,906</u> |
| Plan fiduciary net position - ending | <u>\$ 269,277</u> |
| Plan's net pension liability - ending | <u>\$ 7,319,240</u> |
| Plan fiduciary net position as % of total OPEB liability | 3.55% |
| Covered employee payroll | 17,842,663 |
| Plan NOL as % of covered employee payroll | 41.02% |

* First year of implementation of GASB 74, therefore only one year of the ten required data is available.

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Required Supplementary Information

Schedule of School's Investment Returns - Other Post-Employment Benefits

For the Year Ended June 30, 2017

| | <u>June 30, 2017</u> |
|--|-----------------------------|
| Annual money-weighted rate of return, net of investment expense | 15.69% |

* First year of implementation of GASB 74, therefore only one year of the ten required data is available.

Notes to Required Supplementary Information:

Valuation Date: Actuarially Determined Contribution was calculated as of June 30, 2017.
Actuarial Cost Method: Individual Entry Age Normal
Asset-Valuation Method: Market Value of Assets as of the Measurement Date, June 30, 2017.

Actuarial Assumptions:

Investment Rate of Return: 5.86%, net of OPEB plan investment expense
Single Equivalent Discount Rate: 3.50%, net of OPEB plan investment expense, including inflation
Inflation: 2.75% as of June 30, 2017 and for future periods
Salary Increases: 3.00% annually as of June 30, 2017 and for future periods
Pre-Retirement Mortality: RP-2000 Employees Mortality Table projected generationally with scale BB and a base year 2009 for males and females
Post-Retirement Mortality: RP-2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2009 for males and females
Disabled Mortality: RP-2000 Healthy Annuitant Mortality Table projected generationally with scale BB and a base year 2009 for males and females
Changes in Assumptions: Effective June 30, 2017
Changes to both pre and post retirement mortality tables.

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, 2017

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|----------------------|----------------------|----------------------|
| Employer's proportion of the net pension liability | 0.79949274% | 0.78949625% | 0.67955856% |
| Employer's proportionate share of the net pension liability | \$ 23,853,486 | \$ 21,734,853 | \$ 16,540,458 |
| State's proportionate share of the net pension liability associated with the school district | <u>16,336,135</u> | <u>14,848,569</u> | <u>11,342,554</u> |
| Total | <u>\$ 40,189,621</u> | <u>\$ 36,583,422</u> | <u>\$ 27,883,012</u> |
| Employer's covered employee payroll | \$ 14,724,220 | \$ 15,064,982 | \$ 14,797,140 |
| Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll | 272.95% | 242.84% | 188.44% |
| Plan fiduciary net position as a percentage of the total pension liability | 54.06% | 57.55% | 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, 2017

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|------------------|
| Actuarially determined contribution | \$ 1,878,971 | \$ 1,803,412 | \$ 1,720,334 |
| Contributions in relation to the actuarially determined contribution | <u>1,878,971</u> | <u>1,803,412</u> | <u>1,720,334</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered-employee payroll | \$ 14,724,220 | \$ 15,064,982 | \$ 14,797,140 |
| Contributions as a percentage of covered- employee payroll | 12.76% | 11.97% | 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, 2017

| | <u>Year Ended June 30,</u> <u>2016</u> | <u>Year Ended June 30,</u> <u>2015</u> | <u>Year Ended June 30,</u> <u>2014</u> |
|--|---|---|---|
| A. Total pension liability | | | |
| 1. Service Cost | \$ 300,210 | \$ 299,037 | \$ 273,939 |
| 2. Interest on the Total Pension Liability | 866,241 | 795,965 | 771,046 |
| 3. Changes of benefit terms | - | 490,060 | - |
| 4. Difference between expected and actual experience of the Total Pension Liability | (229,980) | 23,126 | - |
| 5. Changes of assumptions | - | - | (95,297) |
| 6. Benefit payments, including refunds of employee contributions | <u>(737,239)</u> | <u>(606,263)</u> | <u>(653,720)</u> |
| 7. Net change in total pension liability | 199,232 | 1,001,925 | 295,968 |
| 8. Total pension liability – beginning | <u>11,768,400</u> | <u>10,766,475</u> | <u>10,470,507</u> |
| 9. Total pension liability – ending (a) | <u>\$ 11,967,632</u> | <u>\$ 11,768,400</u> | <u>\$ 10,766,475</u> |
| B. Plan fiduciary net position | | | |
| 1. Contributions – employer | \$ 230,385 | \$ 266,991 | \$ 164,296 |
| 2. Contributions – employee | 161,761 | 139,329 | 133,465 |
| 3. Net investment income | (3,232) | 228,566 | 1,297,206 |
| 4. Benefit payments, including refunds of employee contributions | (737,239) | (606,263) | (653,720) |
| 5. Pension Plan Administrative Expense | (8,695) | (9,174) | (8,123) |
| 6. Other | <u>(84,036)</u> | <u>(5,926)</u> | <u>(154)</u> |
| 7. Net change in plan fiduciary net position | (441,056) | 13,523 | 932,970 |
| 8. Plan fiduciary net position – beginning | <u>9,753,124</u> | <u>9,739,601</u> | <u>8,806,631</u> |
| 9. Plan fiduciary net position – ending (b) | <u>\$ 9,312,068</u> | <u>\$ 9,753,124</u> | <u>\$ 9,739,601</u> |
| C. Net pension liability - ending (a) - (b) | <u>\$ 2,655,564</u> | <u>\$ 2,015,276</u> | <u>\$ 1,026,874</u> |
| D. Plan fiduciary net position as a percentage of the total pension liability | 77.81% | 82.88% | 90.46% |
| E. Covered employee payroll | \$ 1,626,271 | \$ 1,741,627 | \$ 1,668,325 |
| F. Net pension liability as a percentage of covered payroll | 163.29% | 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, 2017

| | <u>Fiscal 2017</u> | <u>Fiscal 2016</u> | <u>Fiscal 2015</u> |
|--|---------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 300,731 | \$ 230,385 | \$ 266,991 |
| Contributions in relation to the actuarially determined contribution | <u>300,731</u> | <u>230,385</u> | <u>266,991</u> |
| Contribution deficiency (excess) | <u>-</u> | <u>-</u> | <u>-</u> |
| Covered-employee payroll | <u>\$ 1,679,125</u> | <u>\$ 1,626,271</u> | <u>\$ 1,741,627</u> |
| Contributions as a percentage of covered-employee payroll | 17.91% | 14.17% | 15.33% |

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, 2017

| | <u>Year Ended June 30,</u> <u>2016</u> | <u>Year Ended June 30,</u> <u>2015</u> | <u>Year Ended June 30,</u> <u>2014</u> |
|--|---|---|---|
| A. Total pension liability | | | |
| 1. Service Cost | \$ 305,777 | \$ 300,404 | \$ 320,597 |
| 2. Interest on the Total Pension Liability | 800,893 | 763,644 | 725,531 |
| 3. Changes of benefit terms | - | 175,946 | - |
| 4. Difference between expected and actual experience of the Total Pension Liability | (84,123) | (178,453) | - |
| 5. Changes of assumptions | - | - | 22,056 |
| 6. Benefit payments, including refunds of employee contributions | <u>(565,572)</u> | <u>(569,582)</u> | <u>(530,246)</u> |
| 7. Net change in total pension liability | 456,975 | 491,959 | 537,938 |
| 8. Total pension liability – beginning | <u>10,808,474</u> | <u>10,316,515</u> | <u>9,778,577</u> |
| 9. Total pension liability – ending (a) | <u>\$ 11,265,449</u> | <u>\$ 10,808,474</u> | <u>\$ 10,316,515</u> |
| B. Plan fiduciary net position | | | |
| 1. Contributions – employer | \$ 120,565 | \$ 144,299 | \$ 129,321 |
| 2. Contributions – employee | 107,803 | 65,589 | 67,392 |
| 3. Net investment income | 842 | 304,312 | 1,732,208 |
| 4. Benefit payments, including refunds of employee contributions | (565,572) | (569,582) | (530,246) |
| 5. Pension Plan Administrative Expense | (17,026) | (12,548) | (10,847) |
| 6. Other | <u>3,563</u> | <u>47,586</u> | <u>24,573</u> |
| 7. Net change in plan fiduciary net position | (349,825) | (20,344) | 1,412,401 |
| 8. Plan fiduciary net position – beginning | <u>12,985,307</u> | <u>13,005,651</u> | <u>11,593,250</u> |
| 9. Plan fiduciary net position – ending (b) | <u>\$ 12,635,482</u> | <u>\$ 12,985,307</u> | <u>\$ 13,005,651</u> |
| C. Net pension liability - ending (a) - (b) | <u>\$ (1,370,033)</u> | <u>\$ (2,176,833)</u> | <u>\$ (2,689,136)</u> |
| D. Plan fiduciary net position as a percentage of the total pension liability | 112.16% | 120.14% | 126.07% |
| E. Covered employee payroll | \$ 3,386,235 | \$ 3,279,520 | \$ 3,301,722 |
| F. Net pension liability as a percentage of covered payroll | -40.46% | -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, 2017

| | <u>Fiscal 2017</u> | <u>Fiscal 2016</u> | <u>Fiscal 2015</u> |
|--|---------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 127,918 | \$ 120,565 | \$ 144,299 |
| Contributions in relation to the actuarially determined contribution | <u>127,918</u> | <u>120,565</u> | <u>144,299</u> |
| Contribution deficiency (excess) | <u>-</u> | <u>-</u> | <u>-</u> |
| Covered-employee payroll | <u>\$ 3,496,288</u> | <u>\$ 3,386,235</u> | <u>\$ 3,279,520</u> |
| Contributions as a percentage of covered-employee payroll | 3.66% | 3.56% | 4.40% |

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,</u> <u>2016</u> | <u>Year Ended June 30,</u> <u>2015</u> | <u>Year Ended June 30,</u> <u>2014</u> |
|--|---|---|---|
| A. Total pension liability | | | |
| 1. Service Cost | \$ 88,291 | \$ 89,239 | \$ 94,889 |
| 2. Interest on the Total Pension Liability | 322,762 | 289,484 | 277,106 |
| 3. Changes of benefit terms | - | 95,897 | - |
| 4. Difference between expected and actual experience of the Total Pension Liability | (192,656) | 210,697 | - |
| 5. Changes of assumptions | - | - | 14,773 |
| 6. Benefit payments, including refunds of employee contributions | <u>(251,012)</u> | <u>(231,277)</u> | <u>(206,525)</u> |
| 7. Net change in total pension liability | (32,615) | 454,040 | 180,243 |
| 8. Total pension liability – beginning | <u>4,384,849</u> | <u>3,930,809</u> | <u>3,750,566</u> |
| 9. Total pension liability – ending (a) | <u>\$ 4,352,234</u> | <u>\$ 4,384,849</u> | <u>\$ 3,930,809</u> |
| B. Plan fiduciary net position | | | |
| 1. Contributions – employer | \$ 87,977 | \$ 103,515 | \$ 89,438 |
| 2. Contributions – employee | 29,253 | 20,064 | 18,161 |
| 3. Net investment income | (1,306) | 92,015 | 525,526 |
| 4. Benefit payments, including refunds of employee contributions | (251,012) | (231,277) | (206,525) |
| 5. Pension Plan Administrative Expense | (3,513) | (3,693) | (3,291) |
| 6. Other | <u>(25,641)</u> | <u>18</u> | <u>-</u> |
| 7. Net change in plan fiduciary net position | (164,242) | (19,358) | 423,309 |
| 8. Plan fiduciary net position – beginning | <u>3,926,366</u> | <u>3,945,724</u> | <u>3,522,415</u> |
| 9. Plan fiduciary net position – ending (b) | <u>\$ 3,762,124</u> | <u>\$ 3,926,366</u> | <u>\$ 3,945,724</u> |
| C. Net pension liability - ending (a) - (b) | <u>\$ 590,110</u> | <u>\$ 458,483</u> | <u>\$ (14,915)</u> |
| D. Plan fiduciary net position as a percentage of the total pension liability | 86.44% | 89.54% | 100.38% |
| E. Covered employee payroll | \$ 1,027,839 | \$ 1,002,691 | \$ 985,345 |
| F. Net pension liability as a percentage of covered payroll | 57.41% | 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, 2017

| | <u>Fiscal 2017</u> | <u>Fiscal 2016</u> | <u>Fiscal 2015</u> |
|--|---------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 38,339 | \$ 87,977 | \$ 103,515 |
| Contributions in relation to the actuarially determined contribution | <u>38,339</u> | <u>87,977</u> | <u>103,515</u> |
| Contribution deficiency (excess) | <u>-</u> | <u>-</u> | <u>-</u> |
| Covered-employee payroll | <u>\$ 1,061,244</u> | <u>\$ 1,027,839</u> | <u>\$ 1,002,691</u> |
| Contributions as a percentage of covered-employee payroll | 3.61% | 8.56% | 10.32% |

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, 2017

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, 2017

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------|---------------|---------------|
| Employer's proportion of the net pension asset | 2.92391721% | 2.97993976% | 2.98594898% |
| Employer's proportionate share of the net pension asset | \$ 2,911,399 | \$ 2,781,941 | \$ 3,712,154 |
| Employer's covered employee payroll | \$ 14,724,220 | \$ 15,064,982 | \$ 14,797,140 |
| Employer's proportionate share of the net pension asset as a percentage of its covered employee payroll | 19.77% | 18.47% | 25.09% |
| Plan fiduciary net position as a percentage of the total pension liability | 153.3% | 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, 2017

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------|---------------|---------------|
| Statutorily determined contribution | \$ 18,210 | \$ 18,780 | \$ 18,364 |
| Contributions in relation to the statutorily determined contribution | <u>18,210</u> | <u>18,780</u> | <u>18,364</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Cover's employee payroll | \$ 14,724,220 | \$ 15,064,982 | \$ 14,797,140 |
| Contributions as a percentage of covered-employee payroll | 0.12% | 0.12% | 0.12% |

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 Changes in Net Pension Liability and Related Ratios

Police Pension Plan

For the Year Ended June 30, 2017

*Last 10 Fiscal Years**

| | <u>June 30, 2017</u> | <u>June 30, 2016</u> | <u>June 30, 2015</u> | <u>June 30, 2014</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | |
| Service cost | \$ 302,324 | \$ 322,696 | \$ 315,103 | \$ 285,815 |
| Interest | 1,138,411 | 1,091,027 | 1,733,891 | 1,461,475 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experience | 333,268 | 10,225 | (699,268) | (595,528) |
| Changes of assumptions | 677,967 | - | - | - |
| Benefit payments, including refunds of participant contributions | <u>(779,901)</u> | <u>(761,797)</u> | <u>(748,242)</u> | <u>(765,309)</u> |
| Net change in total pension liability | 1,672,069 | 662,151 | 601,484 | 386,453 |
| Total pension liability - beginning | <u>15,266,488</u> | <u>14,604,337</u> | <u>14,002,853</u> | <u>13,616,400</u> |
| Total pension liability - ending | <u>\$ 16,938,557</u> | <u>\$ 15,266,488</u> | <u>\$ 14,604,337</u> | <u>\$ 14,002,853</u> |
| Pension fiduciary net position | | | | |
| Contributions - employer | \$ 650,000 | \$ 700,000 | \$ 800,000 | \$ 825,000 |
| Contributions - employee | 186,677 | 172,701 | 179,257 | 166,440 |
| Net investment income | 1,471,204 | (332,601) | 698,683 | 1,157,063 |
| Benefit payments, including refunds of participant contributions | (779,901) | (761,797) | (748,242) | (765,309) |
| Administrative expense | (33,519) | - | - | - |
| Other | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in plan fiduciary net position | 1,494,461 | (221,697) | 929,698 | 1,383,194 |
| Plan fiduciary net position - beginning | <u>9,556,569</u> | <u>9,778,266</u> | <u>8,848,568</u> | <u>7,465,374</u> |
| Plan fiduciary net position - ending | <u>\$ 11,051,030</u> | <u>\$ 9,556,569</u> | <u>\$ 9,778,266</u> | <u>\$ 8,848,568</u> |
| Plan's net pension liability - ending | <u>\$ 5,887,527</u> | <u>\$ 5,709,919</u> | <u>\$ 4,826,071</u> | <u>\$ 5,154,285</u> |

* Third year of implementation of GASB 67 therefore only four 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, 2017

Last 10 Fiscal Years*

| | <u>June 30, 2017</u> | <u>June 30, 2016</u> | <u>June 30, 2015</u> | <u>June 30, 2014</u> |
|--|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | \$ 16,938,557 | \$ 15,266,488 | \$ 14,604,337 | \$ 14,002,853 |
| Plan fiduciary net position | <u>11,051,030</u> | <u>9,556,569</u> | <u>9,778,266</u> | <u>8,848,568</u> |
| Town's net pension liability | <u>\$ 5,887,527</u> | <u>\$ 5,709,919</u> | <u>\$ 4,826,071</u> | <u>\$ 5,154,285</u> |
| | | | | |
| Plan fiduciary net position as a percentage of the total pension liability | 65.24% | 62.60% | 66.95% | 63.19% |
| | | | | |
| Covered-employee payroll | 1,686,288 | 1,716,424 | 1,454,719 | 1,448,086 |
| | | | | |
| Net pension liability as a percentage of covered-employee payroll | 349.14% | 332.66% | 331.75% | 355.94% |

* Third year of implementation of GASB 67 therefore only four 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, 2017

Last 10 Fiscal Years

| | <u>2017</u> | <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> |
|---|--------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|---------------------|----------------|----------------|
| Actuarially determined contribution | \$ 559,740 | \$ 503,576 | \$ 536,634 | \$ 544,334 | \$ 590,573 | \$ 682,092 | \$ 1,067,884 | \$ 1,023,362 | \$ 711,225 | \$ 597,226 |
| Contributions in relation to the actuarially determined contribution | <u>650,000</u> | <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> |
| Contribution deficiency (excess) | <u>\$ (90,260)</u> | <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> |
| Covered-employee payroll | 1,686,288 | 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 |
| Contributions as a percentage of covered-employee payroll | 38.55% | 40.78% | 54.99% | 56.97% | 47.52% | 34.65% | 25.45% | 0.00% | 47.04% | 44.63% |

