

# **TOWN OF TIVERTON**

  

## **ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2015**



**Matthew Wojcik**  
**Town Administrator**

**Denise G. Saurette**  
**Treasurer**

**Prepared by: Finance Department**

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



TOWN OF TIVERTON, RHODE ISLAND

June 30, 2015

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## **INTRODUCTORY SECTION**

This Section Contains the Following Subsections:

*List of Town Officials*

**TOWN OF TIVERTON, RHODE ISLAND**

**JUNE 30, 2015**

**TOWN COUNCIL**

Denise M. deMedeiros, President

Joan B. Chabot, Vice President

Peter Mello

Jay Lambert

Brett N. Pelletier

David Perry

Joseph Sousa

**TOWN ADMINISTRATOR**

Matthew Wojcik

**TOWN TREASURER**

Denise G. Saurette

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## **FINANCIAL SECTION**

This Section Contains the Following Subsections:

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Supplementary Information

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, 2015, 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, 2015, 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)*

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, in 2015, the Town adopted new accounting guidance, *GASB No. 67, Financial Reporting for Pension Plans and GASB No. 68, Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tiverton, Rhode Island's basic financial statements. The introductory section, other supplementary information and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated, December 8, 2015, 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, Sahady & Co., CPA's, P.C.*

Fall River, Massachusetts  
December 8, 2015

## Management's Discussion and Analysis

# TOWN OF TIVERTON, RHODE ISLAND

## Management's Discussion and Analysis

*For the Year Ended June 30, 2015*

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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, 2015. 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 \$6,205,742 as a result of this current year's operations. This increase was attributable to various factors including reduction in pension liabilities associated with the State pension plans.
- ❖ The government-wide assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$6,644,159. The net position of business activities increased by \$1,568, while the net position of Governmental Activities increased by \$6,204,177.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$54,341,120 a 7.5% increase from the prior year, while revenues collected were \$53,503,594 a 1.5% increase over the prior year.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,895,968. Of this amount \$1,860,460 or 14.4%, is unassigned in the general fund and available for use within the Town's designation and fiscal policies. \$2,323,296 is available for School expenditures and \$8,267,294 is set aside for the remaining nonmajor governmental funds.
- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$1,860,460, or 4.5% of the total general fund expenditures and transfers out for the fiscal year. The current year's expenditures and transfers exceeded revenues and transfers by \$464,149. On a budgetary basis expenditures exceeded revenues and transfers by \$425,994. The School department unrestricted fund ended with a combined fund balance of \$2,323,296 or 7.9% of the current year budget. The current year's revenue and transfers exceed the current year expenditures by \$628,801.

### **Implementation of New Standards:**

For the year ending June 30, 2015, the Authority implemented the following pronouncements issued by the GASB:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*
- GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*

*(Continued)*

# TOWN OF TIVERTON, RHODE ISLAND

## Management's Discussion and Analysis

*For the Year Ended June 30, 2015*

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### **Implementation of New Standards (Continued):**

The implementation GASB Statements No. 68 and 71 represented a significant change in the accounting and reporting of pension expense and the related liability. For the first time, the Authority recognized its long-term obligation for pension benefits as a liability to more comprehensively measure the annual costs of pension benefits. The implementation of this Statement also expanded pension related note disclosures and required supplementary information. As a result of this change in accounting principle, the Authority has restated its beginning net position within the business-type activities. See "Note 15 Restatement" for more information.

The implementation of GASB Statement No. 69 had no material reporting impact for the Town.

### **Overview of the Financial Statements**

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

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

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

**Government-wide financial statements** - are designed to provide readers with a broad overview of the Town's finances in a manner, which is similar to a private-sector business. The statements provide both short-term and long-term information about the Town's financial position, which assists in assessing the Town's economic position at the end of the fiscal year.

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

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

Both government-wide financial statements distinguish functions of the Town, which are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Town's governmental activities include general government and administration, public safety, development services, cultural and recreational services. The Town's business activities include the Land Acquisition Fund and the Cafeteria Fund.

*(Continued)*

# TOWN OF TIVERTON, RHODE ISLAND

## Management's Discussion and Analysis

For the Year Ended June 30, 2015

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### **Government-wide financial statements (Continued)**

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

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

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

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

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

Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and School Special Revenue Unrestricted Fund, which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary section of this report.

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

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

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

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

The fiduciary fund financial statements can be found on pages 29 and 30.

(Continued)

**TOWN OF TIVERTON, RHODE ISLAND**

Management's Discussion and Analysis

For the Year Ended June 30, 2015

**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 76.

**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 77 through 98.

**Supplementary Information** - The combining statements referred to earlier in connection with non-major governmental funds, as well as other information, are presented on pages 99 through 137.

**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 138 to 143.

**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 \$2,844,292 as of June 30, 2015. This represents a current years' increase of \$6,204,177. Listed below is a comparison of the current and prior fiscal years.