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, 2017
*Last 10 Fiscal Years**

| | <u>June 30, 2017</u> | <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 | 14.90% | 0.04% | 0.28% | 15.30% |

** Third year of implementation of GASB 67 therefore only four 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, 2017

Valuation Date:

Actuarially determined contribution rates are calculated as of June 30, 2017.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|---|
| Actuarial cost method | Entry age |
| Amortization method | Level percent-of-payroll |
| Remaining amortization period | 20 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 | MP-2016 Blue Collar generational tables (separate for employees (m/f), and disabled retirees (m/f)) (formerly RP 2000 Mortality tables for males and females, with ages set forward ten years for disabled retirees). |
| 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, 2017

| | <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 | \$ 38,218,533 | \$ - | \$ 38,218,533 | \$ 38,118,437 | \$ (100,096) |
| Total general property taxes | <u>38,218,533</u> | <u>-</u> | <u>38,218,533</u> | <u>38,118,437</u> | <u>(100,096)</u> |
| Intergovernmental | | | | | |
| State of Rhode Island | 1,662,751 | - | 1,662,751 | 1,731,533 | 68,782 |
| Total intergovernmental | <u>1,662,751</u> | <u>-</u> | <u>1,662,751</u> | <u>1,731,533</u> | <u>68,782</u> |
| Licenses, permits, and usage fees | | | | | |
| Business fees | 611,958 | - | 611,958 | 826,382 | 214,424 |
| Usage fees | 1,506,032 | - | 1,506,032 | 1,609,355 | 103,323 |
| Total licenses, permits, and usage fees | <u>2,117,990</u> | <u>-</u> | <u>2,117,990</u> | <u>2,435,737</u> | <u>317,747</u> |
| Fines and interest on late payments | 300,000 | - | 300,000 | 318,199 | 18,199 |
| Interest on investments | 32,000 | - | 32,000 | 77,959 | 45,959 |
| Other revenues | 42,680 | - | 42,680 | 532,168 | 489,488 |
| Total revenues | <u>42,373,954</u> | <u>-</u> | <u>42,373,954</u> | <u>43,214,033</u> | <u>840,079</u> |
| Other financing sources | | | | | |
| Use of fund balance | 166,240 | - | 166,240 | - | (166,240) |
| Transfers from other funds | - | - | - | - | - |
| Total other financing sources | <u>166,240</u> | <u>-</u> | <u>166,240</u> | <u>-</u> | <u>(166,240)</u> |
| Total revenue and other financing sources | <u>\$ 42,540,194</u> | <u>\$ -</u> | <u>\$ 42,540,194</u> | <u>\$ 43,214,033</u> | <u>\$ 673,839</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, 2017

| | <u>Original Budget</u> | | | | | Encumbrances Carried to FY 18 | Variance Favorable (Unfavorable) | T/C Resolution to Paving and Capital |
|-----------------------------------|-------------------------------------|--------------------|-----------------|--------------------|----------------|-------------------------------------|--|---|
| | Encumbrances Carried to FY 17 | Original Budget | Transfers | Total Available | Actual | | | |
| <u>General government</u> | | | | | | | | |
| <i>Town clerk's office</i> | | | | | | | | |
| Dept management salary | \$ - | \$ 62,250 | \$ 736.00 | \$ 62,986 | \$ 62,986 | \$ - | \$ - | \$ - |
| Staff salaries - AFSCME | - | 155,314 | 1,649 | 156,963 | 156,963 | - | - | - |
| Longevity | - | 5,235 | - | 5,235 | 5,235 | - | - | - |
| Photocopier lease | - | 4,000 | (2,671) | 1,329 | 1,329 | - | - | - |
| Recording Expenses | - | 18,000 | 3,164 | 21,164 | 21,164 | - | - | - |
| Recodify Town Code | - | 10,000 | (8,939) | 1,061 | 1,044 | - | 17 | 9 |
| Supplies and misc. | - | 8,600 | 762 | 9,362 | 9,362 | - | - | - |
| Total town clerk's office | - | 263,399 | (5,299) | 258,100 | 258,083 | - | 17 | 9 |
| <i>Town council</i> | | | | | | | | |
| Town council stipends | - | 17,300 | - | 17,300 | 17,300 | - | - | - |
| Contingency fund | - | 76,400 | (63,242) | 13,158 | 13,134 | - | 24 | 12 |
| Advertising/ ordinances | - | 18,000 | (2,892) | 15,108 | 15,035 | - | 73 | 36 |
| Adv/ ord - Comp Plan | - | 10,000 | (8,000) | 2,000 | - | - | 2,000 | 1,000 |
| Supplies and misc. | - | 2,000 | (88) | 1,912 | 1,912 | - | - | - |
| Total town council | - | 123,700 | (74,222) | 49,478 | 47,381 | - | 2,097 | 1,048 |
| <i>Board of canvassers</i> | | | | | | | | |
| Board of canvas stipends | - | 3,600 | (1,300) | 2,300 | 2,300 | - | - | - |
| Elections | 25,163 | 40,000 | - | 65,163 | 29,582 | 35,581 | - | - |
| Supplies and misc. | - | 3,000 | 1,048 | 4,048 | 4,048 | - | - | - |
| Computer service | - | 1,500 | (1,280) | 220 | 220 | - | - | - |
| Total board of canvassers | 25,163 | 48,100 | (1,532) | 71,731 | 36,150 | 35,581 | - | - |
| <i>Town hall</i> | | | | | | | | |
| Heat | - | 3,225 | (282) | 2,943 | 2,943 | - | - | - |
| Electric | - | 10,200 | 2,275 | 12,475 | 12,474 | - | 1 | 1 |
| Water and supplies | - | 540 | (103) | 437 | 434 | - | 3 | 2 |
| Telephone | - | 3,300 | (650) | 2,650 | 2,610 | - | 40 | 20 |
| Building maintenance | - | 9,000 | 122 | 9,122 | 9,122 | - | - | - |
| Essex building expenses | - | 4,000 | (4,000) | - | - | - | - | - |
| Total town hall | - | 30,265 | (2,638) | 27,627 | 27,583 | - | 44 | 23 |
| <i>Legal Services</i> | | | | | | | | |
| Town solicitor | - | 98,000 | - | 98,000 | 98,000 | - | - | - |
| Litigation | - | 70,000 | 75,056 | 145,056 | 145,056 | - | - | - |
| Prosecutions | - | 18,000 | 880 | 18,880 | 18,880 | - | - | - |
| Legal zoning issues | - | 12,000 | 4,000 | 16,000 | 16,000 | - | - | - |
| Labor counsel | - | 25,000 | 39,462 | 64,462 | 64,462 | - | - | - |
| Total legal services | - | 223,000 | 119,398 | 342,398 | 342,398 | - | - | - |

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, 2017

| | <u>Original Budget</u> | | | | <u>Actual</u> | <u>Encumbrances Carried to FY 18</u> | <u>Variance Favorable (Unfavorable)</u> | <u>T/C Resolution to Paving and Capital</u> |
|---|--|----------------------------|------------------|----------------------------|----------------|--|---|---|
| | <u>Encumbrances Carried to FY 17</u> | <u>Original Budget</u> | <u>Transfers</u> | <u>Total Available</u> | | | | |
| <i>Building / zoning inspector</i> | | | | | | | | |
| Dept management salary | - | 67,000 | 1,257 | 68,257 | 68,257 | - | - | - |
| Staff salaries - AFSCME | - | 57,361 | (18,712) | 38,649 | 38,645 | - | 4 | 2 |
| Longevity | - | 2,318 | - | 2,318 | 2,301 | - | 17 | 8 |
| Vacation coverage | - | - | 700 | 700 | 600 | - | 100 | 50 |
| Copy Services | - | 672 | (485) | 187 | 185 | - | 2 | 1 |
| Postage | - | 1,500 | (600) | 900 | 814 | - | 86 | 43 |
| Automobile expenses | - | 2,500 | 1,824 | 4,324 | 4,217 | - | 107 | 53 |
| Education seminars | - | 1,060 | (785) | 275 | 275 | - | - | - |
| Telephone | - | 1,200 | - | 1,200 | 1,165 | - | 35 | 17 |
| Boarding of buildings | - | 1,000 | (1,000) | - | - | - | - | - |
| Supplies and misc. | - | 3,600 | (1,584) | 2,016 | 2,010 | - | 6 | 3 |
| Software maintenance | - | 2,333 | (233) | 2,100 | 2,100 | - | - | - |
| <i>Total building / zoning inspector</i> | - | 140,544 | (19,618) | 120,926 | 120,569 | - | 357 | 177 |
| <i>Planning board</i> | | | | | | | | |
| Education / Seminars | - | 1,000 | (1,000) | - | - | - | - | - |
| Comp Plan Advertising & Printing | - | 4,000 | (2,425) | 1,575 | 1,557 | - | 18 | 9 |
| Subdivision Regs Amendment Adverti | - | 1,000 | (1,000) | - | - | - | - | - |
| Professional / Tech Svcs | - | 4,000 | - | 4,000 | 4,000 | - | - | - |
| Supplies and Misc | - | 1,000 | (1,000) | - | - | - | - | - |
| CPU upgrades, Maint and Equip | - | 1,500 | (1,500) | - | - | - | - | - |
| <i>Total planning board</i> | - | 12,500 | (6,925) | 5,575 | 5,557 | - | 18 | 9 |
| <i>Zoning board of review</i> | | | | | | | | |
| Public stenographer | - | 4,800 | - | 4,800 | 4,682 | - | 118 | 59 |
| <i>Total zoning board of review</i> | - | 4,800 | - | 4,800 | 4,682 | - | 118 | 59 |
| <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 | (3,249) | 8,751 | 8,751 | - | - | - |
| Total financial town referendum | - | 12,000 | (3,249) | 8,751 | 8,751 | - | - | - |

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, 2017

| | <u>Original Budget</u> | | | | <u>Actual</u> | <u>Encumbrances to FY 18</u> | <u>Variance Favorable (Unfavorable)</u> | <u>T/C Resolution to Paving and Capital</u> |
|---|--------------------------------------|------------------------|--------------------|------------------------|---------------------|------------------------------|---|---|
| | <u>Encumbrances Carried to FY 17</u> | <u>Original Budget</u> | <u>Transfers</u> | <u>Total Available</u> | | | | |
| <i>Town administrator</i> | | | | | | | | |
| Dept mgmt salary | - | 93,177 | 5,141 | 98,318 | 98,318 | - | - | - |
| Personnel svcs | - | 42,324 | 289 | 42,613 | 42,613 | - | - | - |
| Photocopier lease | - | 2,500 | (1,660) | 840 | 840 | - | - | - |
| Automobile expenses | - | 400 | (241) | 159 | 159 | - | - | - |
| Town wide internet svcs | - | 2,900 | 2,424 | 5,324 | 5,324 | - | - | - |
| Website | - | 2,400 | 9 | 2,409 | 2,409 | - | - | - |
| League of cities & towns | - | 8,856 | (25) | 8,831 | 8,831 | - | - | - |
| Supplies and misc. | - | 750 | 738 | 1,488 | 1,488 | - | - | - |
| Computer services | - | 8,400 | (293) | 8,107 | 8,107 | - | - | - |
| Expense account | - | 200 | 25 | 225 | 225 | - | - | - |
| <i>Total town administrator</i> | - | 161,907 | 6,407 | 168,314 | 168,314 | - | - | - |
| <i>Planning department</i> | | | | | | | | |
| Dept mgmt salary | - | 56,100 | (9,493) | 46,607 | 46,606 | - | 1 | 1 |
| Photocopier lease | - | 1,280 | (1,000) | 280 | 274 | - | 6 | 3 |
| Education / seminars | - | 1,000 | (89) | 911 | 911 | - | - | - |
| Telephone | - | 900 | (245) | 655 | 647 | - | 8 | 4 |
| Professional / tech svcs | - | 2,000 | (2,000) | - | - | - | - | - |
| Publications | - | 1,000 | (1,000) | - | - | - | - | - |
| Supplies and maint | - | 1,250 | 212 | 1,462 | 1,462 | - | - | - |
| Software maint | - | 1,000 | (1,000) | - | - | - | - | - |
| <i>Total planning department</i> | - | 64,530 | (14,615) | 49,915 | 49,900 | - | 15 | 8 |
| <i>Municipal court</i> | | | | | | | | |
| Municipal court judge | - | 12,500 | - | 12,500 | 12,500 | - | - | - |
| Bailliff | - | 500 | (500) | - | - | - | - | - |
| Clerical assistant | - | 10,258 | (10,258) | - | - | - | - | - |
| Telephone | - | 350 | (221) | 129 | 129 | - | - | - |
| Supplies and misc. | - | 2,000 | 142 | 2,142 | 2,142 | - | - | - |
| Computer | - | 6,500 | (312) | 6,188 | 6,187 | - | 1 | 1 |
| <i>Total municipal court</i> | - | 32,108 | (11,149) | 20,959 | 20,958 | - | 1 | 1 |
| <i>Probate account</i> | | | | | | | | |
| Probate court judge | - | 8,500 | - | 8,500 | 8,500 | - | - | - |
| Recording expenses | - | 3,000 | (2,300) | 700 | 700 | - | - | - |
| Supplies and misc | - | 1,000 | (50) | 950 | 950 | - | - | - |
| Program software | - | 300 | - | 300 | 295 | - | 5 | 2 |
| <i>Total probate account</i> | - | 12,800 | (2,350) | 10,450 | 10,445 | - | 5 | 2 |
| <i>Total general government</i> | \$ 25,163 | \$ 1,131,153 | \$ (15,792) | \$ 1,140,524 | \$ 1,102,271 | \$ 35,581 | \$ 2,672 | \$ 1,336 |

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, 2017

| | <u>Original Budget</u> | | | | <u>Actual</u> | <u>Encumbrances to FY 18</u> | <u>Variance Favorable (Unfavorable)</u> | <u>T/C Resolution to Paving and Capital</u> |
|--|--------------------------------------|------------------------|------------------|------------------------|----------------|------------------------------|---|---|
| | <u>Encumbrances Carried to FY 17</u> | <u>Original Budget</u> | <u>Transfers</u> | <u>Total Available</u> | | | | |
| <i>Finance and administration</i> | | | | | | | | |
| <i>Tax assessor's</i> | | | | | | | | |
| Dept mgmt salary | \$ - | \$ 72,175 | \$ (354) | \$ 71,821 | \$ 71,821 | \$ - | \$ - | - |
| Staff salaries - AFSCME | - | 57,119 | 559 | 57,678 | 57,678 | - | - | - |
| Longevity | - | 3,427 | (209) | 3,218 | 3,218 | - | - | - |
| Printing | - | 2,200 | 1,175 | 3,375 | 3,375 | - | - | - |
| GIS web hosting | - | 3,000 | (100) | 2,900 | 2,900 | - | - | - |
| GIS update / data layers | - | 3,000 | (872) | 2,128 | 2,128 | - | - | - |
| Mileage | - | 1,000 | (300) | 700 | 641 | - | 59 | 30 |
| Education / seminars | - | 1,500 | (860) | 640 | 640 | - | - | - |
| Telephone | - | 1,100 | - | 1,100 | 1,009 | - | 91 | 46 |
| Professional / tech svcs | - | 2,500 | (848) | 1,652 | 1,651 | - | 1 | 1 |
| Publications | - | 500 | (288) | 212 | 179 | - | 33 | 16 |
| Supplies and misc. | - | 3,500 | (260) | 3,240 | 3,239 | - | 1 | 1 |
| Software maint | - | 5,500 | (574) | 4,926 | 4,858 | - | 68 | 34 |
| Total tax assessor's | - | 156,521 | (2,931) | 153,590 | 153,337 | - | 253 | 128 |
| <i>Revaluation acct</i> | | | | | | | | |
| Revaluation - consulting | 141,258 | 53,000 | - | 194,258 | 27,102 | 167,156 | - | - |
| Total revaluation acct | 141,258 | 53,000 | - | 194,258 | 27,102 | 167,156 | - | - |
| <i>Treasurer's office</i> | | | | | | | | |
| Dept mgmt salary | - | 68,875 | 751 | 69,626 | 69,626 | - | - | - |
| Staff salaries - AFSCME | - | 84,112 | (9,866) | 74,246 | 74,246 | - | - | - |
| Longevity | - | 2,301 | - | 2,301 | 2,301 | - | - | - |
| Office equip | - | 1,000 | (604) | 396 | 396 | - | - | - |
| Education / seminars | - | 500 | (500) | - | - | - | - | - |
| Telephone | - | 1,300 | (540) | 760 | 760 | - | - | - |
| Computerized payroll | - | 17,030 | 638 | 17,668 | 17,668 | - | - | - |
| ACA Reporting | - | 3,000 | 255 | 3,255 | 3,255 | - | - | - |
| Consultant - GASB 45 | - | 3,950 | 1,050 | 5,000 | 5,000 | - | - | - |
| Consulting services | - | 2,280 | 3,020 | 5,300 | 5,300 | - | - | - |
| Supplies and misc. | - | 5,000 | (2,408) | 2,592 | 2,583 | - | 9 | 4 |
| Software maint | - | 3,000 | (745) | 2,255 | 2,249 | - | 6 | 3 |
| Total treasurer's office | - | 192,348 | (8,949) | 183,399 | 183,384 | - | 15 | 7 |
| <i>Tax collector</i> | | | | | | | | |
| Dept mgmt salary | - | 31,775 | 362 | 32,137 | 32,137 | - | - | - |
| Staff salaries - AFSCME | - | 57,528 | 150 | 57,678 | 57,678 | - | - | - |
| Longevity | - | 3,266 | - | 3,266 | 3,217 | - | 49 | 24 |
| Postage | - | 8,800 | 191 | 8,991 | 8,991 | - | - | - |
| Telephone | - | 800 | (238) | 562 | 558 | - | 4 | 2 |
| Consulting svcs | - | 6,000 | (3,125) | 2,875 | 2,875 | - | - | - |
| Supplies and misc. | - | 8,500 | (343) | 8,157 | 8,117 | - | 40 | 20 |
| Software maint | - | 4,500 | (400) | 4,100 | 4,100 | - | - | - |
| Total tax collector | - | 121,169 | (3,403) | 117,766 | 117,673 | - | 93 | 46 |