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>		<b>\$ Change</b>
	<b>Activities</b>		<b>Activities</b>				
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	
<b>Assets</b>							
Current assets	\$ 29,111,988	\$ 28,507,772	\$ 415,625	\$ 292,776	\$ 29,527,613	\$ 28,800,548	\$ 727,065
Long-term assets	60,693,778	50,841,067	3,502,592	3,505,526	64,196,370	54,346,593	9,849,777
Total assets	<u>89,805,766</u>	<u>79,348,839</u>	<u>3,918,217</u>	<u>3,798,302</u>	<u>93,723,983</u>	<u>83,147,141</u>	<u>10,576,842</u>
<b>Deferred outflows of resources</b>							
Deferred outflows - pension activity	2,382,854	1,739,371	-	-	2,382,854	1,739,371	643,483
Total deferred outflows of resources	<u>2,382,854</u>	<u>1,739,371</u>	<u>-</u>	<u>-</u>	<u>2,382,854</u>	<u>1,739,371</u>	<u>643,483</u>
<b>Liabilities</b>							
Current liabilities	12,318,665	17,796,199	118,350	-	12,437,015	17,796,199	(5,359,184)
Long-term liabilities	72,505,338	66,651,896	-	-	72,505,338	66,651,896	5,853,442
Total liabilities	<u>84,824,003</u>	<u>84,448,095</u>	<u>118,350</u>	<u>-</u>	<u>84,942,353</u>	<u>84,448,095</u>	<u>494,258</u>
<b>Deferred inflows of resources</b>							
Deferred inflows - pension activity	4,012,060	-	-	-	4,012,060	-	4,012,060
Unearned revenue	508,265	-	-	-	508,265	-	508,265
Total deferred inflows of resources	<u>4,520,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,520,325</u>	<u>-</u>	<u>4,520,325</u>
<b>Net Position</b>							
Net investment in capital assets	17,098,510	14,424,104	3,502,592	3,505,526	20,601,102	17,929,630	2,671,472
Restricted	1,774,436	1,950,015	-	-	1,774,436	1,950,015	(175,579)
Unrestricted	(16,028,654)	(19,734,004)	297,275	292,776	(15,731,379)	(19,441,228)	3,709,849
Total net position	<u>\$ 2,844,292</u>	<u>\$ (3,359,885)</u>	<u>\$ 3,799,867</u>	<u>\$ 3,798,302</u>	<u>\$ 6,644,159</u>	<u>\$ 438,417</u>	<u>\$ 6,205,742</u>

(Continued)

## TOWN OF TIVERTON, RHODE ISLAND

### Management's Discussion and Analysis

*For the Year Ended June 30, 2015*

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The Town's net position invested in capital assets, net of related debt comprises \$20,601,102 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 \$1,748,749 represents resources that are subject to external restriction in how they may be used. Unrestricted net position, totals \$(15,705,692), 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, 2015. Governmental activities increased the Town's net position by \$6,204,177 for the current period, while business-type activities increased the Town's net position by \$1,565. Overall the Town's current year's net position increase was \$6,205,742.

In the current fiscal year, the Town's governmental fund financial statements ended with a net increase in the overall fund balances of \$2,091,716. The increase in the overall fund balance is primarily a result of proceeds from issuance of long term debt related to the Library Bond. These funds received covered costs from the prior year and current year associated with the construction of the Library.

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 increase of \$7,382,450. 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 \$1,980,000. Other changes were due to an increase in the Town's other post-employment benefits of \$966,821 a decrease in the Town's net pension obligation of \$5,071,399, and an increase from the fiscal year 2014 Landfill closure and post closure liability of \$3,174,724.. The overall effect was an increase in the Town's net position of \$6,204,177.

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, 2015*

**Changes in Net Position for the period ending June 30, 2015 and June 30, 2014 (Government-wide level)**

	Changes in Net Position						\$ Change
	Governmental		Business-Type		Total		
	Activities	Activities	Activities	Activities	2015	2014	
	2015	2014	2015	2014	2015	2014	
<b>Revenues</b>							
Program Revenues:							
Charges for service	\$ 2,522,390	\$ 3,315,384	\$ 362,256	\$ 330,164	\$ 2,884,646	\$ 3,645,548	\$ (760,902)
Operating grants & contributions	1,777,583	1,169,486	254,903	249,041	2,032,486	1,418,527	613,959
Capital grants & contributions	675,153	530,459	-	-	675,153	530,459	144,694
General Revenues:							
Property taxes	41,048,231	37,995,629	-	-	41,048,231	37,995,629	3,052,602
State aid to town	1,195,210	1,339,311	-	-	1,195,210	1,339,311	(144,101)
State aid to education	5,800,664	6,175,390	-	-	5,800,664	6,175,390	(374,726)
Miscellaneous revenue	544,814	1,433,967	-	-	544,814	1,433,967	(889,153)
Earnings on investments	110,880	193,139	-	-	110,880	193,139	(82,259)
Total revenue	<u>53,674,925</u>	<u>52,152,765</u>	<u>617,159</u>	<u>579,205</u>	<u>54,292,084</u>	<u>52,731,970</u>	<u>1,560,114</u>
<b>Expenses</b>							
General government	5,581,370	5,837,581	-	-	5,581,370	5,837,581	(256,211)
Public safety	6,677,441	6,575,887	-	-	6,677,441	6,575,887	101,554
Education	29,728,218	31,811,259	-	-	29,728,218	31,811,259	(2,083,041)
Public works	6,039,624	3,307,354	-	-	6,039,624	3,307,354	2,732,270
Health and human services	728,514	652,678	-	-	728,514	652,678	75,836
Parks and recreation	4,213,209	256,524	-	-	4,213,209	256,524	3,956,685
Interest on debt	1,500,640	1,437,452	-	-	1,500,640	1,437,452	63,188
Cafeteria fund	-	-	660,594	668,418	660,594	668,418	(7,824)
Total expenses	<u>54,469,016</u>	<u>49,878,735</u>	<u>660,594</u>	<u>668,418</u>	<u>55,129,610</u>	<u>50,547,153</u>	<u>4,582,457</u>
<b>Increase(decrease) in net assets before transfers</b>							
	(794,091)	2,274,030	(43,435)	(89,213)	(837,526)	2,184,817	(3,022,343)
Transfers in (out) - operating	(45,000)	(126,023)	45,000	126,023	-	-	-
Receipt of road surety	-	34,090	-	-	-	34,090	(34,090)
Bond proceeds	7,043,268	-	-	-	7,043,268	-	7,043,268
Increase(decrease) in net position	6,204,177	2,182,097	1,565	36,810	6,205,742	2,218,907	3,986,835
Net position, July 1, 2014, restated *	<u>(3,359,885)</u>	<u>(5,541,982)</u>	<u>3,798,302</u>	<u>3,761,492</u>	<u>438,417</u>	<u>(1,780,490)</u>	<u>2,218,907</u>
Net position, June 30, 2015	<u>\$ 2,844,292</u>	<u>\$ (3,359,885)</u>	<u>\$3,799,867</u>	<u>\$3,798,302</u>	<u>\$ 6,644,159</u>	<u>\$ 438,417</u>	<u>\$ 6,205,742</u>

\* See Note 15 for Net Position Restatement

*(Continued)*

**TOWN OF TIVERTON, RHODE ISLAND**

Management's Discussion and Analysis

*For the Year Ended June 30, 2015*

**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 \$12,895,968. Of this amount \$1,701,625 or 13.2% 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.

	<b>2015</b>	<b>2014</b>	<b>\$ Change</b>
<b>Nonspendable for</b>			
Prepays	\$ 160,410	\$ 181,343	\$ (20,933)
<b>Restricted for</b>			
Educational programs	1,314,953	1,482,706	(167,753)
Public safety programs	75,681	449,471	(373,790)
Public works	381,412	-	381,412
Health and human services	2,390	17,838	(15,448)
<b>Committed for</b>			
Public safety programs	611,788	955,582	(343,794)
Public works programs	6,547,883	6,076,206	471,677
General government	174,792	93,000	81,792
Capital projects	380,008	54,986	325,022
Various school renovation projects	1,131,415	239,655	891,760
Health and human services	7,944	8,390	(446)
Culture and recreation	431,354	383,158	48,196
<b>Unassigned</b>	<u>1,675,938</u>	<u>861,917</u>	<u>814,021</u>
 <b>Total fund balances</b>	 <u>\$ 12,895,968</u>	 <u>\$ 10,804,252</u>	 <u>\$ 2,091,716</u>

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

Unrestricted net assets of the proprietary funds are \$297,275.

**General Fund Budgetary Highlights:**

The original budget for the fiscal year ended June 30, 2015 was adopted at the financial town referendum in the amount of \$47,892,651. No changes were made to the final budget amount however transfers were authorized between expenditure line items.

Actual revenues reported were less than budgeted amounts by \$43,214, due principally to a short fall in tax revenues in the amount of \$284,025. Rescue billings ended the year with a positive variance of \$104,500.

Actual expenditures resulted in a favorable variance over the budget in the amount of \$246,219. The favorable amounts were in varying departments including \$104,830 related to public safety.

The total excess of expenditures and other financing sources over revenues and other financing uses on a budgetary basis was \$425,994.

*(Continued)*

**TOWN OF TIVERTON, RHODE ISLAND**

Management's Discussion and Analysis

*For the Year Ended June 30, 2015*

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 \$55,304,447 net of accumulated depreciation at June 30, 2015. 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
Land	\$ 4,166,486	\$ 4,166,486	\$ 3,500,000	\$ 3,500,000	\$ 7,666,486	\$ 7,666,486	\$ -
Construction in progress	445,014	1,866,621	-	-	445,014	1,866,621	(1,421,607)
Infrastructure, net	5,002,774	5,445,918	-	-	5,002,774	5,445,918	(443,144)
Building & improvements, net	41,835,203	33,564,659	-	-	41,835,203	33,564,659	8,270,544
Vehicles, net	1,579,786	1,562,544	-	-	1,579,786	1,562,544	17,242
Equipment, net	<u>2,275,184</u>	<u>1,312,835</u>	<u>2,592</u>	<u>5,526</u>	<u>2,277,776</u>	<u>1,318,361</u>	<u>959,415</u>
Total	<u>\$ 55,304,447</u>	<u>\$ 47,919,063</u>	<u>\$ 3,502,592</u>	<u>\$ 3,505,526</u>	<u>\$ 58,807,039</u>	<u>\$ 51,424,589</u>	<u>\$ 7,382,450</u>

Additional information on the Town's capital assets is located in Note 7 of the notes to the financial statements. Increase in governmental activities infrastructure as of June 30, 2014 due to current year restatement to include sewer line not added in 2002. See restatement note for details.