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, 2017

| | <u>Original Budget</u> | | | | | Encumbrances Carried to FY 18 | Variance Favorable (Unfavorable) | T/C Resolution to Paving and Capital |
|-------------------------------------|-------------------------------------|--------------------|-----------|--------------------|--------------|-------------------------------------|--|---|
| | Encumbrances Carried to FY 17 | Original Budget | Transfers | Total Available | Actual | | | |
| Tax sale | | | | | | | | |
| Tax sale | - | 3,000 | (2,584) | 416 | 416 | - | - | - |
| Total tax sale | - | 3,000 | (2,584) | 416 | 416 | - | - | - |
| Insurance | | | | | | | | |
| ER - health savings contribution | - | 160,000 | 14,368 | 174,368 | 174,368 | - | - | - |
| Group health ins. - active | - | 1,234,131 | (15,946) | 1,218,185 | 1,218,185 | - | - | - |
| Group health ins - retired | - | 750,000 | (16,408) | 733,592 | 733,592 | - | - | - |
| Dental ins - active | - | 84,640 | (12,704) | 71,936 | 71,936 | - | - | - |
| Dental ins - retired | - | 32,000 | (4,592) | 27,408 | 27,408 | - | - | - |
| Life ins - active | - | 28,023 | 3,403 | 31,426 | 31,426 | - | - | - |
| Town bldgs / pers prop | - | 277,350 | (5,997) | 271,353 | 271,353 | - | - | - |
| Workmens comp insurance | - | 97,500 | 9,737 | 107,237 | 107,237 | - | - | - |
| Total insurance | - | 2,663,644 | (28,139) | 2,635,505 | 2,635,505 | - | - | - |
| 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 | - | 305,000 | (4,269) | 300,731 | 298,773 | - | 1,958 | 979 |
| Pension plan - police | - | 650,000 | - | 650,000 | 650,000 | - | - | - |
| ERSRI - pension 1532 | - | 38,000 | 339 | 38,339 | 38,339 | - | - | - |
| TIAA CREF - 1532 | - | 12,450 | (21) | 12,429 | 12,294 | - | 135 | 67 |
| ERSRI - pension 1538 | - | 106,400 | 543 | 106,943 | 106,943 | - | - | - |
| TIAA CREF - 1538 | - | 10,500 | (861) | 9,639 | 9,639 | - | - | - |
| Total pension plans | - | 1,138,850 | (4,269) | 1,134,581 | 1,132,488 | - | 2,093 | 1,046 |
| Social security | | | | | | | | |
| Social security and medicare | - | 507,600 | 9,925 | 517,525 | 517,423 | - | 102 | 51 |
| Total social security | - | 507,600 | 9,925 | 517,525 | 517,423 | - | 102 | 51 |
| Unemployment security | | | | | | | | |
| Unemployment security | - | 10,000 | (5,696) | 4,304 | 4,304 | - | - | - |
| Total unemployment security | - | 10,000 | (5,696) | 4,304 | 4,304 | - | - | - |
| Unfunded liability | | | | | | | | |
| Unfunded liability | - | 75,000 | 81,640 | 156,640 | 156,640 | - | - | - |
| Total unfunded liability | - | 75,000 | 81,640 | 156,640 | 156,640 | - | - | - |
| Total finance administration | \$ 141,258 | \$ 4,943,132 | \$ 35,594 | \$ 5,119,984 | \$ 4,950,272 | \$ 167,156 | \$ 2,556 | \$ 1,278 |

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, 2017

| | <u>Original Budget</u> | | | | <u>Actual</u> | <u>Encumbrances to FY 18</u> | <u>Variance Favorable (Unfavorable)</u> | <u>T/C Resolution to Paving and Capital</u> |
|-------------------------------|--|----------------------------|------------------|----------------------------|------------------|----------------------------------|---|---|
| | <u>Encumbrances Carried to FY 17</u> | <u>Original Budget</u> | <u>Transfers</u> | <u>Total Available</u> | | | | |
| <i><u>Public safety</u></i> | | | | | | | | |
| <i><u>Fire department</u></i> | | | | | | | | |
| Dept mgmt salary | \$ - | \$ 84,936 | \$ - | \$ 84,936 | \$ 83,502 | \$ - | \$ 1,434 | 717 |
| Personnel svcs | - | 1,461,337 | (4,302) | 1,457,035 | 1,457,034 | - | 1 | 1 |
| Staff salaries | - | 47,558 | 464 | 48,022 | 48,022 | - | - | - |
| Overtime | - | 200,000 | (55,394) | 144,606 | 144,606 | - | - | - |
| Shift differential | - | 7,500 | - | 7,500 | 7,184 | - | 316 | 158 |
| Holiday pay | - | 75,251 | 68 | 75,319 | 75,319 | - | - | - |
| Longevity | - | 75,732 | (4,068) | 71,664 | 71,616 | - | 48 | 24 |
| Education allowance | - | 6,750 | (2,000) | 4,750 | 4,714 | - | 36 | 18 |
| EMS incentive | - | 79,950 | (7,000) | 72,950 | 71,465 | - | 1,485 | 743 |
| Fire marshall inspections | - | 61,790 | (2,894) | 58,896 | 58,395 | - | 501 | 251 |
| Clothing allowance | - | 39,925 | (5,138) | 34,787 | 34,787 | - | - | - |
| Recruiting process | - | 3,000 | (2,196) | 804 | 803 | - | 1 | 1 |
| Equipment svcs contract | - | 33,954 | (6,600) | 27,354 | 25,437 | - | 1,917 | 959 |
| Radio maintenance | - | 10,500 | (500) | 10,000 | 8,894 | - | 1,106 | 553 |
| Minor equip replacements | - | 20,000 | (10,000) | 10,000 | 9,710 | - | 290 | 145 |
| Hazardous equipment | - | 2,000 | - | 2,000 | 2,000 | - | - | - |
| Heat | - | 20,693 | (6,730) | 13,963 | 13,151 | - | 812 | 406 |
| Sewer fee | - | 1,000 | - | 1,000 | 713 | - | 287 | 144 |
| Electric | - | 12,301 | (700) | 11,601 | 10,916 | - | 685 | 343 |
| Water and supplies | - | 1,800 | (532) | 1,268 | 1,246 | - | 22 | 11 |
| Seminars for Chief | - | 2,000 | 162 | 2,162 | 2,162 | - | - | - |
| Firefighter training | - | 20,000 | - | 20,000 | 19,387 | - | 613 | 307 |
| Operational technologies | - | 5,500 | (500) | 5,000 | 4,786 | - | 214 | 107 |
| Telephone | - | 23,000 | 9,960 | 32,960 | 30,249 | - | 2,711 | 1,356 |
| Medical Director - EMS | - | 8,000 | - | 8,000 | 8,000 | - | - | - |
| Medical physicals | - | 16,000 | (15,439) | 561 | 561 | - | - | - |
| Medical supplies | - | 30,000 | 11,635 | 41,635 | 40,393 | - | 1,242 | 621 |
| Personal and protective gear | - | 20,000 | - | 20,000 | 19,957 | - | 43 | 22 |
| Supplies and misc. | - | 6,000 | - | 6,000 | 6,000 | - | - | - |
| Software maint | - | 5,500 | (1,818) | 3,682 | 3,660 | - | 22 | 11 |
| Fuel oil and tires | - | 58,000 | (9,400) | 48,600 | 48,159 | - | 441 | 221 |
| Apparatus maintenance | - | 50,000 | 2,000 | 52,000 | 51,190 | - | 810 | 405 |
| Station maintenance | - | 30,000 | (10,500) | 19,500 | 19,395 | - | 105 | 53 |
| <i>Total fire department</i> | <i>-</i> | <i>2,519,977</i> | <i>(121,422)</i> | <i>2,398,555</i> | <i>2,383,413</i> | <i>-</i> | <i>15,142</i> | <i>7,571</i> |

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, 2017

| | <u>Original Budget</u> | | | | <u>Actual</u> | <u>Encumbrances Carried to FY 18</u> | <u>Variance Favorable (Unfavorable)</u> | <u>T/C Resolution to Paving and Capital</u> |
|---------------------------------------|--|----------------------------|------------------|----------------------------|------------------|--|---|---|
| | <u>Encumbrances Carried to FY 17</u> | <u>Original Budget</u> | <u>Transfers</u> | <u>Total Available</u> | | | | |
| <i>Police department</i> | | | | | | | | |
| Dept mgmt salary | - | 89,858 | \$ (859) | 88,999 | 88,999 | - | - | - |
| Personnel svcs | - | 1,595,247 | 79,174 | 1,674,421 | 1,674,421 | - | - | - |
| Staff salaries - AFSCME | - | 516,264 | (32,698) | 483,566 | 483,566 | - | - | - |
| Overtime | - | 210,000 | 18,826 | 228,826 | 228,826 | - | - | - |
| Shift differential | - | 16,053 | (1,300) | 14,753 | 14,681 | - | 72 | 36 |
| Out of rank | - | 2,664 | (1,700) | 964 | 921 | - | 43 | 22 |
| Holiday pay | - | 143,798 | (21,877) | 121,921 | 121,921 | - | - | - |
| Longevity | - | 91,454 | 2,150 | 93,604 | 93,604 | - | - | - |
| Education incentive | - | 48,516 | - | 48,516 | 47,698 | - | 818 | 409 |
| Sick leave buy back | - | 30,000 | (18,276) | 11,724 | 11,671 | - | 53 | 27 |
| Clothing allowance | - | 50,000 | 2,208 | 52,208 | 52,208 | - | - | - |
| In-service training | - | 20,000 | (14,575) | 5,425 | 5,251 | - | 174 | 87 |
| Uniform equip replacement | - | 5,000 | 4,909 | 9,909 | 9,909 | - | - | - |
| Animal shelter | - | 26,828 | (590) | 26,238 | 26,234 | - | 4 | 2 |
| Animal controls expenses | - | 500 | (500) | - | - | - | - | - |
| Tires, parts, and maintenance | - | 18,500 | (17,932) | 568 | 568 | - | - | - |
| Operations, ammo & photo supp | - | 17,000 | 2,029 | 19,029 | 19,029 | - | - | - |
| Chief's misc expenses | - | 1,600 | (1,479) | 121 | 120 | - | 1 | 1 |
| Photocopier lease | - | 20,000 | (1,500) | 18,500 | 17,278 | - | 1,222 | 611 |
| State qualifications | - | 2,000 | (1,370) | 630 | 630 | - | - | - |
| Heat | - | 11,500 | (4,609) | 6,891 | 6,891 | - | - | - |
| Electric | - | 19,000 | 5,206 | 24,206 | 23,898 | - | 308 | 154 |
| Water and supplies | - | 1,000 | 1,300 | 2,300 | 2,144 | - | 156 | 78 |
| Prisoner meals | - | 600 | - | 600 | 470 | - | 130 | 65 |
| Education / seminars | - | 65,000 | 8,505 | 73,505 | 73,505 | - | - | - |
| Radio, communications | - | 12,000 | (2,130) | 9,870 | 9,460 | - | 410 | 205 |
| Telephone | - | 17,000 | 1,325 | 18,325 | 18,325 | - | - | - |
| Medical supplies | - | 1,000 | 860 | 1,860 | 1,860 | - | - | - |
| Code Red System | - | 5,000 | (4,110) | 890 | 890 | - | - | - |
| Physiological testing | - | 2,500 | 1,100 | 3,600 | 3,600 | - | - | - |
| Supplies and misc | - | 12,000 | (2,000) | 10,000 | 9,670 | - | 330 | 165 |
| Fued, oil, tires | - | 70,000 | (19,718) | 50,282 | 50,282 | - | - | - |
| Station maintenance | - | 9,500 | (1,692) | 7,808 | 7,726 | - | 82 | 41 |
| Resource officer - school | - | (59,875) | - | (59,875) | (59,875) | - | - | - |
| <i>Total police department</i> | - | 3,071,507 | (21,323) | 3,050,184 | 3,046,381 | - | 3,803 | 1,902 |
| <i>Harbor commission</i> | | | | | | | | |
| DEM Water Quality Cert | - | 300 | - | 300 | - | - | 300 | 150 |
| Basin Mooring Analysis | - | 5,000 | (4,733) | 267 | - | - | 267 | 134 |
| Water Quality Testing | - | 2,400 | - | 2,400 | 1,380 | - | 1,020 | 510 |
| <i>Total harbor commission</i> | - | 7,700 | (4,733) | 2,967 | 1,380 | - | 1,587 | 794 |

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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, 2017

| | Original Budget | | | Total Available | Actual | Encumbrances Carried to FY 18 | Variance Favorable (Unfavorable) | T/C Resolution to Paving and Capital |
|---------------------------------------|-------------------------------|-----------------|----------------|-----------------|----------------|-------------------------------|----------------------------------|--------------------------------------|
| | Encumbrances Carried to FY 17 | Original Budget | Transfers | | | | | |
| Harbor master | | | | | | | | |
| Harbormaster stipend | - | 5,250 | - | 5,250 | 5,250 | - | - | - |
| Assistant Harbormaster | - | 2,000 | - | 2,000 | 2,000 | - | - | - |
| Uniforms / clothing | - | 300 | - | 300 | - | - | 300 | 150 |
| Misc operating supplies | - | 15,760 | (880) | 14,880 | 14,092 | - | 788 | 394 |
| Mandated Educ & Training | - | 250 | - | 250 | - | - | 250 | 125 |
| Radio communications | - | 750 | - | 750 | 483 | - | 267 | 133 |
| Supplies and misc | - | 800 | - | 800 | 712 | - | 88 | 44 |
| Total harbor master | - | 25,110 | (880) | 24,230 | 22,537 | - | 1,693 | 846 |
| Street lighting | | | | | | | | |
| Lighting expense | - | 187,000 | 16,031 | 203,031 | 203,031 | - | - | - |
| Total street lighting | - | 187,000 | 16,031 | 203,031 | 203,031 | - | - | - |
| Hydrant service | | | | | | | | |
| North Tiverton & Stone Bridge | - | 1,500 | - | 1,500 | 1,500 | - | - | - |
| Total hydrant service | - | 1,500 | - | 1,500 | 1,500 | - | - | - |
| Total public safety | \$ - | \$ 5,812,794 | \$ (132,327) | \$ 5,680,467 | \$ 5,658,242 | \$ - | \$ 22,225 | \$ 11,113 |
| Health and human services | | | | | | | | |
| Senior citizens service | | | | | | | | |
| Dept mgmt salary | \$ - | \$ 52,308 | \$ (387) | \$ 51,921 | \$ 51,921 | \$ - | \$ - | \$ - |
| Staff salaries AFSCME | - | 16,548 | 35 | 16,583 | 16,583 | - | - | - |
| Bus service | - | 16,500 | (5,788) | 10,712 | 10,712 | - | - | - |
| Heat | - | 3,200 | (1,280) | 1,920 | 1,920 | - | - | - |
| Electric | - | 4,000 | (408) | 3,592 | 3,592 | - | - | - |
| Water and supplies | - | 190 | 46 | 236 | 236 | - | - | - |
| Repairs, Maint&Gas Vehicles | - | 600 | (150) | 450 | 441 | - | 9 | 5 |
| Telephone | - | 700 | (200) | 500 | 467 | - | 33 | 16 |
| Agency dues and devel. | - | 975 | (775) | 200 | 40 | - | 160 | 80 |
| Supplies and misc. | - | 11,300 | (1,500) | 9,800 | 9,750 | - | 50 | 25 |
| My senior center | - | 1,200 | - | 1,200 | 1,200 | - | - | - |
| Building maintenance | - | 6,800 | 1,129 | 7,929 | 7,904 | - | 25 | 13 |
| Total senior citizens service | - | 114,321 | (9,278) | 105,043 | 104,766 | - | 277 | 139 |
| Economic devel. comm. | | | | | | | | |
| Website | - | 200 | - | 200 | - | - | 200 | 100 |
| Supplies and misc. | - | 300 | - | 300 | - | - | 300 | 150 |
| Total economic devel. comm. | - | 500 | - | 500 | - | - | 500 | 250 |
| Boards and commissions | | | | | | | | |
| Historical cemetery comm | - | 3,000 | 20 | 3,020 | 3,020 | - | - | - |
| Garden club | - | 500 | 5 | 505 | 505 | - | - | - |
| Arts council | - | 500 | - | 500 | 500 | - | - | - |
| Open space commission | - | 3,400 | 155 | 3,555 | 3,555 | - | - | - |
| Conservation commission | - | 1,000 | - | 1,000 | 88 | - | 912 | 456 |
| Fort barton park | - | 3,200 | (155) | 3,045 | 2,983 | - | 62 | 31 |
| Tree commission | - | 500 | (25) | 475 | 471 | - | 4 | 2 |
| Recycling commission | - | 150 | - | 150 | - | - | 150 | 75 |
| Personnel Board | - | 500 | (310) | 190 | 190 | - | - | - |
| Budget Committee | - | 1,250 | (200) | 1,050 | 1,050 | - | - | - |
| Total boards & commissions | - | 14,000 | (510) | 13,490 | 12,362 | - | 1,128 | 564 |

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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, 2017

| | <u>Original Budget</u> | | | | | <u>Encumbrances Carried to FY 18</u> | <u>Variance Favorable (Unfavorable)</u> | <u>T/C Resolution to Paving and Capital</u> |
|--|--|----------------------------|-------------------|----------------------------|-------------------|--|---|---|
| | <u>Encumbrances Carried to FY 17</u> | <u>Original Budget</u> | <u>Transfers</u> | <u>Total Available</u> | <u>Actual</u> | | | |
| | | | | | | | | |
| <i>Civic appropriations</i> | | | | | | | | |
| Samaritans | - | 500 | - | 500 | 500 | - | - | |
| Newport cnty mental health | - | 2,500 | - | 2,500 | 2,500 | - | - | |
| 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 | - | - | 500 250 | |
| East RI conservation district | - | 500 | - | 500 | 500 | - | - | |
| Tiverton historical society | - | 250 | - | 250 | 250 | - | - | |
| Wildlife rehab assoc of RI | - | 200 | - | 200 | - | - | 200 100 | |
| Pocasset cemetery-vets plot | - | 150 | - | 150 | 150 | - | - | |
| Fire - community training | - | 1,250 | - | 1,250 | 1,250 | - | - | |
| Parents as Teachers | - | 500 | - | 500 | 500 | - | - | |
| <i>Total civic appropriations</i> | - | 17,350 | - | 17,350 | 16,650 | - | 700 350 | |
| <i>Library Services</i> | | | | | | | | |
| Personnel services | - | - | - | - | 343,718 | - | (343,718) | |
| Payroll benefits | - | - | - | - | 98,283 | - | (98,283) | |
| Approp - operating exp's | - | 550,100 | - | 550,100 | 108,099 | - | 442,001 | |
| <i>Total library services</i> | - | 550,100 | - | 550,100 | 550,100 | - | - | |
| Total health & human svcs | \$ - | \$ 696,271 | \$ (9,788) | \$ 686,483 | \$ 683,878 | \$ - | \$ 2,605 \$ 1,303 | |
| <u>Public works</u> | | | | | | | | |
| <i>Town maintenance</i> | | | | | | | | |
| Staff salaries - AFSCME | \$ - | \$ 83,896 | \$ 4,746 | \$ 88,642 | \$ 88,642 | \$ - | \$ - | |
| Uniform rental | - | 700 | (119) | 581 | 581 | - | - | |
| Tool replacement | - | 2,000 | 1,263 | 3,263 | 3,263 | - | - | |
| Misc operating supplies | - | 3,000 | (2,244) | 756 | 756 | - | - | |
| Fuel, Oil, Tires | - | 2,400 | 291 | 2,691 | 2,691 | - | - | |
| <i>Total town maintenance</i> | - | 91,996 | 3,937 | 95,933 | 95,933 | - | - | |
| <i>Rubbish / recycling collection</i> | | | | | | | | |
| Contracted services | - | 144,697 | 434,841 | 579,538 | 579,538 | - | - | |
| <i>Total rubbish / recycling collection</i> | - | 144,697 | 434,841 | 579,538 | 579,538 | - | - | |
| <i>Landfill</i> | | | | | | | | |
| Personnel svcs | - | 88,959 | 3,231 | 92,190 | 92,190 | - | - | |
| Overtime | - | 200 | (93) | 107 | 43 | - | 64 32 | |
| Longevity | - | 4,797 | 5,037 | 9,834 | 9,834 | - | - | |
| Sick leave buy back | - | 4,000 | 1,135 | 5,135 | 5,135 | - | - | |
| Clothing allowance | - | 300 | - | 300 | 300 | - | - | |
| Uniform rental | - | 700 | (62) | 638 | 597 | - | 41 20 | |
| Landfill equip rent / cover | - | 70,000 | (16,419) | 53,581 | 53,581 | - | - | |
| Stormwater mgmt | - | 7,000 | (3,260) | 3,740 | 3,740 | - | - | |
| Electric | - | 450 | - | 450 | 381 | - | 69 35 | |
| Engineering testing permits | - | 65,000 | (16,733) | 48,267 | 48,267 | - | - | |
| Fuel, oil, and tires | - | 12,000 | (4,511) | 7,489 | 7,489 | - | - | |
| Bulldozer repairs | - | 15,000 | 15,079 | 30,079 | 30,079 | - | - | |
| On-site wastewater mgmt | - | 38,588 | (588) | 38,000 | 38,000 | - | - | |
| <i>Total landfill</i> | - | 306,994 | (17,184) | 289,810 | 289,636 | - | 174 87 | |

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, 2017

| | <u>Original Budget</u> | | | | Actual | Encumbrances Carried to FY 18 | Variance Favorable (Unfavorable) | T/C Resolution to Paving and Capital |
|--------------------------------------|-------------------------------------|---------------------|-------------------|---------------------|---------------------|-------------------------------------|--|---|
| | Encumbrances Carried to FY 17 | Original Budget | Transfers | Total Available | | | | |
| Public works operations | | | | | | | | |
| Dept mgmt salary | - | 89,185 | (48,646) | 40,539 | 40,539 | - | - | - |
| Personnel services | - | 398,521 | (10,279) | 388,242 | 388,174 | - | 68 | 34 |
| Staff salaries - AFSCME | - | 36,955 | 366 | 37,321 | 37,321 | - | - | - |
| Overtime | - | 50,000 | (2,522) | 47,478 | 47,478 | - | - | - |
| Longevity | - | 18,722 | 17,733 | 36,455 | 36,455 | - | - | - |
| Sick leave buy back | - | 15,000 | (829) | 14,171 | 13,947 | - | 224 | 112 |
| Clothing allowance | - | 1,350 | - | 1,350 | 1,350 | - | - | - |
| Uniform rental | - | 4,189 | - | 4,189 | 3,506 | 683 | - | - |
| Snow removal | - | 70,000 | (39,972) | 30,028 | 30,009 | 19 | - | - |
| Tree removal | - | 5,000 | - | 5,000 | 5,000 | - | - | - |
| Minor equip replacements | - | 75,000 | (9,853) | 65,147 | 62,800 | 2,347 | - | - |
| Shop tools | - | 1,000 | - | 1,000 | 1,000 | - | - | - |
| Sand, salt, gravel, and pipe | - | 90,000 | (17,737) | 72,263 | 70,155 | 2,108 | - | - |
| Paving account | 216,953 | 195,000 | - | 411,953 | 176,369 | 235,584 | - | - |
| Drainage account | - | 50,000 | (41,300) | 8,700 | 8,210 | 490 | - | - |
| Line Painting | - | 5,000 | (5,000) | - | - | - | - | - |
| Guard rails | - | 5,000 | (5,000) | - | - | - | - | - |
| Heat | - | 15,000 | - | 15,000 | 7,687 | 7,313 | - | - |
| Electric | - | 6,000 | 541 | 6,541 | 6,329 | 212 | - | - |
| Water / sewer | - | 1,000 | - | 1,000 | 775 | 225 | - | - |
| Radio communications | - | 6,500 | - | 6,500 | 6,085 | 415 | - | - |
| Telephone | - | 1,300 | 192 | 1,492 | 1,492 | - | - | - |
| High way signs | - | 5,000 | (4,000) | 1,000 | 905 | 95 | - | - |
| Supplies and misc. | - | 15,000 | - | 15,000 | 14,748 | 252 | - | - |
| Fuel, oil, and tires | - | 50,000 | (10,000) | 40,000 | 31,458 | 8,542 | - | - |
| Total public works operations | <u>216,953</u> | <u>1,209,722</u> | <u>(176,306)</u> | <u>1,250,369</u> | <u>991,792</u> | <u>258,285</u> | <u>292</u> | <u>146</u> |
| Total public works | <u>\$ 216,953</u> | <u>\$ 1,753,409</u> | <u>\$ 245,288</u> | <u>\$ 2,215,650</u> | <u>\$ 1,956,899</u> | <u>\$ 258,285</u> | <u>\$ 466</u> | <u>\$ 233</u> |
| Parks and recreation | | | | | | | | |
| Town beaches | | | | | | | | |
| Seasonal employees | \$ - | \$ 20,000 | \$ 3,591 | \$ 23,591 | \$ 23,591 | \$ - | \$ - | \$ - |
| Misc operating supplies | - | 5,500 | (2,869) | 2,631 | 2,631 | - | - | - |
| Total town beaches | <u>-</u> | <u>25,500</u> | <u>722</u> | <u>26,222</u> | <u>26,222</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Recreation commission | | | | | | | | |
| Recreation director | - | 10,000 | (9,033) | 967 | 896 | - | 71 | 35 |
| Seasonal employees | - | 16,500 | (10,000) | 6,500 | 4,785 | - | 1,715 | 858 |
| Transportation, fees and equip | - | 3,500 | (1,190) | 2,310 | 2,310 | - | - | - |
| Winter recreation | - | 2,500 | (1,282) | 1,218 | 1,218 | - | - | - |
| Supplies and misc | - | 1,500 | 402 | 1,902 | 1,902 | - | - | - |
| Total recreation commission | <u>-</u> | <u>34,000</u> | <u>(21,103)</u> | <u>12,897</u> | <u>11,111</u> | <u>-</u> | <u>1,786</u> | <u>893</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, 2017

| | <u>Original Budget</u> | | | <u>Total Available</u> | <u>Actual</u> | <u>Encumbrances to FY 18</u> | <u>Variance Favorable (Unfavorable)</u> | <u>T/C Resolution to Paving and Capital</u> |
|---|--------------------------------------|------------------------|---------------------|------------------------|----------------------|------------------------------|---|---|
| | <u>Encumbrances Carried to FY 17</u> | <u>Original Budget</u> | <u>Transfers</u> | | | | | |
| Maint, supplies, and mowing | | | | | | | | |
| Mowing services | - | 28,000 | - | 28,000 | 28,000 | - | - | - |
| Field rehabilitation | - | 7,600 | (4,500) | 3,100 | 2,813 | - | 287 | 144 |
| Preventive maintenance | - | 8,000 | - | 8,000 | 6,356 | - | 1,644 | 820 |
| Total maint, supplies, and mowing | - | 43,600 | (4,500) | 39,100 | 37,169 | - | 1,931 | 964 |
| Total parks and recreation | \$ - | \$ 103,100 | \$ (24,881) | \$ 78,219 | \$ 74,502 | \$ - | \$ 3,717 | \$ 1,857 |
| Capital outlay | | | | | | | | |
| School department | | | | | | | | |
| School - capital expenditures | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total school department | - | - | - | - | - | - | - | - |
| Non-recurring exps | | | | | | | | |
| Town Hall - Replace Roof | - | 67,000 | - | 67,000 | 63,414 | - | 3,586 | 1,792 |
| DPW - Street Sweeper | - | 23,585 | - | 23,585 | 23,585 | - | - | - |
| DPW - Backhoe | - | 15,867 | - | 15,867 | 15,867 | - | - | - |
| DPW - Maintenance Vehicle | - | - | 11,101 | 11,101 | 10,750 | - | 351 | 176 |
| DPW - Catch Basin Attachment | - | 65,000 | - | 65,000 | 64,850 | - | 150 | 75 |
| DPW - 6 wheel #1 | - | 40,163 | - | 40,163 | 40,163 | - | - | - |
| DPW - Mechanic Office - Roof | - | 2,500 | - | 2,500 | 2,000 | - | 500 | 250 |
| DPW - 6 wheel #2 | - | 41,233 | - | 41,233 | 41,233 | - | - | - |
| FD - engine 1 | - | 57,652 | - | 57,652 | 57,652 | - | - | - |
| FD - rescue 2 | - | 47,763 | - | 47,763 | 47,763 | - | - | - |
| FD - pumper | - | 61,218 | - | 61,218 | 61,218 | - | - | - |
| FD - rescue 1 | - | 61,350 | - | 61,350 | 55,210 | - | 6,140 | 3,070 |
| FD - station 3 - replace roof | - | 35,000 | - | 35,000 | 9,350 | - | 25,650 | 12,825 |
| FD - station 3 - replace ext wall | - | 15,000 | - | 15,000 | - | - | 15,000 | 7,500 |
| FD - station 1 - heating system | - | 20,000 | - | 20,000 | 20,000 | - | - | - |
| FD - computers & med reporting | - | 19,000 | - | 19,000 | 18,240 | - | 760 | 380 |
| FD - Airpacks & Air Bottles | - | 19,000 | - | 19,000 | 18,605 | - | 395 | 198 |
| PD - patrol cars | - | 60,000 | 2,261 | 62,261 | 62,261 | - | - | - |
| PD - AV Recording Equip | - | 20,000 | - | 20,000 | 19,800 | - | 200 | 100 |
| Senior Center Maintenance | - | 13,000 | - | 13,000 | - | - | 13,000 | 6,500 |
| Total non-recurring exps | - | 684,331 | 13,362 | 697,693 | 631,961 | - | 65,732 | 32,866 |
| Total capital outlay | \$ - | \$ 684,331 | \$ 13,362 | \$ 697,693 | \$ 631,961 | \$ - | \$ 65,732 | \$ 32,866 |
| Debt service | | | | | | | | |
| Principal | \$ - | \$ 2,480,000 | \$ - | 2,480,000 | \$ 2,480,000 | \$ - | - | \$ - |
| Interest | - | 1,461,004 | (111,456) | 1,349,548 | 1,349,546 | - | 2 | 1 |
| Total debt service | \$ - | \$ 3,941,004 | \$ (111,456) | \$ 3,829,548 | \$ 3,829,546 | \$ - | \$ 2 | \$ 1 |
| Total expenditures | \$ 383,374 | \$ 19,065,194 | \$ - | \$ 19,448,568 | \$ 18,887,571 | \$ 461,022 | \$ 99,975 | \$ 49,986 |
| Other financing uses | | | | | | | | |
| Transfers to school | - | 23,475,000 | - | 23,475,000 | 23,475,000 | - | - | - |
| Total expenditures & other financi | \$ 383,374 | \$ 42,540,194 | \$ - | \$ 42,923,568 | \$ 42,362,571 | \$ 461,022 | \$ 99,975 | \$ 49,986 |

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Non-Major Governmental Funds - Combining Balance Sheet

June 30, 2017

| | Town Special Revenue | School Special Revenue | Capital Projects | Debt Service Fund | Total Non-Major Governmental Funds |
|--|-------------------------------------|---------------------------------------|-----------------------------|------------------------------|---|
| Assets | | | | | |
| Cash and investments | \$ 381,320 | \$ (320,928) | \$ 23,186,140 | \$ 532,880 | \$ 23,779,412 |
| Due from other governments | 347,422 | 401,104 | 228,684 | - | 977,210 |
| Due from other funds | 900,295 | - | - | 3,257 | 903,552 |
| Total assets | <u>1,629,037</u> | <u>80,176</u> | <u>23,414,824</u> | <u>536,137</u> | <u>25,660,174</u> |
| Deferred outflows of resources | | | | | |
| None | - | - | - | - | - |
| Total assets and deferred outflows of resources | <u>\$ 1,629,037</u> | <u>\$ 80,176</u> | <u>\$ 23,414,824</u> | <u>\$ 536,137</u> | <u>\$ 25,660,174</u> |
| Liabilities | | | | | |
| Accounts payable and accrued expenses | \$ - | \$ 34,715 | \$ - | \$ - | \$ 34,715 |
| Due to other funds | 27,734 | 20,000 | 292,580 | - | 340,314 |
| Total liabilities | <u>27,734</u> | <u>54,715</u> | <u>292,580</u> | <u>-</u> | <u>375,029</u> |
| Deferred inflows of resources | | | | | |
| Unearned revenue | 347,423 | - | - | - | 347,423 |
| Total deferred inflows of resources | <u>347,423</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>347,423</u> |
| Fund balance | | | | | |
| Restricted | 507,056 | 26,750 | - | - | 533,806 |
| Committed | 773,023 | - | 23,195,627 | 536,137 | 24,504,787 |
| Unassigned | (26,199) | (1,289) | (73,383) | - | (100,871) |
| Total fund balance | <u>1,253,880</u> | <u>25,461</u> | <u>23,122,244</u> | <u>536,137</u> | <u>24,937,722</u> |
| Town liabilities, deferred inflows of resources, and fund balances | <u>\$ 1,629,037</u> | <u>\$ 80,176</u> | <u>\$ 23,414,824</u> | <u>\$ 536,137</u> | <u>\$ 25,660,174</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, 2017

| | Town Special Revenue | School Special Revenue | Capital Projects | Debt Service Fund | Total Non-Major Governmental Funds |
|---|-------------------------------------|---------------------------------------|-----------------------------|------------------------------|---|
| Revenues | | | | | |
| Federal and state grant income | \$ 79,287 | \$ 1,142,105 | \$ - | \$ - | \$ 1,221,392 |
| Other revenue | 395,115 | 56,753 | 511,800 | - | 963,668 |
| Investment income | 3,245 | - | 133,300 | 2,111 | 138,656 |
| Total revenue | <u>477,647</u> | <u>1,198,858</u> | <u>645,100</u> | <u>2,111</u> | <u>2,323,716</u> |
| Expenditures | | | | | |
| General government | 11,589 | - | - | - | 11,589 |
| Public safety | 108,169 | - | - | - | 108,169 |
| Public works | 18,302 | - | 112,636 | - | 130,938 |
| Education | - | 1,364,587 | - | - | 1,364,587 |
| Health and human services | 13,452 | - | - | - | 13,452 |
| Parks and recreation | 6,881 | - | 45,968 | - | 52,849 |
| Total Expenditures | <u>158,393</u> | <u>1,364,587</u> | <u>158,604</u> | <u>-</u> | <u>1,681,584</u> |
| Excess (deficiency) of revenues over expenditures | 319,254 | (165,729) | 486,496 | 2,111 | 642,132 |
| Other financing sources (uses) | | | | | |
| Proceeds from issuance of long term debt | - | - | 15,438,230 | - | 15,438,230 |
| Transfers in | - | 117,424 | 23,585 | - | 141,009 |
| Transfers out | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>117,424</u> | <u>15,461,815</u> | <u>-</u> | <u>15,579,239</u> |
| Excess of revenue and other sources over expenditures and other uses | | | | | |
| | 319,254 | (48,305) | 15,948,311 | 2,111 | 16,221,371 |
| Fund balance, July 1, 2016, restated | <u>934,626</u> | <u>73,766</u> | <u>7,173,933</u> | <u>534,026</u> | <u>8,716,351</u> |
| Fund balance, June 30, 2017 | <u>\$ 1,253,880</u> | <u>\$ 25,461</u> | <u>\$ 23,122,244</u> | <u>\$ 536,137</u> | <u>\$ 24,937,722</u> |