**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 \$36,410,000. 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.

	<b>Debt Administration</b>						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>\$ Change</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
General obligation bonds	\$ 36,410,000	\$ 31,605,000	\$ -	\$ -	\$ 36,410,000	\$ 31,605,000	\$ 4,805,000
Capital leases	<u>999,757</u>	<u>1,047,886</u>	<u>-</u>	<u>-</u>	<u>999,757</u>	<u>1,047,886</u>	<u>(48,129)</u>
Total	<u>\$ 37,409,757</u>	<u>\$ 32,652,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,409,757</u>	<u>\$ 32,652,886</u>	<u>\$ 4,756,871</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, 2015*

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### **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 \$58,351,504 at year-end. The Town's outstanding general obligation debt is \$36,410,000 at year-end, which is \$21,941,504 under the State imposed limitation.

### **Economic Factors and Next Year's Budgets and Rates**

Similar to previous budget years, we strive to maintain and control expenses, ensure revenues are consistent with projections and adhere to the budget favored by the electors. A withdrawal from our unreserved general fund of \$595,806 was required to balance the FY15 budget. In keeping with our desire for the most favorable outcome, we deferred a few discretionary items in the budget. However, revenue projections overall came up \$43,214 short. So while FY15 proved to be a challenging year, we were still able to mitigate the withdrawal from the unreserved general fund to \$425,994.

The Town Council adopted a resolution in June 2015 to address our growing road and paving concerns. Operating expense accounts ending the fiscal year with an available balance in excess of \$500 were, by resolution set aside into a restricted account for our paving needs; thus a total of \$182,760 will be available to enhance our paving efforts in FY16.

The town continues to fully fund the Police Pension ARC, having planned and contributed \$700,000 in FY2015, \$163,366 more than the Annual Required Contribution. We continue to see positive progress in our funding status, and as of FY15, the plan is funded 67%.

Our new library was officially opened in May 2015. While the total price tag tops \$10 million, together with the Library building committee, the town was able to secure favorable financing that included 60.9% reimbursement from the State Library Construction program.

FY16 will continue to challenge the Town Administration, as another elector budget was passed which requires another withdrawal from unreserved general fund in the amount of \$360,000. Municipal expenses which include \$408,397 for capital and non-recurring expenses total \$18,021,173. This represents nearly 38% of the total budget. The remaining 62% is budgeted for Educational expenses and totals \$29,455,785. Through November 30, 2015, we have expended 32% of the budget and recognized just over 50% of our projected revenue.

We have also just been approved to refinance two of our existing school bonds from 2006 & 2007. As part of this process we were subjected to a Moody's rating review. As a result of the FY15 withdrawal from our UGF, another projected withdrawal from FY16, and the potential for future elector budgets, something of great concern to the rating agency, we were issued a rating of A1. Furthermore, we were unable to participate in the pooled refinance and rating. While the Charter does not allow for withdrawals that would cause the unreserved general fund to fall below 3% of our operating budget, this should serve as warning to our taxpayers. In the long run, lowered ratings result in higher costs.

### **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, 2015*

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
<b>ASSETS</b>			
Cash and investments	\$ 21,113,909	\$ 67,058	\$ 21,180,967
Receivables, net			
Personal property taxes	2,286,190	-	2,286,190
User charges		-	-
Intergovernmental	534,652	54,718	589,370
Departmental and other	47,709	-	47,709
Due from other funds	4,969,118	293,849	5,262,967
Prepaid expenses	160,410	-	160,410
TSB - net pension asset	3,712,154	-	3,712,154
MERS - net pension asset	1,677,177	-	1,677,177
Capital assets:			
Land	4,166,486	3,500,000	7,666,486
Construction in progress	445,014	-	445,014
Infrastructure, net	5,002,774	-	5,002,774
Building and improvements, net	41,835,203	-	41,835,203
Automobiles and vessels, net	1,579,786	-	1,579,786
Machinery and equipment, net	<u>2,275,184</u>	<u>2,592</u>	<u>2,277,776</u>
Total capital assets	<u>55,304,447</u>	<u>3,502,592</u>	<u>58,807,039</u>
Total assets	<u>89,805,766</u>	<u>3,918,217</u>	<u>93,723,983</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
ERS - contributions made subsequent to measurement date	1,892,289	-	1,892,289
TSB - contributions made subsequent to measurement date	18,364	-	18,364
MERS - contributions made subsequent to measurement date	441,058	-	441,058
MERS - change in assumptions	<u>31,143</u>	<u>-</u>	<u>31,143</u>
Total assets and deferred outflows of resources	<u>\$ 92,188,620</u>	<u>\$ 3,918,217</u>	<u>\$ 96,106,837</u>