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - Town - Combining Balance Sheet

June 30, 2017

| | 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>6,000</u> | <u>25,944</u> | <u>36,354</u> | <u>567</u> | <u>56,274</u> |
| Total assets | <u>6,000</u> | <u>25,944</u> | <u>36,354</u> | <u>567</u> | <u>56,274</u> |
| Deferred Outflows of Resources | | | | | |
| None | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total outflows of resources and assets | <u>\$ 6,000</u> | <u>\$ 25,944</u> | <u>\$ 36,354</u> | <u>\$ 567</u> | <u>\$ 56,274</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 | - | - | 36,354 | 567 | 56,274 |
| Committed | 6,000 | 25,944 | - | - | - |
| Unassigned | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balances (deficits) | <u>6,000</u> | <u>25,944</u> | <u>36,354</u> | <u>567</u> | <u>56,274</u> |
| Total liabilities, deferred inflows of resources, and fund balances (deficits) | <u>\$ 6,000</u> | <u>\$ 25,944</u> | <u>\$ 36,354</u> | <u>\$ 567</u> | <u>\$ 56,274</u> |

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - Town - Combining Balance Sheet

June 30, 2017

| | Byrne Stimulus | EMA Grant | CDBG | Planning Challenge | Senior Center |
|---|---------------------------|------------------|-------------------|-------------------------------|--------------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investment | - | - | - | - | - |
| Due from other governments | - | - | 347,422 | - | - |
| Due from other funds | 14,895 | - | 16,792 | - | 1,048 |
| Total assets | <u>14,895</u> | <u>-</u> | <u>364,214</u> | <u>-</u> | <u>1,048</u> |
| Deferred Outflows of Resources | | | | | |
| None | - | - | - | - | - |
| Total outflows of resources and assets | <u>\$ 14,895</u> | <u>\$ -</u> | <u>\$ 364,214</u> | <u>\$ -</u> | <u>\$ 1,048</u> |
| Liabilities | | | | | |
| Due to other funds | \$ - | \$ 11,772 | \$ - | \$ - | \$ - |
| Total liabilities | <u>-</u> | <u>11,772</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources | | | | | |
| Unearned Revenue | - | - | 347,423 | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>347,423</u> | <u>-</u> | <u>-</u> |
| Fund Balances | | | | | |
| Restricted | 14,895 | - | 16,791 | - | - |
| Committed | - | - | - | - | 1,048 |
| Unassigned | <u>-</u> | <u>(11,772)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balances (deficits) | <u>14,895</u> | <u>(11,772)</u> | <u>16,791</u> | <u>-</u> | <u>1,048</u> |
| Total liabilities, deferred inflows of resources, and fund balances (deficits) | <u>\$ 14,895</u> | <u>\$ -</u> | <u>\$ 364,214</u> | <u>\$ -</u> | <u>\$ 1,048</u> |

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - Town - Combining Balance Sheet

June 30, 2017

| | <u>Senior Center Waite Account</u> | <u>Senior Center Roof Repair</u> | <u>North Tiverton Contam. Award</u> | <u>Bulgarmarsh Park</u> | <u>Recycling</u> |
|---|--|--------------------------------------|---|-----------------------------|------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ 17,723 | \$ - | \$ - |
| Investment | - | - | 363,597 | - | - |
| Due from other governments | - | - | - | - | - |
| Due from other funds | <u>1,987</u> | <u>2,390</u> | <u>-</u> | <u>121</u> | <u>46,249</u> |
| Total assets | <u>1,987</u> | <u>2,390</u> | <u>381,320</u> | <u>121</u> | <u>46,249</u> |
| Deferred Outflows of Resources | | | | | |
| None | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total outflows of resources and assets | <u>\$ 1,987</u> | <u>\$ 2,390</u> | <u>\$ 381,320</u> | <u>\$ 121</u> | <u>\$ 46,249</u> |
| Liabilities | | | | | |
| Due to other funds | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,535</u> | <u>\$ -</u> | <u>\$ -</u> |
| Total liabilities | <u>-</u> | <u>-</u> | <u>1,535</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 | - | 2,390 | 379,785 | - | - |
| Committed | 1,987 | - | - | 121 | 46,249 |
| Unassigned | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balances (deficits) | <u>1,987</u> | <u>2,390</u> | <u>379,785</u> | <u>121</u> | <u>46,249</u> |
| Total liabilities, deferred inflows of resources, and fund balances (deficits) | <u>\$ 1,987</u> | <u>\$ 2,390</u> | <u>\$ 381,320</u> | <u>\$ 121</u> | <u>\$ 46,249</u> |

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - Town - Combining Balance Sheet

June 30, 2017

| | Historical Records | Land Evidence | Open Space Acquisition | Vicious Dog | Open Space Stewardship |
|---|-------------------------------|----------------------|-----------------------------------|--------------------|-----------------------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investment | - | - | - | - | - |
| Due from other governments | - | - | - | - | - |
| Due from other funds | <u>21,417</u> | <u>84,359</u> | <u>520,395</u> | <u>49,436</u> | <u>6,817</u> |
| Total assets | <u>21,417</u> | <u>84,359</u> | <u>520,395</u> | <u>49,436</u> | <u>6,817</u> |
| Deferred Outflows of Resources | | | | | |
| None | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total outflows of resources and assets | <u>\$ 21,417</u> | <u>\$ 84,359</u> | <u>\$ 520,395</u> | <u>\$ 49,436</u> | <u>\$ 6,817</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 | 21,417 | 84,359 | 520,395 | 49,436 | 6,817 |
| Unassigned | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balances (deficits) | <u>21,417</u> | <u>84,359</u> | <u>520,395</u> | <u>49,436</u> | <u>6,817</u> |
| Total liabilities, deferred inflows of resources, and fund balances (deficits) | <u>\$ 21,417</u> | <u>\$ 84,359</u> | <u>\$ 520,395</u> | <u>\$ 49,436</u> | <u>\$ 6,817</u> |

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - Town - Combining Balance Sheet

June 30, 2017

| | 270 | 272 | 280 | 215 | 218 |
|---|---------------------------------|--|----------------------------------|-----------------------------|-----------------------------|
| | Pocasset Stewardship | Pocasset Ridge Conservation | Wastewater Management | Police Leg Grant | Police Equipment |
| Assets | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investments | - | - | - | - | - |
| Due from other governments | - | - | - | - | - |
| Due from other funds | <u>3,350</u> | <u>2,079</u> | - | <u>3,821</u> | - |
| Total assets | <u>3,350</u> | <u>2,079</u> | - | <u>3,821</u> | - |
| Deferred Outflows of Resources | | | | | |
| None | - | - | - | - | - |
| Total outflows of resources and assets | <u>\$ 3,350</u> | <u>\$ 2,079</u> | <u>\$ -</u> | <u>\$ 3,821</u> | <u>\$ -</u> |
| Liabilities | | | | | |
| Due to other funds | \$ - | \$ - | \$ 366 | \$ - | \$ 8,290 |
| Total liabilities | - | - | <u>366</u> | - | <u>8,290</u> |
| Deferred Inflows of Resources | | | | | |
| Unearned Revenue | - | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - | - |
| Fund Balances | | | | | |
| Restricted | - | - | - | - | - |
| Committed | 3,350 | 2,079 | - | 3,821 | - |
| Unassigned | - | - | (366) | - | (8,290) |
| Total fund balances (deficits) | <u>3,350</u> | <u>2,079</u> | <u>(366)</u> | <u>3,821</u> | <u>(8,290)</u> |
| Total liabilities, deferred inflows of resources, and fund balances (deficits) | <u>\$ 3,350</u> | <u>\$ 2,079</u> | <u>\$ -</u> | <u>\$ 3,821</u> | <u>\$ -</u> |

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - Town - Combining Balance Sheet

June 30, 2017

| | 222 | 225 | 228 | |
|---|----------------|------------------------|-----------------------------|---------------------|
| | NCPC | Tiverton PC | Local Task Force | Total |
| Assets | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ 17,723 |
| Investment | - | - | - | 363,597 |
| Due from other governments | - | - | - | 347,422 |
| Due from other funds | - | - | - | 900,295 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,629,037</u> |
| Total assets | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,629,037</u> |
| Deferred Outflows of Resources | | | | |
| None | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total outflows of resources and assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,629,037</u> |
| Liabilities | | | | |
| Due to other funds | \$ 3,492 | \$ 624 | \$ 1,655 | \$ 27,734 |
| | <u>3,492</u> | <u>624</u> | <u>1,655</u> | <u>27,734</u> |
| Total liabilities | <u>3,492</u> | <u>624</u> | <u>1,655</u> | <u>27,734</u> |
| Deferred Inflows of Resources | | | | |
| Unearned Revenue | - | - | - | 347,423 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>347,423</u> |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>347,423</u> |
| Fund Balances | | | | |
| Restricted | - | - | - | 507,056 |
| Committed | - | - | - | 773,023 |
| Unassigned | (3,492) | (624) | (1,655) | (26,199) |
| | <u>(3,492)</u> | <u>(624)</u> | <u>(1,655)</u> | <u>1,253,880</u> |
| Total fund balances (deficits) | <u>(3,492)</u> | <u>(624)</u> | <u>(1,655)</u> | <u>1,253,880</u> |
| Total liabilities, deferred inflows of resources, and fund balances (deficits) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,629,037</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, 2017

| | Fire Detection Fund | Meds Grant | Substance Abuse | PD Crime Prevention | Drug Forfeiture |
|---|--------------------------------|-------------------|----------------------------|--------------------------------|----------------------------|
| Revenues | | | | | |
| Intergovernmental revenue | \$ - | \$ - | \$ 60,680 | \$ 1,500 | \$ - |
| Charges for service | - | - | - | - | - |
| Investment income | - | - | - | - | - |
| Other revenue | <u>10,636</u> | - | - | - | <u>19,500</u> |
| Total revenues | <u>10,636</u> | - | <u>60,680</u> | <u>1,500</u> | <u>19,500</u> |
| Expenditures | | | | | |
| General | 6,395 | - | - | - | - |
| Public safety | - | - | 55,661 | 2,608 | 4,265 |
| Public works | - | - | - | - | - |
| Health and human Services | - | - | - | - | - |
| Parks and recreation | - | - | - | - | - |
| Total expenditures | <u>6,395</u> | - | <u>55,661</u> | <u>2,608</u> | <u>4,265</u> |
| Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses) | 4,241 | - | 5,019 | (1,108) | 15,235 |
| Other financing sources (uses) | | | | | |
| Transfers (to) other funds | - | - | - | - | - |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other uses | 4,241 | - | 5,019 | (1,108) | 15,235 |
| Fund Balance, July 1, 2016 | <u>1,759</u> | <u>25,944</u> | <u>31,335</u> | <u>1,675</u> | <u>41,039</u> |
| Fund Balance, June 30, 2017 | <u>\$ 6,000</u> | <u>\$ 25,944</u> | <u>\$ 36,354</u> | <u>\$ 567</u> | <u>\$ 56,274</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, 2017

| | Byrne Stimulus | EMA Grant | CDBG | Planning Challenge | Senior Center |
|---|---------------------------|--------------------|------------------|-------------------------------|--------------------------|
| Revenues | | | | | |
| Intergovernmental revenue | \$ 8,342 | \$ - | \$ 1,552 | \$ - | \$ 7,130 |
| Charges for service | - | - | - | - | - |
| Investment income | - | - | - | - | - |
| Other revenue | - | - | - | - | - |
| Total revenues | <u>8,342</u> | <u>-</u> | <u>1,552</u> | <u>-</u> | <u>7,130</u> |
| Expenditures | | | | | |
| General | - | - | - | - | - |
| Public safety | 3,878 | - | - | - | - |
| Public works | - | 11,772 | - | 6,500 | - |
| Health and human Services | - | - | - | - | 11,722 |
| Parks and recreation | - | - | - | - | - |
| Total expenditures | <u>3,878</u> | <u>11,772</u> | <u>-</u> | <u>6,500</u> | <u>11,722</u> |
| Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses) | 4,464 | (11,772) | 1,552 | (6,500) | (4,592) |
| 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 | 4,464 | (11,772) | 1,552 | (6,500) | (4,592) |
| Fund Balance, July 1, 2016 | <u>10,431</u> | <u>-</u> | <u>15,239</u> | <u>6,500</u> | <u>5,640</u> |
| Fund Balance, June 30, 2017 | <u>\$ 14,895</u> | <u>\$ (11,772)</u> | <u>\$ 16,791</u> | <u>\$ -</u> | <u>\$ 1,048</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, 2017

| | <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 | \$ - | \$ - | \$ - | \$ - | \$ 83 |
| Charges for service | - | - | - | - | - |
| Investment income | - | - | 3,245 | - | - |
| Other revenue | - | - | - | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>3,245</u> | <u>-</u> | <u>83</u> |
| Expenditures | | | | | |
| General | - | - | - | - | - |
| Public safety | - | - | - | - | - |
| Public works | - | - | - | - | - |
| Health and human Services | 195 | - | 1,535 | - | - |
| Parks and recreation | - | - | - | - | - |
| Total expenditures | <u>195</u> | <u>-</u> | <u>1,535</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses) | (195) | - | 1,710 | - | 83 |
| 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 | (195) | - | 1,710 | - | 83 |
| Fund Balance, July 1, 2016 | <u>2,182</u> | <u>2,390</u> | <u>378,075</u> | <u>121</u> | <u>46,166</u> |
| Fund Balance, June 30, 2017 | <u>\$ 1,987</u> | <u>\$ 2,390</u> | <u>\$ 379,785</u> | <u>\$ 121</u> | <u>\$ 46,249</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, 2017

| | <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 | 2,864 | 17,097 | 306,207 | - | - |
| Investment income | - | - | - | - | - |
| Other revenue | - | - | - | - | - |
| Total revenues | <u>2,864</u> | <u>17,097</u> | <u>306,207</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | | |
| General | - | 5,195 | - | - | - |
| Public safety | - | - | - | - | - |
| Public works | - | - | - | - | - |
| Health and human Services | - | - | - | - | - |
| Parks and recreation | - | - | 210 | - | 1,000 |
| Total expenditures | <u>-</u> | <u>5,195</u> | <u>210</u> | <u>-</u> | <u>1,000</u> |
| Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses) | 2,864 | 11,902 | 305,997 | - | (1,000) |
| 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 | 2,864 | 11,902 | 305,997 | - | (1,000) |
| Fund Balance, July 1, 2016 | <u>18,553</u> | <u>72,457</u> | <u>214,398</u> | <u>49,436</u> | <u>7,817</u> |
| Fund Balance, June 30, 2017 | <u>\$ 21,417</u> | <u>\$ 84,359</u> | <u>\$ 520,395</u> | <u>\$ 49,436</u> | <u>\$ 6,817</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, 2017

| | 270 | 272 | 280 | 215 | 218 |
|---|--------------------------------------|--|----------------------------------|-----------------------------|-----------------------------|
| | Pocassetlands Stewardship | Pocasset Ridge Conservation | Wastewater Management | Police Leg Grant | Police Equipment |
| Revenues | | | | | |
| Intergovernmental revenue | \$ - | \$ - | \$ - | \$ - | \$ - |
| Charges for service | - | - | - | - | - |
| Investment income | - | - | - | - | - |
| Other revenue | <u>2,294</u> | <u>5,000</u> | - | <u>10,000</u> | - |
| Total revenues | <u>2,294</u> | <u>5,000</u> | - | <u>10,000</u> | - |
| Expenditures | | | | | |
| General | - | - | - | - | - |
| Public safety | - | - | - | 6,179 | 8,290 |
| Public works | - | - | 30 | - | - |
| Health and human Services | - | - | - | - | - |
| Parks and recreation | <u>2,750</u> | <u>2,921</u> | - | - | - |
| Total expenditures | <u>2,750</u> | <u>2,921</u> | <u>30</u> | <u>6,179</u> | <u>8,290</u> |
| Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses) | (456) | 2,079 | (30) | 3,821 | (8,290) |
| 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 | (456) | 2,079 | (30) | 3,821 | (8,290) |
| Fund Balance, July 1, 2016 | <u>3,806</u> | <u>-</u> | <u>(336)</u> | <u>-</u> | <u>-</u> |
| Fund Balance, June 30, 2017 | <u>\$ 3,350</u> | <u>\$ 2,079</u> | <u>\$ (366)</u> | <u>\$ 3,821</u> | <u>\$ (8,290)</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, 2017

| | 222 | 225 | 228 | |
|---|-------------------|------------------------|-----------------------------|---------------------|
| | NCPC | Tiverton PC | Local Task Force | Total |
| Revenues | | | | |
| Intergovernmental revenue | \$ - | \$ - | \$ - | \$ 79,287 |
| Charges for service | - | - | - | 326,168 |
| Investment income | - | - | - | 3,245 |
| Other revenue | <u>18,351</u> | <u>1,666</u> | <u>1,500</u> | <u>68,947</u> |
| Total revenues | <u>18,351</u> | <u>1,666</u> | <u>1,500</u> | <u>477,647</u> |
| Expenditures | | | | |
| General | - | - | - | 11,590 |
| Public safety | 21,843 | 2,290 | 3,155 | 108,169 |
| Public works | - | - | - | 18,302 |
| Health and human Services | - | - | - | 13,452 |
| Parks and recreation | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,881</u> |
| Total expenditures | <u>21,843</u> | <u>2,290</u> | <u>3,155</u> | <u>158,394</u> |
| Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses) | (3,492) | (624) | (1,655) | 319,253 |
| Other financing sources (uses) | | | | |
| Transfers from (to) other funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues and other sources over (under) expenditures and other uses | (3,492) | (624) | (1,655) | 319,253 |
| Fund Balance, July 1, 2016 | <u>-</u> | <u>-</u> | <u>-</u> | <u>934,626</u> |
| Fund Balance, June 30, 2017 | <u>\$ (3,492)</u> | <u>\$ (624)</u> | <u>\$ (1,655)</u> | <u>\$ 1,253,879</u> |

See independent auditor's report

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

June 30, 2017

| | 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 | \$ (401,104) | \$ - | \$ 20,000 | \$ 834 | \$ - | \$ 1,597 |
| Due from state or federal government | <u>401,104</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total assets | <u>-</u> | <u>-</u> | <u>20,000</u> | <u>834</u> | <u>-</u> | <u>1,597</u> |
| Deferred Outflows of Resources | | | | | | |
| None | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 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>\$ -</u> | <u>\$ -</u> | <u>\$ 20,000</u> | <u>\$ 834</u> | <u>\$ -</u> | <u>\$ 1,597</u> |
| Liabilities | | | | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due to school unrestricted | <u>-</u> | <u>-</u> | <u>20,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>-</u> | <u>-</u> | <u>20,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Deferred inflows of resources | | | | | | |
| None | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total deferred inflow of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, restricted | <u>-</u> | <u>-</u> | <u>-</u> | <u>834</u> | <u>-</u> | <u>1,597</u> |
| Total liabilities, deferred inflows of resources, and fund balances (deficits) | <u>\$ -</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, 2017

| | Prepare RI PLTW | Math and Science | English Learning Categorical | Substance Abuse | RIDE Wireless Classroom | SAMHSA Substance Abuse |
|--|----------------------------|-----------------------------|---|----------------------------|--|---------------------------------------|
| Assets | | | | | | |
| Cash | \$ - | \$ 34,715 | \$ - | \$ - | \$ (1,289) | \$ - |
| Due from state or federal government | - | - | - | - | - | - |
| Total assets | - | 34,715 | - | - | (1,289) | - |
| Deferred Outflows of Resources | | | | | | |
| None | - | - | - | - | - | - |
| Total deferred outflows of resources | - | - | - | - | - | - |
| Total assets and deferred outflows of resources | <u>\$ -</u> | <u>\$ 34,715</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (1,289)</u> | <u>\$ -</u> |
| Liabilities | | | | | | |
| Accounts payable and accrued expenses Due to school unrestricted | \$ - | \$ 34,715 | \$ - | \$ - | \$ - | \$ - |
| Total liabilities | - | 34,715 | - | - | - | - |
| Deferred inflows of resources | | | | | | |
| None | - | - | - | - | - | - |
| Total deferred inflow of resources | - | - | - | - | - | - |
| Fund balances, restricted | - | - | - | - | (1,289) | - |
| Total liabilities, deferred inflows of resources, and fund balances (deficits) | <u>\$ -</u> | <u>\$ 34,715</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (1,289)</u> | <u>\$ -</u> |

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Special Revenue Funds - School - Combining Balance Sheet

June 30, 2017

| | <u>Parents as Teachers</u> | <u>School Housing Aid</u> | <u>SAMSHA Stop Grant</u> | <u>Van Beuren Award 2</u> | <u>General Assembly THS</u> | <u>RISCA</u> |
|--|--------------------------------|-------------------------------|------------------------------|-------------------------------|---------------------------------|-----------------|
| Assets | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ 19,846 | \$ 1,750 | \$ 1,143 |
| Due from state or federal government | - | - | - | - | - | - |
| Total assets | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,846</u> | <u>1,750</u> | <u>1,143</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>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 19,846</u> | <u>\$ 1,750</u> | <u>\$ 1,143</u> |
| Liabilities | | | | | | |
| Accounts payable and accrued expenses Due to school unrestricted | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Deferred inflows of resources | | | | | | |
| None | - | - | - | - | - | - |
| Total deferred inflow of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, restricted | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,846</u> | <u>1,750</u> | <u>1,143</u> |
| Total liabilities, deferred inflows of resources, and fund balances (deficits) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 19,846</u> | <u>\$ 1,750</u> | <u>\$ 1,143</u> |

See independent auditor's report

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

June 30, 2017

| | Ranger Elem Arts | Pocasset Elem Arts | Ft Barton Elem Arts | Ranger Health | Pocasset Elem Health | Pocasset Memorial | Total |
|--|-----------------------------|-------------------------------|--------------------------------|--------------------------|---------------------------------|------------------------------|------------------|
| Assets | | | | | | | |
| Cash | \$ 129 | \$ 400 | \$ 401 | \$ 25 | \$ 500 | \$ 125 | \$ (320,928) |
| Due from state or federal government | - | - | - | - | - | - | 401,104 |
| Total assets | <u>129</u> | <u>400</u> | <u>401</u> | <u>25</u> | <u>500</u> | <u>125</u> | <u>80,176</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>\$ 129</u> | <u>\$ 400</u> | <u>\$ 401</u> | <u>\$ 25</u> | <u>\$ 500</u> | <u>\$ 125</u> | <u>\$ 80,176</u> |
| Liabilities | | | | | | | |
| Accounts payable and accrued expenses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 34,715 |
| Due to school unrestricted | - | - | - | - | - | - | 20,000 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>54,715</u> |
| Deferred inflows of resources | | | | | | | |
| None | - | - | - | - | - | - | - |
| Total deferred inflow of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, restricted | <u>129</u> | <u>400</u> | <u>401</u> | <u>25</u> | <u>500</u> | <u>125</u> | <u>25,461</u> |
| Total liabilities, deferred inflows of resources, and fund balances (deficits) | <u>\$ 129</u> | <u>\$ 400</u> | <u>\$ 401</u> | <u>\$ 25</u> | <u>\$ 500</u> | <u>\$ 125</u> | <u>\$ 80,176</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, 2017

| | 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 |
|---|---------------------------------|------------------------------------|---|--|-----------------------------|-----------------------------------|
| Revenues | | | | | | |
| Federal and state grant income | \$ 480,271 | \$ 13,090 | \$ 183,995 | \$ 70,460 | \$ - | \$ 23,031 |
| Other grant income | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>52,280</u> | <u>-</u> |
| Total revenues | 480,271 | 13,090 | 183,995 | 70,460 | 52,280 | 23,031 |
| Expenditures | | | | | | |
| Education | <u>480,271</u> | <u>13,090</u> | <u>183,995</u> | <u>70,460</u> | <u>52,280</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, 2016, restated | <u>-</u> | <u>-</u> | <u>-</u> | <u>834</u> | <u>-</u> | <u>1,597</u> |
| Fund Balance, June 30, 2017 | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 834</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 1,597</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, 2017

| | Prepare RI PLTW | Math and Science | Ride Common Core | Substance Abuse | RIDE Wireless Classroom | SAMHSA Substance Abuse |
|--|----------------------------|-----------------------------|-----------------------------|----------------------------|--|---------------------------------------|
| Revenues | | | | | | |
| Federal and state grant income | \$ - | \$ 229,253 | \$ 304 | \$ 9,500 | \$ - | \$ 112,656 |
| Other grant income | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total revenues | - | 229,253 | 304 | 9,500 | - | 112,656 |
| Expenditures | | | | | | |
| Education | <u>40,068</u> | <u>229,253</u> | <u>304</u> | <u>9,500</u> | <u>-</u> | <u>112,656</u> |
| Excess (deficiency) of revenue over expenditures | (40,068) | - | - | - | - | - |
| 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) | - | - | - | - | - |
| Fund Balance, July 1, 2016, restated | <u>40,068</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,289)</u> | <u>-</u> |
| Fund Balance, June 30, 2017 | <u><u>\$ -</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, 2017

| | <u>Parents as Teachers</u> | <u>School Housing Aid</u> | <u>SAMSHA Stop Grant</u> | <u>Van Beuren Award 2</u> | <u>General Assembly THS</u> | <u>RISCA</u> |
|---|--------------------------------|-------------------------------|------------------------------|-------------------------------|---------------------------------|-----------------|
| Revenues | | | | | | |
| Federal and state grant income | \$ 125 | \$ - | \$ 19,420 | \$ - | \$ - | \$ - |
| Other grant income | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,750</u> | <u>1,143</u> |
| Total revenues | 125 | - | 19,420 | - | 1,750 | 1,143 |
| Expenditures | | | | | | |
| Education | <u>-</u> | <u>117,424</u> | <u>19,420</u> | <u>12,835</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenue over expenditures | 125 | (117,424) | - | (12,835) | 1,750 | 1,143 |
| Other financing sources (uses) | | | | | | |
| Transfers from (to) other funds | <u>-</u> | <u>117,424</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 125 | - | - | (12,835) | 1,750 | 1,143 |
| Fund Balance, July 1, 2016, restated | <u>(125)</u> | <u>-</u> | <u>-</u> | <u>32,681</u> | <u>-</u> | <u>-</u> |
| Fund Balance, June 30, 2017 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 19,846</u> | <u>\$ 1,750</u> | <u>\$ 1,143</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, 2017

| | <u>Ranger Elem Arts</u> | <u>Pocasset Elem Arts</u> | <u>Ft Barton Elem Arts</u> | <u>Ranger Health</u> | <u>Pocasset Elem Health</u> | <u>Pocasset Memorial</u> | <u>Total</u> |
|---|-----------------------------|-------------------------------|--------------------------------|--------------------------|---------------------------------|------------------------------|------------------|
| Revenues | | | | | | | |
| Federal and state grant income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,142,105 |
| Other grant income | <u>129</u> | <u>400</u> | <u>401</u> | <u>25</u> | <u>500</u> | <u>125</u> | <u>56,753</u> |
| Total revenues | 129 | 400 | 401 | 25 | 500 | 125 | 1,198,858 |
| Expenditures | | | | | | | |
| Education | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,364,587</u> |
| Excess (deficiency) of revenue over expenditures | 129 | 400 | 401 | 25 | 500 | 125 | (165,729) |
| Other financing sources (uses) | | | | | | | |
| Transfers from (to) other funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>117,424</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 129 | 400 | 401 | 25 | 500 | 125 | (48,305) |
| Fund Balance, July 1, 2016, restated | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>73,766</u> |
| Fund Balance, June 30, 2017 | <u>\$ 129</u> | <u>\$ 400</u> | <u>\$ 401</u> | <u>\$ 25</u> | <u>\$ 500</u> | <u>\$ 125</u> | <u>\$ 25,461</u> |

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Capital Project Funds - Combining Balance Sheet

June 30, 2017

| | 300 | 302 | 305 | 309 | 350 | 620 | 630 | |
|--|---------------------|------------------|------------------|-------------------|-------------------|--------------------|----------------------|----------------------|
| | Landfill | Old Stone | Grinnells | | Street | Sea Side | School | |
| | Closure | Bridge | Beach | TIF Bond | Sweeper | Gas Station | Housing Bond | Total |
| Assets | | | | | | | | |
| Cash & cash equivalents | \$ 37,901 | \$ - | \$ - | \$ 410,110 | \$ - | \$ - | \$ 15,438,230 | \$ 15,886,241 |
| Investments | 7,299,899 | - | - | - | - | - | - | 7,299,899 |
| Intergovernmental receivable | - | - | - | - | 228,684 | - | - | 228,684 |
| Total assets | <u>7,337,800</u> | <u>-</u> | <u>-</u> | <u>410,110</u> | <u>228,684</u> | <u>-</u> | <u>15,438,230</u> | <u>23,414,824</u> |
| Deferred outflows of resources | | | | | | | | |
| None | - | - | - | - | - | - | - | - |
| Total assets and deferred outflows of resources | <u>7,337,800</u> | <u>-</u> | <u>-</u> | <u>410,110</u> | <u>228,684</u> | <u>-</u> | <u>15,438,230</u> | <u>23,414,824</u> |
| Liabilities | | | | | | | | |
| Due to other funds | 6,122 | 64,669 | 8,714 | 27,976 | 185,099 | - | - | 292,580 |
| Total liabilities | <u>6,122</u> | <u>64,669</u> | <u>8,714</u> | <u>27,976</u> | <u>185,099</u> | <u>-</u> | <u>-</u> | <u>292,580</u> |
| Deferred inflows of resources | | | | | | | | |
| None | - | - | - | - | - | - | - | - |
| Fund Balances | | | | | | | | |
| Committed | 7,331,678 | - | - | 382,134 | 43,585 | - | 15,438,230 | 23,195,627 |
| Unassigned | - | (64,669) | (8,714) | - | - | - | - | (73,383) |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 7,337,800</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 410,110</u> | <u>\$ 228,684</u> | <u>\$ -</u> | <u>\$ 15,438,230</u> | <u>\$ 23,414,824</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, 2017

| | 300 | 302 | 305 | 309 | 350 | 620 | 630 | |
|--|---------------------|--------------------|-------------------|-------------------|------------------|--------------------|----------------------|----------------------|
| | Landfill | Old Stone | Grinnells | TIF Bond | Street | Sea Side | School | |
| | Closure | Bridge | Beach | | Sweeper | Gas Station | Housing Bond | Total |
| Revenues | | | | | | | | |
| Investment income | \$ 130,495 | \$ - | \$ - | \$ 2,805 | \$ - | \$ - | \$ - | \$ 133,300 |
| Other | <u>496,600</u> | <u>-</u> | <u>15,200</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>511,800</u> |
| Total revenues | <u>627,095</u> | <u>-</u> | <u>15,200</u> | <u>2,805</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>645,100</u> |
| Expenditures | | | | | | | | |
| Parks and recreation | - | - | 45,968 | - | - | - | - | 45,968 |
| Public works | <u>76,599</u> | <u>34,387</u> | <u>-</u> | <u>2,250</u> | <u>-</u> | <u>(600)</u> | <u>-</u> | <u>112,636</u> |
| Total expenditures | <u>76,599</u> | <u>34,387</u> | <u>45,968</u> | <u>2,250</u> | <u>-</u> | <u>(600)</u> | <u>-</u> | <u>158,604</u> |
| Excess (deficiency) of revenue over expenditures | 550,496 | (34,387) | (30,768) | 555 | - | 600 | - | 486,496 |
| Other financing sources (uses) | | | | | | | | |
| Proceeds from issuance of long term debt | - | - | - | - | - | - | 15,438,230 | 15,438,230 |
| Transfer from (to) other funds | <u>-</u> | <u>-</u> | <u>2,830</u> | <u>-</u> | <u>23,585</u> | <u>(2,830)</u> | <u>-</u> | <u>23,585</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>2,830</u> | <u>-</u> | <u>23,585</u> | <u>(2,830)</u> | <u>15,438,230</u> | <u>15,461,815</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 550,496 | (34,387) | (27,938) | 555 | 23,585 | (2,230) | 15,438,230 | 510,081 |
| Fund balance, July 1, 2016 | <u>6,781,182</u> | <u>(30,282)</u> | <u>19,224</u> | <u>381,579</u> | <u>20,000</u> | <u>2,230</u> | <u>-</u> | <u>7,173,933</u> |
| Fund balance, June 30, 2017 | <u>\$ 7,331,678</u> | <u>\$ (64,669)</u> | <u>\$ (8,714)</u> | <u>\$ 382,134</u> | <u>\$ 43,585</u> | <u>\$ -</u> | <u>\$ 15,438,230</u> | <u>\$ 23,122,244</u> |

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Private Purpose Trust - Town - Combining Balance Sheet

June 30, 2017

| | <u>Burial Lots</u> | <u>Pocasset Hill Cemetery</u> | <u>Totals</u> |
|---|-------------------------|-----------------------------------|--------------------------|
| Assets | | | |
| Cash | \$ 11,731 | \$ 441,443 | \$ 453,174 |
| Investments | <u>9,786</u> | <u>50,812</u> | <u>60,598</u> |
| Total assets | <u><u>21,517</u></u> | <u><u>492,255</u></u> | <u><u>513,772</u></u> |
| Liabilities | | | |
| Due to General Fund | <u>-</u> | <u>10,861</u> | <u>10,861</u> |
| Total liabilities | <u><u>\$ -</u></u> | <u><u>\$ 10,861</u></u> | <u><u>\$ 10,861</u></u> |
| Net position | | | |
| Reserved | <u>21,517</u> | <u>481,394</u> | <u>502,911</u> |
| Total liabilities and net position | <u><u>\$ 21,517</u></u> | <u><u>\$ 492,255</u></u> | <u><u>\$ 513,772</u></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, 2017

| | Burial Lots | Pocasset Hill Cemetery | Total |
|--|------------------------|---------------------------------------|-------------------|
| Additions | | | |
| Investment income | \$ 110 | \$ (7,770) | \$ (7,660) |
| Other | <u>-</u> | <u>14,825</u> | <u>14,825</u> |
| Total additions | 110 | 7,055 | 7,165 |
| Deductions | | | |
| Per trust agreements | <u>-</u> | <u>28,953</u> | <u>28,953</u> |
| Changes in fund equity held in trust for individuals, organizations, and other governments | 110 | (21,898) | (21,788) |
| Net position, July 1, 2016 | <u>21,407</u> | <u>503,292</u> | <u>524,699</u> |
| Net position, June 30, 2017 | <u>\$ 21,517</u> | <u>\$ 481,394</u> | <u>\$ 502,911</u> |

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Agency Fund - Town - Combining Statement of Net Position

June 30, 2017

| | Student Activities | Gravel Permits | Escrow Funds | Total |
|---|-------------------------------|---------------------------|-------------------------|--------------|
| Assets | | | | |
| Cash Checking | \$ 149,705 | \$ 4,803 | \$ 76,092 | \$ 230,600 |
| Due from other funds | - | - | 429,310 | 429,310 |
| Total assets | 149,705 | 4,803 | 505,402 | 659,910 |
| Deferred outflows of resources | | | | |
| None | - | - | - | - |
| Total outflows of resources and assets | \$ 149,705 | \$ 4,803 | \$ 505,402 | \$ 659,910 |
| Liabilities | | | | |
| Deposits held | 149,705 | 4,803 | 505,402 | 659,910 |
| Total Liabilities | \$ 149,705 | \$ 4,803 | \$ 505,402 | \$ 659,910 |
| Deferred Inflows of Resources | | | | |
| None | - | - | - | - |
| Total deferred inflows of resources | - | - | - | - |
| Fund balances (deficits), unreserved | - | - | - | - |
| Total fund balances (deficits) | - | - | - | - |
| Total liabilities, deferred inflows of resources, and fund balances (deficits) | \$ 149,705 | \$ 4,803 | \$ 505,402 | 659,910 |