*The accompanying notes are an integral part of this statement.*

*(Continued)*

**TOWN OF TIVERTON, RHODE ISLAND**

Statement of Net Position

*June 30, 2015*

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 3,785,005	\$ 118,350	\$ 3,903,355
Accrued interest	339,822	-	339,822
Deposits held	103,857	-	103,857
Due to other funds	5,501,523	-	5,501,523
Current portion of capital leases	230,341	-	230,341
Current portion of bonds and notes payable	2,305,000	-	2,305,000
Current portion of bond premium	35,762	-	35,762
Current portion of compensated absences	17,355	-	17,355
Portion due or payable in more than one year:			
Capital leases	769,416	-	769,416
Bonds and notes payable	34,105,000	-	34,105,000
Bond premium	420,596	-	420,596
Compensated absences	1,045,319	-	1,045,319
Other post-employment benefit obligation	5,798,478	-	5,798,478
ERS net pension liability	16,540,458	-	16,540,458
Police net pension liability	4,826,071	-	4,826,071
Landfill closure and postclosure costs	<u>9,000,000</u>	<u>-</u>	<u>9,000,000</u>
Total liabilities	<u>84,824,003</u>	<u>118,350</u>	<u>84,942,353</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
ERS - change in assumptions	585,895	-	585,895
ERS - difference between projected and actual earnings	1,424,310	-	1,424,310
TSB - difference between projected and actual earnings	485,815	-	485,815
MERS - change in assumptions	83,838	-	83,838
MERS - difference between projected and actual earnings	1,432,202	-	1,432,202
Unearned revenue	<u>508,265</u>	<u>-</u>	<u>508,265</u>
<b>NET POSITION</b>			
Net investment in capital assets	17,098,510	3,502,592	20,601,102
Restricted	1,774,436	-	1,774,436
Unrestricted	<u>(16,028,654)</u>	<u>297,275</u>	<u>(15,731,379)</u>
Total liabilities, deferred inflows or resources and net position	<u>\$ 92,188,620</u>	<u>\$ 3,918,217</u>	<u>\$ 96,106,837</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, 2015*

	<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>	
<b>Governmental Activities</b>							
General government	\$ 5,581,370	\$ 1,743,970	\$ 18,742	\$ -	\$ (3,818,658)	\$ -	\$ (3,818,658)
Public safety	6,677,441	621,222	96,287	7,619	(5,952,313)	-	(5,952,313)
Education	28,939,728	36,985	835,006	98,400	(27,969,337)	-	(27,969,337)
Public works	6,039,624	73,260	28,966	569,134	(5,368,264)	-	(5,368,264)
Health and human services	728,514	7,824	9,935	-	(710,755)	-	(710,755)
Parks and recreation	4,213,209	39,129	157	-	(4,173,923)	-	(4,173,923)
State contribution to teachers' pension plan	788,490	-	788,490	-	-	-	-
Interest on debt	1,500,640	-	-	-	(1,500,640)	-	(1,500,640)
Total governmental activities	<u>54,469,016</u>	<u>2,522,390</u>	<u>1,777,583</u>	<u>675,153</u>	<u>(49,493,890)</u>	<u>-</u>	<u>(49,493,890)</u>
<b>Business-Type Activities</b>							
Land acquisition fund	-	-	-	-	-	-	-
Cafeteria fund	660,594	362,256	254,903	-	-	(43,435)	(43,435)
Total business-type activities	<u>660,594</u>	<u>362,256</u>	<u>254,903</u>	<u>-</u>	<u>-</u>	<u>(43,435)</u>	<u>(43,435)</u>
Total Town of Tiverton	<u>\$ 55,129,610</u>	<u>\$ 2,884,646</u>	<u>\$ 2,032,486</u>	<u>\$ 675,153</u>	<u>\$ (49,493,890)</u>	<u>\$ (43,435)</u>	<u>\$ (49,537,325)</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, 2015*

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>General revenues</b>			
Real estate and personal property, net of reserve for abatements	\$ 41,048,231	\$ -	\$ 41,048,231
Fines and interest payments	331,498	-	331,498
Meals and beverage tax	209,840	-	209,840
Public service corp tax	213,316	-	213,316
School housing aid	851,883	-	851,883
Earnings on investments	110,880	-	110,880
State aid to town	133,487	-	133,487
State aid to education	5,800,664	-	5,800,664
Total general revenues	48,699,799	-	48,699,799
Special Item - proceeds from bond issuance	7,043,268	-	7,043,268
Transfers between funds - operating	-	45,000	45,000
Transfers between funds - operating	(45,000)	-	(45,000)
Total general revenues, special items, and transfers	55,698,067	45,000	55,743,067
Changes in net position	6,204,177	1,565	6,205,742
Net position - July 1, 2014, restated	(3,359,885)	3,798,302	438,417
Net position - June 30, 2015	\$ 2,844,292	\$ 3,799,867	\$ 6,644,159