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, 2017

| | <u>Student Activities</u> | <u>Gravel Permits</u> | <u>Escrow Funds</u> | <u>Total</u> |
|--------------------------------------|-------------------------------|---------------------------|-------------------------|-------------------|
| Additions | | | | |
| Miscellaneous revenue | \$ 229,737 | \$ - | \$ 14,760 | \$ 244,497 |
| Funds transferred in | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total additions | <u>229,737</u> | <u>-</u> | <u>14,760</u> | <u>244,497</u> |
| Deductions | | | | |
| Amount expended | 235,772 | - | 44,836 | 280,608 |
| Funds transferred out | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total deductions | <u>235,772</u> | <u>-</u> | <u>44,836</u> | <u>280,608</u> |
| Increase (decrease) in deposits held | (6,035) | - | (30,076) | (36,111) |
| Deposits Held, July 1, 2016 | <u>155,740</u> | <u>4,803</u> | <u>535,478</u> | <u>696,021</u> |
| Deposits Held, June 30, 2017 | <u>\$ 149,705</u> | <u>\$ 4,803</u> | <u>\$ 505,402</u> | <u>\$ 659,910</u> |

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2017

OTHER SUPPLEMENTARY INFORMATION

The Annual Supplemental Transparency Report Schedules
required by the State of Rhode Island General Law § 45-12-22.2 and § 44-35-10

Annual Supplemental Transparency Report (MTP2) - Revenue
Annual Supplemental Transparency Report (MTP2) – Expenditures
Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Municipal
Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Education Department
Notes to Supplementary Information – Annual Supplemental
Transparency Report (MTP2)

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2017

| <u>REVENUE</u> | <u>Municipal</u> | <u>Education Department</u> |
|--|----------------------|-----------------------------|
| Current Year Levy Tax Collection | \$ 37,175,395 | \$ - |
| Last Year's Levy Tax Collection | 511,837 | - |
| Prior Years Property Tax Collection | 375,759 | - |
| Interest & Penalty | 318,199 | - |
| PILOT & Tax Treaty (excluded from levy) Collection | 768,830 | - |
| Other Local Property Taxes | 55,446 | - |
| Licenses and Permits | 523,484 | - |
| Fines and Forfeitures | 111,615 | - |
| Investment Income | 77,960 | - |
| Departmental | 629,342 | - |
| Rescue Run Revenue | 520,000 | - |
| Police & Fire Detail | - | - |
| Other Local Non-Property Tax Revenues | 25,609 | - |
| Tuition | - | 14,444 |
| Impact Aid | - | - |
| Medicaid | - | 300,000 |
| Federal Stabilization Funds | - | - |
| Federal Food Service Reimbursement | - | 311,927 |
| CDBG | - | - |
| COPS Grants | - | - |
| SAFER Grants | - | - |
| Other Federal Aid Funds | 65,956 | 1,132,176 |
| MV Excise Tax Reimbursement | 62,598 | - |
| State PILOT Program | - | - |
| Distressed Community Relief Fund | - | - |
| Library Resource Aid | 116,085 | - |
| Library Construction Aid | 327,699 | - |
| Public Service Corporation Tax | 203,475 | - |
| Meals & Beverage Tax / Hotel Tax | 222,087 | - |
| LEA Aid | - | 6,283,966 |
| Group Home | - | - |
| Housing Aid Capital Projects | - | - |
| Housing Aid Bonded Debt | 847,595 | - |
| State Food Service Revenue | - | 8,238 |
| Incentive Aid | 2,122 | - |
| Property Revaluation Reimbursement | - | - |
| Other State Revenue | - | 3,322 |
| Other Revenue | - | 621,642 |
| Local Appropriation for Education | - | 23,475,000 |
| Regional Appropriation for Education | - | - |
| Supplemental Appropriation for Education | - | - |
| Regional Supplemental Appropriation for Education | - | - |
| Other Education Appropriation | - | - |
| Rounding | - | - |
| Total Revenue | \$ 42,941,093 | \$ 32,150,714 |
| Financing Sources: Transfer from Capital Funds | \$ - | \$ - |
| Financing Sources: Transfer from Other Funds | - | - |
| Financing Sources: Debt Proceeds | - | - |
| Financing Sources: Other | 389,025 | - |
| Rounding | - | - |
| Total Other Financing Sources | \$ 389,025 | \$ - |

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2017

| <u>EXPENDITURES</u> | <u>General Government</u> | <u>Finance</u> | <u>Social Services</u> | <u>Centralized IT</u> | <u>Planning</u> | <u>Libraries</u> | <u>Public Works</u> | <u>Parks and Rec</u> | <u>Police Department</u> |
|---|---------------------------|-------------------|------------------------|-----------------------|-------------------|-------------------|---------------------|----------------------|--------------------------|
| Compensation- Group A | \$ 406,714 | \$ 373,422 | \$ 68,504 | \$ - | \$ 156,408 | \$ 430,782 | \$ 713,887 | \$ 36,522 | \$ 2,010,125 |
| Compensation - Group B | - | - | - | - | - | - | - | - | 144,117 |
| Compensation - Group C | - | - | - | - | - | - | - | - | - |
| Compensation -Volunteer | - | - | - | - | - | - | - | - | - |
| Overtime- Group A | - | - | - | - | - | - | 47,521 | - | 181,184 |
| Overtime - Group B | - | - | - | - | - | - | - | - | 4,295 |
| Overtime - Group C | - | - | - | - | - | - | - | - | - |
| Police & Fire Detail | - | - | - | - | - | - | - | - | - |
| Active Medical Insurance - Group A | 104,618 | 82,522 | 5,855 | - | 26,438 | 61,713 | 198,006 | - | 387,520 |
| Active Medical Insurance- Group B | - | - | - | - | - | - | - | - | 46,267 |
| Active Medical Insurance- Group C | - | - | - | - | - | - | - | - | - |
| Active Dental Insurance- Group A | 5,245 | 5,816 | 263 | - | 2,005 | 2,979 | 2,431 | - | 22,018 |
| Active Dental Insurance- Group B | - | - | - | - | - | - | - | - | 2,700 |
| Active Dental Insurance- Group C | - | - | - | - | - | - | - | - | - |
| Payroll Taxes | 29,803 | 27,242 | 6,831 | - | 16,642 | 33,053 | 54,610 | 3,041 | 186,155 |
| Life Insurance | 2,400 | 2,400 | 540 | - | 804 | 538 | 1,332 | - | 9,200 |
| State Defined Contribution- Group A | 3,852 | 2,887 | 397 | - | 1,592 | 2,656 | 5,774 | - | - |
| State Defined Contribution - Group B | - | - | - | - | - | - | - | - | 456 |
| State Defined Contribution - Group C | - | - | - | - | - | - | - | - | - |
| Other Benefits- Group A | 11,028 | 6,174 | 7,370 | - | 7,980 | 5,683 | 11,802 | 604 | 117,379 |
| Other Benefits- Group B | - | - | - | - | - | - | - | - | 2,383 |
| Other Benefits- Group C | - | - | - | - | - | - | - | - | - |
| Local Defined Benefit Pension- Group A | - | - | - | - | - | - | - | - | 650,000 |
| Local Defined Benefit Pension - Group B | - | - | - | - | - | - | - | - | - |
| Local Defined Benefit Pension - Group C | - | - | - | - | - | - | - | - | - |
| State Defined Benefit Pension- Group A | 21,566 | 23,203 | 3,076 | - | 7,474 | 8,989 | 24,821 | - | - |
| State Defined Benefit Pension - Group B | - | - | - | - | - | - | - | - | 9,650 |
| State Defined Benefit Pension - Group C | - | - | - | - | - | - | - | - | - |
| Other Defined Benefit / Contribution | - | - | - | - | - | - | - | - | - |
| Purchased Services | 381,531 | 40,777 | - | - | 4,682 | 35,757 | 91,268 | 28,000 | 4,490 |
| Materials/Supplies | 19,681 | 26,699 | 9,750 | - | 4,286 | 38,820 | 72,592 | 1,930 | 30,559 |
| Software Licenses | 7,137 | 11,207 | 1,200 | - | 2,100 | - | - | - | 17,279 |
| Capital Outlays | 63,414 | - | - | - | - | - | 359,444 | - | 82,061 |
| Insurance | 271,353 | - | - | - | - | - | - | - | - |
| Maintenance | 9,122 | - | 7,904 | - | - | 15,502 | - | 9,172 | 7,726 |
| Vehicle Operations | 159 | 641 | 11,153 | - | 4,217 | - | 135,273 | - | 50,851 |
| Utilities | 23,480 | 2,327 | 6,215 | - | 1,813 | 41,063 | 22,749 | 483 | 60,718 |
| Contingency | - | - | - | - | - | - | - | - | - |
| Street Lighting | - | - | - | - | - | - | 203,031 | - | - |
| Revaluation | - | 27,103 | - | - | - | - | - | - | - |
| Snow Removal-Raw Material & External Contracts | - | - | - | - | - | - | 100,164 | - | - |
| Trash Removal & Recycling | - | - | - | - | - | - | 579,538 | - | - |
| Claims & Settlements | - | - | - | - | - | - | - | - | - |
| Community Support | 29,012 | - | - | - | - | - | - | - | - |
| Other Operation Expenditures | 91,044 | 9,986 | 40 | - | 1,645 | 5,978 | 10,829 | 22,315 | 84,635 |
| Local Appropriation for Education | - | - | - | - | - | - | - | - | - |
| Regional Appropriation for Education | - | - | - | - | - | - | - | - | - |
| Supplemental Appropriation for Education | - | - | - | - | - | - | - | - | - |
| Regional Supplemental Appropriation for Education | - | - | - | - | - | - | - | - | - |
| Other Education Appropriation | - | - | - | - | - | - | - | - | - |
| Municipal Debt- Principal | - | - | - | - | - | - | - | - | - |
| Municipal Debt- Interest | - | - | - | - | - | - | - | - | - |
| School Debt- Principal | - | - | - | - | - | - | - | - | - |
| School Debt- Interest | - | - | - | - | - | - | - | - | - |
| Retiree Medical Insurance- Total | - | - | - | - | - | - | - | - | - |
| Retiree Dental Insurance- Total | - | - | - | - | - | - | - | - | - |
| OPEB Contribution- Total | - | - | - | - | - | - | - | - | - |
| Non-Qualified OPEB Trust Contribution | - | - | - | - | - | - | - | - | - |
| Rounding | - | - | - | - | - | - | - | - | - |
| Total Expenditures | \$ 1,481,159 | \$ 642,406 | \$ 129,098 | \$ - | \$ 238,086 | \$ 683,513 | \$ 2,635,072 | \$ 102,067 | \$ 4,111,768 |

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2017

| EXPENDITURES | Fire Department | Centralized Dispatch | Public Safety Other | Education Appropriation | Debt | OPEB | Total Municipal | Education Department |
|--|---------------------|----------------------|---------------------|-------------------------|---------------------|-------------------|----------------------|----------------------|
| Compensation- Group A | \$ 1,861,184 | \$ 335,815 | \$ 45,007 | \$ - | \$ - | \$ - | \$ 6,438,370 | \$ 13,346,514 |
| Compensation - Group B | 50,854 | - | - | - | - | - | 194,971 | 1,399,981 |
| Compensation - Group C | - | - | - | - | - | - | - | 2,265,246 |
| Compensation -Volunteer | - | - | - | - | - | - | - | - |
| Overtime- Group A | 144,606 | 42,950 | 397 | - | - | - | 416,658 | - |
| Overtime - Group B | - | - | - | - | - | - | 4,295 | 2,734 |
| Overtime - Group C | - | - | - | - | - | - | - | 20,757 |
| Police & Fire Detail | - | - | - | - | - | - | - | - |
| Active Medical Insurance - Group A | 414,865 | 93,264 | 15,422 | - | - | - | 1,390,223 | 2,017,539 |
| Active Medical Insurance- Group B | 17,777 | - | - | - | - | - | 64,044 | 185,239 |
| Active Medical Insurance- Group C | - | - | - | - | - | - | - | 749,430 |
| Active Dental insurance- Group A | 24,797 | 4,893 | 883 | - | - | - | 71,330 | 147,672 |
| Active Dental Insurance- Group B | 883 | - | - | - | - | - | 3,583 | 11,985 |
| Active Dental Insurance- Group C | - | - | - | - | - | - | - | 53,103 |
| Payroll Taxes | 158,635 | 31,200 | 3,263 | - | - | - | 550,475 | 436,990 |
| Life Insurance | 12,374 | 2,112 | 264 | - | - | - | 31,964 | 34,562 |
| State Defined Contribution- Group A | - | 3,383 | 442 | - | - | - | 20,983 | 304,717 |
| State Defined Contribution - Group B | 495 | - | - | - | - | - | 951 | 24,460 |
| State Defined Contribution - Group C | - | - | - | - | - | - | - | 16,559 |
| Other Benefits- Group A | 90,643 | 5,552 | 744 | - | - | - | 264,959 | 125,695 |
| Other Benefits- Group B | 841 | - | - | - | - | - | 3,224 | 991 |
| Other Benefits- Group C | - | - | - | - | - | - | - | - |
| Local Defined Benefit Pension- Group A | - | - | - | - | - | - | 650,000 | - |
| Local Defined Benefit Pension - Group B | - | - | - | - | - | - | - | 3,694 |
| Local Defined Benefit Pension - Group C | - | - | - | - | - | - | - | 7,321 |
| State Defined Benefit Pension- Group A | 298,773 | 36,671 | 4,641 | - | - | - | 429,214 | 1,768,643 |
| State Defined Benefit Pension - Group B | 5,191 | - | - | - | - | - | 14,841 | 156,885 |
| State Defined Benefit Pension - Group C | - | - | - | - | - | - | - | 51,346 |
| Other Defined Benefit / Contribution | 16,500 | - | - | - | - | - | 16,500 | - |
| Purchased Services | - | - | 26,234 | - | - | - | 612,739 | 5,561,063 |
| Materials/Supplies | 6,000 | - | - | - | - | - | 210,317 | 430,251 |
| Software Licenses | 29,096 | - | - | - | - | - | 68,019 | 58,838 |
| Capital Outlays | 288,038 | - | - | - | - | - | 792,957 | 469,786 |
| Insurance | - | - | - | - | - | - | 271,353 | 170,473 |
| Maintenance | 19,395 | - | - | - | - | - | 68,821 | 159,624 |
| Vehicle Operations | 99,349 | - | - | - | - | - | 301,643 | 11,972 |
| Utilities | 69,955 | - | - | - | - | - | 228,803 | 614,565 |
| Contingency | - | - | - | - | - | - | - | - |
| Street Lighting | - | - | - | - | - | - | 203,031 | - |
| Revaluation | - | - | - | - | - | - | 27,103 | - |
| Snow Removal-Raw Material & External Contracts | - | - | - | - | - | - | 100,164 | - |
| Trash Removal & Recycling | - | - | - | - | - | - | 579,538 | - |
| Claims & Settlements | - | - | - | - | - | - | - | 1,443 |
| Community Support | - | - | - | - | - | - | 29,012 | - |
| Other Operation Expenditures | 102,974 | - | - | - | - | - | 329,446 | 25,556 |
| Local Appropriation for Education | - | - | - | 23,475,000 | - | - | 23,475,000 | - |
| Regional Appropriation for Education | - | - | - | - | - | - | - | - |
| Supplemental Appropriation for Education | - | - | - | - | - | - | - | - |
| Regional Supplemental Appropriation for Education | - | - | - | - | - | - | - | - |
| Other Education Appropriation | - | - | - | - | - | - | - | - |
| Municipal Debt- Principal | - | - | - | - | 900,000 | - | 900,000 | - |
| Municipal Debt- Interest | - | - | - | - | 326,772 | - | 326,772 | - |
| School Debt- Principal | - | - | - | - | 1,580,000 | - | 1,580,000 | - |
| School Debt- Interest | - | - | - | - | 1,022,776 | - | 1,022,776 | - |
| Retiree Medical Insurance- Total | - | - | - | - | - | - | - | 329,757 |
| Retiree Dental Insurance- Total | - | - | - | - | - | - | - | 15,601 |
| OPEB Contribution- Total | - | - | - | - | - | 761,000 | 761,000 | 190,214 |
| Non-Qualified OPEB Trust Contribution | - | - | - | - | - | - | - | - |
| Rounding | - | - | - | - | - | - | - | - |
| Total Expenditures | \$ 3,713,225 | \$ 555,840 | \$ 97,297 | \$ 23,475,000 | \$ 3,829,548 | \$ 761,000 | \$ 42,455,079 | \$ 31,171,203 |
| Financing Uses: Transfer to Capital Funds | - | - | - | - | - | - | \$ - | \$ - |
| Financing Uses: Transfer to Other Funds | - | - | - | - | - | - | 23,585 | - |
| Financing Uses: Payment to Bond Escrow Agent | - | - | - | - | - | - | - | - |
| Financing Uses: Other | - | - | - | - | - | - | - | - |
| Total Other Financing Uses | - | - | - | - | - | - | \$ 23,585 | \$ - |
| Net Change in Fund Balance¹ | - | - | - | - | - | - | 851,454 | 979,512 |
| Fund Balance¹- beginning of year | - | - | - | - | - | - | \$2,520,250 | \$3,806,204 |
| Funds removed from Reportable Government Services (RGS) | - | - | - | - | - | - | - | - |
| Funds added to Reportable Government Services (RGS) | - | - | - | - | - | - | - | - |
| Prior period adjustments | - | - | - | - | - | - | - | (116,339) |
| Misc. Adjustment | - | - | - | - | - | - | - | - |
| Fund Balance¹ - beginning of year adjusted | - | - | - | - | - | - | 2,520,250 | 3,689,865 |
| Rounding | - | - | - | - | - | - | - | - |
| Fund Balance¹ - end of year | - | - | - | - | - | - | \$ 3,371,704 | \$ 4,669,377 |