*The accompanying notes are an integral part of this statement.*

**TOWN OF TIVERTON, RHODE ISLAND**

Governmental Funds  
Balance Sheet

June 30, 2015

	<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>
<b>Assets</b>				
Cash and investments	\$ 12,227,189	\$ 1,139,453	\$ 7,747,267	\$ 21,113,909
Receivables:				
Property taxes, net	2,286,190	-	-	2,286,190
Intergovernmental	-	14,582	520,070	534,652
Other	47,709	-	-	47,709
Due from other funds	-	4,261,343	707,775	4,969,118
Prepaid expenses	<u>160,410</u>	<u>-</u>	<u>-</u>	<u>160,410</u>
Total assets	<u>14,721,498</u>	<u>5,415,378</u>	<u>8,975,112</u>	<u>29,111,988</u>
<b>Deferred outflows of resources</b>				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 14,721,498</u>	<u>\$ 5,415,378</u>	<u>\$ 8,975,112</u>	<u>\$ 29,111,988</u>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 737,923	\$ 3,047,082	\$ -	\$ 3,785,005
Deposits held	103,857	-	-	103,857
Due to other funds	<u>5,237,529</u>	<u>45,000</u>	<u>218,994</u>	<u>5,501,523</u>
Total liabilities	<u>6,079,309</u>	<u>3,092,082</u>	<u>218,994</u>	<u>9,390,385</u>
<b>Deferred inflows of resources</b>				
Deferred property tax	2,302,052	-	-	2,302,052
Property taxes paid in advance	4,015,318	-	-	4,015,318
Unearned revenue	<u>19,441</u>	<u>-</u>	<u>488,824</u>	<u>508,265</u>
Total deferred inflows of resources	<u>6,336,811</u>	<u>-</u>	<u>488,824</u>	<u>6,825,635</u>
<b>Fund balances</b>				
Nonspendable	160,410	-	-	160,410
Restricted	-	1,191,881	582,555	1,774,436
Committed	284,508	1,131,415	7,869,261	9,285,184
Unassigned	<u>1,860,460</u>	<u>-</u>	<u>(184,522)</u>	<u>1,675,938</u>
Total fund balances	<u>2,305,378</u>	<u>2,323,296</u>	<u>8,267,294</u>	<u>12,895,968</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 14,721,498</u>	<u>\$ 5,415,378</u>	<u>\$ 8,975,112</u>	<u>\$ 29,111,988</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 Balances

*For the Year Ended June 30, 2015*

	<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>
<b>Revenues</b>				
Real estate and personal property taxes	\$37,217,754	\$ -	\$ -	\$ 37,217,754
Fines and interest on late payments	331,498	-	-	331,498
Intergovernmental	1,408,526	5,800,664	954,443	8,163,633
Licenses, permits, and fees	1,685,784	-	-	1,685,784
Investment Income	39,912	-	70,968	110,880
State contribution to teachers' pension plan	-	1,359,857	-	1,359,857
Other Revenue	<u>705,651</u>	<u>10,246</u>	<u>830,512</u>	<u>1,546,409</u>
Total revenue	<u>41,389,125</u>	<u>7,170,767</u>	<u>1,855,923</u>	<u>50,415,815</u>
<b>Expenditures</b>				
General government	5,837,476	-	44,455	5,881,931
Public safety	5,670,461	-	83,471	5,753,932
Education	-	28,611,884	827,954	29,439,838
Public works	2,241,780	-	310,151	2,551,931
Health and human services	627,276	-	101,238	728,514
Parks and recreation	103,919	-	5,604,858	5,708,777
State contribution to teachers' pension plan	-	1,359,857	-	1,359,857
Capital outlay	406,816	-	-	406,816
Debt service				
Principal	1,980,000	-	-	1,980,000
Interest	<u>1,510,771</u>	<u>-</u>	<u>-</u>	<u>1,510,771</u>
Total expenditures	<u>18,378,499</u>	<u>29,971,741</u>	<u>6,972,127</u>	<u>55,322,367</u>
Excess (deficiency) of revenues over expenditures	23,010,626	(22,800,974)	(5,116,204)	(4,906,552)
<b>Other financing sources (uses)</b>				
Proceeds from bond issuance	-	-	7,043,268	7,043,268
Transfers in	-	23,474,775	54,986	23,529,761
Transfers out	<u>(23,474,775)</u>	<u>(45,000)</u>	<u>(54,986)</u>	<u>(23,574,761)</u>
Other financing sources (uses)	<u>(23,474,775)</u>	<u>23,429,775</u>	<u>7,043,268</u>	<u>6,998,268</u>
<b>Excess of revenue and other sources over expenditures and other uses</b>	(464,149)	628,801	1,927,064	2,091,716
Fund balance, July 1, 2014	<u>2,769,527</u>	<u>1,694,495</u>	<u>6,340,230</u>	<u>10,804,252</u>
Fund balance, June 30, 2015	<u>\$ 2,305,378</u>	<u>\$ 2,323,296</u>	<u>\$ 8,267,294</u>	<u>\$ 12,895,968</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, 2015

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Total governmental fund balances	\$ 12,895,968
Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	
TSB - net pension asset	3,712,154
MERS - net pension asset	1,677,177
Capital assets, net	55,304,447
Other pension related liabilities are not available to pay for current-period expenditures and, therefore, are deferred outflows of resources in the funds	2,382,854
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds	6,317,370
Other pension related assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds	(4,012,060)
Long term liabilities relating to bond premiums amortized over the life of the bond	(456,358)
In the statement of activities, interest is accrued on outstanding long-term debt whereas in governmental funds interest is not reported until due	(339,822)
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	(36,410,000)
Capital leases	(999,757)
Compensated absences	(1,062,674)
Other postemployment benefits	(5,798,478)
ERS - net pension liability	(16,540,458)
Police net pension liability	(4,826,071)
Landfill closure and postclosure care costs	<u>(9,000,000)</u>
Net position of governmental activities	<u>\$ 2,844,292</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, 2015*