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2017

| Per Audited Fund Financial Statements Fund Description | Total Revenue | Total Other Financing Sources | Total Expenditures | Total Other Financing Uses | Net Change in Fund Balance ¹ | Beginning Fund Fund Balance ² (Deficit) | Prior Period Adjustment | Restated Beginning Fund Balance ³ (Deficit) | Ending Fund Balance ⁴ (Deficit) |
|---|----------------------|-------------------------------------|-----------------------|----------------------------------|---|--|----------------------------|--|--|
| General Fund - per Financial Statements | \$ 42,825,008 | \$ 389,025 | \$ 18,863,986 | \$ 23,498,585 | \$ 851,462 | \$ 2,520,250 | \$ - | \$ 2,520,250 | \$ 3,371,712 |
| Totals per audited financial statements | \$ 42,825,008 | \$ 389,025 | \$ 18,863,986 | \$ 23,498,585 | \$ 851,462 | \$ 2,520,250 | \$ - | \$ 2,520,250 | \$ 3,371,712 |
| <u>Reconciliation from financial statements to MTP2</u> | | | | | | | | | |
| Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2 | \$ - | \$ - | 23,475,000 | (23,475,000) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Reclassify Library Aid reported as expenditure credits on F/S but revenue on MTP2 | 116,085 | - | 116,085 | - | - | - | - | - | - |
| Rounding | - | - | 8 | - | (8) | - | - | - | (8) |
| Totals Per MTP2 | \$ 42,941,093 | \$ 389,025 | \$ 42,455,079 | \$ 23,585 | \$ 851,454 | \$ 2,520,250 | \$ - | \$ 2,520,250 | \$ 3,371,704 |

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2017

| Per Audited Fund Financial Statements Fund Description | Total Revenue | Total Other Financing Sources | Total Expenditures | Total Other Financing Uses | Net Change in Fund Balance ¹ | Beginning Fund Fund Balance ¹ (Deficit) | Prior Period Adjustment | Restated Beginning Fund Balance ¹ (Deficit) | Ending Fund Balance ¹ (Deficit) |
|--|----------------------|-------------------------------------|-----------------------|----------------------------------|---|--|----------------------------|--|--|
| School Unrestricted Fund | \$ 8,157,032 | \$ 23,475,000 | \$ 30,534,353 | \$ 162,424 | \$ 935,255 | \$ 3,454,164 | \$ 39,791 | \$ 3,493,955 | \$ 4,429,210 |
| School Nutrition Fund | 687,266 | 45,000 | 654,702 | - | 77,564 | 122,144 | - | 122,144 | 199,708 |
| School Special Revenue Funds | 1,198,858 | 117,424 | 1,364,587 | - | (48,305) | 229,896 | (156,130) | 73,766 | 25,461 |
| Totals per audited financial statements | \$ 10,043,156 | \$ 23,637,424 | \$ 32,553,642 | \$ 162,424 | \$ 964,514 | \$ 3,806,204 | \$ (116,339) | \$ 3,689,865 | \$ 4,654,379 |
| Reconciliation from financial statements to MTP2 | | | | | | | | | |
| Reclass Municipal Appropriation for education reported as transfer on F/S | \$ 23,475,000 | \$ (23,475,000) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State Contributions on behalf of teacher pensions reported on F/S as rev & exp | (1,367,440.00) | - | (1,367,440.00) | - | - | - | - | - | - |
| Cap Proj transfer between unrestricted and SRF on F/S | - | (117,424.00) | - | (117,424.00) | - | - | - | - | - |
| Transfer of Funds G.Fund / Cafeteria Fund | - | (45,000.00) | - | (45,000.00) | - | - | - | - | - |
| Indirect Costs - Math & Science Grant not reported on UCOA/MTP2 | - | - | (14,998.00) | - | 14,998.00 | - | - | - | 14,998.00 |
| Rounding | (2) | - | (1) | - | - | - | - | - | - |
| Totals Per MTP2 | \$ 32,150,714 | \$ - | \$ 31,171,203 | \$ - | \$ 979,512 | \$ 3,806,204 | \$ (116,339) | \$ 3,689,865 | \$ 4,669,377 |
| Reconciliation from MTP2 to UCOA | | | | | | | | | |
| Use of Fund Balance recorded as revenue in UCOA file | - | - | - | - | - | - | - | - | - |
| Totals per UCOA Validated Totals Report | \$ 32,150,714 | \$ - | \$ 31,171,203 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2017

Notes to Supplementary Information – *Annual Supplemental Transparency Report (MTP2)*

NOTE 1. Basis of Presentation

The *Annual Supplemental Transparency Report (MTP2)* is a supplemental schedule required by the State of Rhode Island General Laws 45-12-22.2 and 44-35-10. This supplementary schedule included within the audit report is part of a broader project to create a municipal transparency portal (MTP) website to host municipal financial information in a centralized location.

The format of the *Annual Supplemental Transparency Report (MTP2)* was prescribed by the State Department of Revenue (Division of Municipal Finance), Office of the Auditor General, and the Department of Education.

NOTE 2. Reportable Government Services

Data consistency and comparability are among the key objectives of the State's Municipal Transparency portal. Consistent with that goal, the State has defined "reportable government services", RGS, to include those operational revenues, expenditures, and transfers related to activities which are essential to the achievement of municipal operations. The determination of RGS may be different from the activities included within the legally adopted budget of the municipality. In practice, some communities report certain RGS in separate funds (e.g., special revenue funds, enterprise funds) rather than the municipality's general fund. The *Annual Supplemental Transparency Report (MTP2)* includes a reconciliation to the fund level statements.

NOTE 3. Allocations

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the City's (or Town's) budget and accounting system. To report these costs, the City (or Town) made allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4. Employee Groups - Compensation and Benefit Costs

Compensation includes salaries, longevity, stipends, clothing allowance/maintenance, shift differential, out-of-rank, holiday pay and bonuses.

For Public Safety departments (i.e., police, fire, and centralized dispatch) and the Education Department, compensation and most benefits costs are reported in the following employee groupings:

Group A: This group consists of employees who serve the primary function of the department.

- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
- Fire Department - fire fighters (e.g., uniform personnel - including, leadership positions)
- Centralized Dispatch Department - civilian dispatchers only
- Education Department - professional staff providing direct services to students
- For the remaining departments - all employees' compensation and benefits are reported under Group A

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

Group C: This group is only used for the Education Department and it includes administrative and support staff.

See independent auditor's report

TOWN OF TIVERTON, RHODE ISLAND

Supplementary Information

Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2017

NOTE 4. Employee Groups - Compensation and Benefit Costs (Continued)

Other post-employment benefits (OPEB) are not reported by employee groups on the MTP2. They are reported in total as either (1) contributions to a qualified OPEB trust or (2) the amount paid for medical and dental insurance for retirees when an OPEB trust fund has not been established. The detail employee group information for the Education Department can be found on the State's Municipal Transparency portal website.

NOTE 5. Education Revenue and Expenditures

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting.

Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.

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, 2017

| <u>Tax Roll Year</u> | <u>Balance July 1, 2016</u> | <u>Assessment</u> | <u>Additions</u> | <u>Abatements & Adjustments</u> | <u>Amount to be collected</u> | <u>Current Year Collections</u> | <u>Refunds</u> | <u>Balance June 30, 2017</u> | <u>FY 2017 Cash Collections Summary</u> | | | <u>July - August 2017 (FY 18) Cash Collections Subject to 60-day FY 17 Accrual</u> |
|---|---------------------------------|----------------------|------------------|---|-----------------------------------|-------------------------------------|------------------|----------------------------------|--|--|---|--|
| | | | | | | | | | <u>July - August 2016 Collections Subject to 60-day FY16 Accrual</u> | <u>September - June-17 Collections</u> | <u>Total FY 2017 Cash Collections</u> | |
| 2016 | \$ - | \$ 33,984,120 | \$ - | \$ 77,764 | 34,061,884 | \$ 33,104,719 | \$ 14,341 | 971,506 | \$ - | \$ 33,104,719 | \$ 33,104,719 | \$ 142,400 |
| 2015 | 953,191 | - | - | 15,122 | 968,313 | 499,229 | 122 | 469,206 | 136,249 | 362,980 | 499,229 | 125,933 |
| 2014 | 497,001 | - | - | 2,742 | 499,743 | 343,739 | - | 156,004 | 87,366 | 256,373 | 343,739 | 1,432 |
| 2013 | 141,460 | - | - | (42) | 141,418 | 7,294 | - | 134,124 | 609 | 6,685 | 7,294 | 1,585 |
| 2012 | 134,495 | - | - | - | 134,495 | 4,706 | - | 129,789 | 180 | 4,526 | 4,706 | 122 |
| 2011 | 134,368 | - | - | - | 134,368 | 5,587 | - | 128,781 | 165 | 5,422 | 5,587 | - |
| 2010 | 119,047 | - | - | 109 | 119,156 | 3,883 | - | 115,273 | 109 | 3,774 | 3,883 | - |
| 2009 | 89,385 | - | - | - | 89,385 | 1,120 | - | 88,265 | 95 | 1,025 | 1,120 | - |
| 2008 | 81,906 | - | - | - | 81,906 | 306 | - | 81,600 | - | 306 | 306 | - |
| 2007 | 60,214 | - | - | - | 60,214 | 825 | - | 59,389 | - | 825 | 825 | - |
| 2006 | 32,603 | - | - | - | 32,603 | 761 | - | 31,842 | - | 761 | 761 | - |
| 2005 | 13,326 | - | - | - | 13,326 | 317 | - | 13,009 | 64 | 253 | 317 | - |
| 2004 | 14,008 | - | - | - | 14,008 | - | - | 14,008 | - | - | - | - |
| 2003 and prior | 9,145 | - | - | - | 9,145 | - | - | 9,145 | - | - | - | - |
| | <u>\$ 2,280,149</u> | <u>\$ 33,984,120</u> | <u>\$ -</u> | <u>\$ 95,695</u> | <u>\$ 36,359,964</u> | <u>\$ 33,972,486</u> | <u>\$ 14,463</u> | <u>\$ 2,401,941</u> | <u>\$ 224,837</u> | <u>\$ 33,747,649</u> | <u>\$ 33,972,486</u> | <u>\$ 271,472</u> |
| Less: Allowance for Uncollectible accounts | <u>224,837</u> | | | | | | | <u>271,472</u> | | | | |
| | <u>\$ 2,055,312</u> | | | | | | | <u>\$ 2,130,469</u> | | | | |

TOWN OF TIVERTON, RHODE ISLAND

Tax Collector's Annual Report

For the Year Ended June 30, 2017

Schedule of property valuation assessed as of December 31, 2016:

| | <u>Valuation</u> | <u>Levy</u> |
|--|-------------------------|----------------------|
| Real property | \$ 1,903,365,900 | \$ 36,259,120 |
| Motor vehicles | 165,510,348 | 3,167,868 |
| Tangible personal property | <u>43,282,067</u> | <u>824,523</u> |
| Total | 2,112,158,315 | 40,251,512 |
| Less: Exemptions and motor vehicle phase out | | |
| Real property | (19,421,543) | (369,980) |
| Motor vehicles | (79,411,872) | (1,519,943) |
| Tangible personal property | <u>-</u> | <u>-</u> |
| Total | <u>\$ 2,013,324,899</u> | <u>\$ 38,361,588</u> |

Reconciliation of Current Year Property Tax Revenue

| | |
|-------------------------------------|----------------------|
| Current Year Collections | \$ 33,972,486 |
| 60-day FY17 Accrual | 271,472 |
| <i>July-August 2017 Collections</i> | |
| 60-day FY16 Accrual | <u>(224,837)</u> |
| <i>July-August 2016 Collections</i> | |
| Current Year Property Tax Revenue | <u>\$ 34,019,121</u> |

TOWN OF TIVERTON, RHODE ISLAND

Schedule of Long-Term Liabilities

For the Year Ended June 30, 2017

| | <u>Date of Issuance</u> | <u>Interest Rate</u> | <u>Date of Maturity</u> | <u>Authorized</u> | <u>Outstanding July 1, 2016</u> | <u>Additions</u> | <u>Maturities During the Year</u> | <u>Outstanding June 30, 2017</u> | <u>Interest Paid</u> |
|---|-------------------------|----------------------|-------------------------|----------------------|---------------------------------|----------------------|-----------------------------------|----------------------------------|----------------------|
| General long-term obligations | | | | | | | | | |
| General obligation bond | 4/1/2008 | 4.25%-5.00% | 5/15/2027 | \$ 10,580,000 | \$ 510,000 | \$ - | \$ 510,000 | \$ - | \$ 22,950 |
| Ft Barton 10.0 million bond | 7/15/2000 | 3.75%-6.00% | 5/15/2028 | 10,000,000 | 7,100,000 | - | 7,100,000 | - | 52,375 |
| Ft Barton 10.0 million bond (Refi) | 6/15/2016 | 2.180% | 4/1/2028 | 5,705,000 | - | 5,705,000 | - | 5,705,000 | 195,938 |
| Pocasset 10.1 million bond | 7/1/2009 | 3.00%-6.25% | 5/15/2029 | 10,100,000 | 7,835,000 | - | 6,915,000 | 920,000 | 429,163 |
| Pocasset 10.1 million bond (Refi) | 6/22/2017 | 3.00% - 5.00% | 5/15/2038 | 6,075,000 | - | 6,075,000 | - | 6,075,000 | - |
| Tax increment bond (Refi) | 9/1/2013 | 3.530% | 6/30/2022 | 5,310,000 | 3,655,000 | - | 560,000 | 3,095,000 | 129,022 |
| RIHEBC Sereis 2015D | 12/15/2015 | 3.00% - 5.00% | 5/15/2027 | 8,025,000 | 8,025,000 | - | 195,000 | 7,830,000 | 322,350 |
| Library bond | 12/3/2014 | 3.00%-3.50% | 10/1/2034 | 6,785,000 | 6,535,000 | - | 340,000 | 6,195,000 | 197,750 |
| Public school bond | 6/22/2017 | 3.00%-3.50% | 5/15/2038 | 13,760,000 | - | 13,760,000 | - | 13,760,000 | - |
| Total general obligation payable | | | | <u>\$ 76,340,000</u> | <u>33,660,000</u> | <u>25,540,000</u> | <u>15,620,000</u> | <u>43,580,000</u> | <u>1,349,548</u> |
| Capital leases | | | | - | 829,249 | 824,395 | 305,882 | 1,347,762 | 303,923 |
| Landfill closure and postclosure care costs | | | | - | 9,000,000 | 100,000 | - | 9,100,000 | - |
| Other general long-term obligations | | | | - | <u>9,829,249</u> | <u>924,395</u> | <u>305,882</u> | <u>10,447,762</u> | <u>303,923</u> |
| Accrued expenses | | | | | | | | | |
| Accrued compensated absences | | | | | 1,127,028 | 96,834 | 85,112 | 1,138,750 | n/a |
| Net pension liability - police | | | | | 5,709,919 | 177,608 | - | 5,887,527 | n/a |
| Net pension liability - ERS | | | | | 21,734,853 | 2,118,633 | - | 23,853,486 | n/a |
| Net pension liability - MERS | | | | | 296,928 | 1,578,715 | - | 1,875,643 | n/a |
| Net OPEB obligation | | | | | 6,825,981 | 1,283,754 | - | 8,109,735 | n/a |
| Total accrued expenses | | | | | <u>35,694,709</u> | <u>5,255,544</u> | <u>85,112</u> | <u>40,865,141</u> | |
| Total long-term liabilities | | | | | <u>\$ 79,183,958</u> | <u>\$ 31,719,939</u> | <u>\$ 16,010,994</u> | <u>\$ 94,892,903</u> | |

TOWN OF TIVERTON, RHODE ISLAND

Schedule of Debt Service Requirements to Maturity

For the Year Ended June 30, 2017

| <u>Year Ending June 30,</u> | <u>Percentage</u> <u>of Maturity</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|---|---------------------|----------------------|----------------------|
| 2018 | 4.78% | \$ 2,085,000 | \$ 1,691,895 | \$ 3,776,895 |
| 2019 | 11.89% | 3,095,000 | 1,699,269 | 4,794,269 |
| 2020 | 19.17% | 3,175,000 | 1,598,965 | 4,773,965 |
| 2021 | 26.65% | 3,260,000 | 1,493,379 | 4,753,379 |
| 2022 | 34.32% | 3,340,000 | 1,397,262 | 4,737,262 |
| 2023-2027 | 68.10% | 14,725,000 | 5,046,163 | 19,771,163 |
| 2028-2032 | 85.30% | 7,495,000 | 2,111,413 | 9,606,413 |
| 2033-2037 | 97.69% | 5,400,000 | 932,956 | 6,332,956 |
| 2038 | 95.22% | 1,005,000 | 50,250 | 1,055,250 |
| | | <u>\$43,580,000</u> | <u>\$ 16,021,550</u> | <u>\$ 59,601,550</u> |

TOWN OF TIVERTON, RHODE ISLAND

Legal Debt Margin

For the Year Ended June 30, 2017

| | | |
|--|----|----------------------|
| Gross assessed value | \$ | 2,112,158,315 |
| Less: exempt property | | <u>98,833,416</u> |
| Total taxable assessed value | \$ | <u>2,013,324,899</u> |
| Debt limit - 3 percent of total assessed value | \$ | 60,399,747 |
| Amount of debt applicable to debt limit: | | |
| Total bonded debt | | <u>43,580,000</u> |
| Legal debt margin | \$ | <u>16,819,747</u> |

TOWN OF TIVERTON, RHODE ISLAND

Photo Credit

For the Year Ended June 30, 2016

Photo Credit:

David Robert