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Net change in fund balances - total governmental funds	\$ 2,091,716
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	7,385,384
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	3,830,477
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	(4,756,871)
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	35,762
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due	10,131
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	46,301
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	(966,821)
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	1,702,822
The landfill closure and post closure 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>(3,174,724)</u>
Change in net position of governmental activities	<u>\$ 6,204,177</u>

*The accompanying notes are an integral part of this statement.*

**TOWN OF TIVERTON, RHODE ISLAND**

Proprietary Funds  
Statement of Net Position

*June 30, 2015*

	<b>Business-type Activities Enterprise Funds</b>		
	<b>Land Acquisition Fund</b>	<b>Cafeteria Fund</b>	<b>Total Enterprise Funds</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ -	\$ 67,058	\$ 67,058
Due from state and federal government	-	54,718	54,718
Due from other funds	248,849	45,000	293,849
Total current assets	248,849	166,776	415,625
Non-current assets			
Land	3,500,000	-	3,500,000
Equipment, net	-	2,592	2,592
Total non-current assets	3,500,000	2,592	3,502,592
Total assets	3,748,849	169,368	3,918,217
<b>Deferred outflows of resources</b>			
None	-	-	-
Total assets and deferred outflows of resources	\$ 3,748,849	\$ 169,368	\$ 3,918,217
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 118,350	\$ 118,350
<b>Deferred inflows of resources</b>			
None	-	-	-
<b>Net position</b>			
Net investment in capital assets	3,500,000	2,592	3,502,592
Restricted	-	-	-
Unrestricted	248,849	48,426	297,275
Total liabilities, deferred inflows of resources and net position	\$ 3,748,849	\$ 51,018	\$ 3,799,867

*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, 2015*

	<b>Business-type Activities Enterprise Funds</b>		
	<b>Land Acquisition Fund</b>	<b>Cafeteria Fund</b>	<b>Total Enterprise Funds</b>
<b>Operating revenues</b>			
Federal and state revenue	\$ -	\$ 254,903	\$ 254,903
Charges for services	-	362,256	362,256
	-	617,159	617,159
<b>Operating expenses</b>			
General expenses	-	657,660	657,660
Depreciation	-	2,934	2,934
	-	660,594	660,594
Operating income (loss)	-	(43,435)	(43,435)
<b>Nonoperating revenues (expenses)</b>			
None	-	-	-
Income (loss) before transfers	-	(43,435)	(43,435)
<b>Transfers</b>			
Transfer in - operating	-	45,000	45,000
Transfers out - operating	-	-	-
	-	45,000	45,000
Change in net position	-	1,565	1,565
Net position, July 1, 2014	3,748,849	49,453	3,798,302
Net position, June 30, 2015	\$ 3,748,849	\$ 51,018	\$ 3,799,867

*The accompanying notes are an integral part of this statement.*

**TOWN OF TIVERTON, RHODE ISLAND**

Fiduciary Funds  
Statement of Net Position

*June 30, 2015*

	<b>Business-type Activity Enterprise Fund</b>
	<b>Cafeteria Fund</b>
<b>Cash flows from operating activities</b>	
Cash received from customers	\$ 362,256
Cash received from government	219,774
Payments to suppliers and employees	(539,310)
Cash received from (to) other funds	81,023
Net cash provided (used) by operating activities	123,743
<b>Cash flows from noncapital financing activities</b>	
Transfers in (out)	45,000
Net cash provided by noncapital financing activities	45,000
Net increase in cash and cash equivalents	168,743
Balances-beginning of the year	(101,685)
Balances-end of the year	\$ 67,058
Displayed as:	
Cash and cash equivalents	\$ 67,058
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ (43,435)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	2,934
Change in assets and liabilities:	
(Increase) decrease in receivables	(35,129)
(Increase) decrease in due from other funds	81,023
Increase (decrease) accounts payable and accrued expenses	118,350
Net cash provided (used) by operating activities	\$ 123,743

*The accompanying notes are an integral part of this statement.*

**TOWN OF TIVERTON, RHODE ISLAND**

Fiduciary Funds  
Statement of Net Position

*June 30, 2015*

	<u>Police Pension Trust</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>	<u>Total Fiduciary Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 295,109	\$ 436,120	\$ 257,034	\$ 988,263
Due from other funds	-	-	252,792	252,792
Investments, at fair value				
Cash management investment fund	-	90,112	-	90,112
Equities	3,311,675	-	-	3,311,675
Mutual funds	<u>6,171,482</u>	<u>-</u>	<u>-</u>	<u>6,171,482</u>
Total investments	<u>9,483,157</u>	<u>90,112</u>	<u>-</u>	<u>9,573,269</u>
Total assets	<u>9,778,266</u>	<u>526,232</u>	<u>509,826</u>	<u>10,814,324</u>
<b>Deferred outflows of resources</b>				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 9,778,266</u>	<u>\$ 526,232</u>	<u>\$ 509,826</u>	<u>\$ 10,814,324</u>
<b>Liabilities</b>				
Due to other funds	\$ -	\$ 14,236	\$ -	\$ 14,236
Deposits held	<u>-</u>	<u>-</u>	<u>509,826</u>	<u>509,826</u>
Total liabilities	<u>-</u>	<u>14,236</u>	<u>509,826</u>	<u>524,062</u>
<b>Deferred inflows of resources</b>				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>				
Restricted	<u>9,778,266</u>	<u>511,996</u>	<u>-</u>	<u>10,290,262</u>
Total net position	<u>9,778,266</u>	<u>511,996</u>	<u>-</u>	<u>10,290,262</u>
Total liabilities and net position	<u>\$ 9,778,266</u>	<u>\$ 526,232</u>	<u>\$ 509,826</u>	<u>\$ 10,814,324</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, 2015*

	<b>Police Pension Trust</b>	<b>Private Purpose Trust Funds</b>	<b>Total Fiduciary Funds</b>
<b>Additions</b>			
Employer contributions	\$ 800,000	\$ -	\$ 800,000
Plan member contributions	179,257	-	179,257
Investment income (net of related fees)	698,683	8,847	707,530
Other	<u>-</u>	<u>19,775</u>	<u>19,775</u>
Total additions	<u>1,677,940</u>	<u>28,622</u>	<u>1,706,562</u>
<b>Deductions</b>			
Benefits paid	748,242	-	748,242
Per trust agreements	<u>-</u>	<u>33,934</u>	<u>33,934</u>
Total deductions	<u>748,242</u>	<u>33,934</u>	<u>782,176</u>
Changes in fund equity held in trust for individuals, organizations, and other governments	929,698	(5,312)	924,386
Net position, July 1, 2014	<u>8,848,568</u>	<u>517,308</u>	<u>9,365,876</u>
Net position, June 30, 2015	<u>\$ 9,778,266</u>	<u>\$ 511,996</u>	<u>\$ 10,290,262</u>

*The accompanying notes are an integral part of this statement.*

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

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**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, 2015

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### 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 nonmajor 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, 2015

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**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, 2015

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### 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, 2015

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**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 97.29% of the total December 31, 2013 levy. The Town's fiscal 2015 property taxes were levied in July of 2014 on assessed valuation as of December 31, 2013.

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, 2015

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

E. Financial Statement Amounts (Continued)

5. Capital Assets

Capital assets in Governmental Fund type operations are accounted for using the "current financial resources" measurement focus. Capital assets, which include property, plant and equipment, and infrastructure (e.g. road, curbs and gutters, streets and sidewalks, and drainage systems), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The Town defines capital assets as assets with an individual cost of more than \$10,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost (for certain assets acquired prior to 1960). Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets (retroactive to January 1, 1979) is included as part of the governmental capital assets reported in the government-wide statements. Donated assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are recorded as expenditures as incurred.

The Town capitalizes certain interest costs in accordance with GASB Code Section 1400 as part of constructed assets. Interest is capitalized throughout the construction period in the Capital projects fund prior to the assets being transferred to the governmental fund and placed in service.

Property, plant and equipment for Proprietary Fund Types are valued at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred.

Property, plant and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

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

6. Vacation, Sick Leave, and Other Compensated Absences

Town employees are granted vacation and sick leave in varying amounts. Upon retirement, termination, or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay. The amount recorded is that unused days earned at the current rate of pay. For governmental activities the general fund is used to satisfy this liability as it becomes due, while the transfer station enterprise fund accounts for all settlement of business-type liabilities for compensated absences.

(Continued)

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

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**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 (formerly known as 'deferred revenue')**

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 represents 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, 2015

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**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, 2015

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**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, 2015

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**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, 2015

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**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, 2015, the Authority implemented the following pronouncements issued by the GASB:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*
- GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*

The implementation GASB Statements No. 68 and 71 represented a significant change in the accounting and reporting of pension expense and the related liability. For the first time, the Authority recognized its long-term obligation for pension benefits as a liability to more comprehensively measure the annual costs of pension benefits. The implementation of this Statement also expanded pension related note disclosures and required supplementary information. As a result of this change in accounting principle, the Authority has restated its beginning net position within the business-type activities. See "Note 14 Restatement" for more information.

The implementation of GASB Statement No. 69 had no material reporting impact for the Town.

(Continued)

# TOWN OF TIVERTON, RHODE ISLAND

## Notes to the Financial Statements

June 30, 2015

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### **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. Management cannot make any transfers without prior Council approval. There were no supplemental budgetary appropriations during the fiscal year. The School Unrestricted Fund is subject to an annual operating budget approved by the School Committee and adopted in total by the Town Council as part of General Fund budget. The annual operating budgets' appropriation amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. The General Fund and Special Revenue - School Unrestricted Fund's annual operating budgets are prepared on the budgetary basis of accounting which is not in conformity with Generally Accepted Accounting Principles. The budget to actual presentation in required supplementary information is reflected on the budgetary basis. The only Special Revenue fund that has a legally enacted budget is the School Unrestricted Fund. Therefore, the budget and actual figures presented for Special Revenue Funds in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual only include this fund.

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 \$58,351,504 based on the December 31, 2013 assessment. As of June 30, 2015 the Town's debt is under the debt limit by \$21,941,504. In addition to the bonding authority granted under §45- 12-2 of the RI General Laws, the Town of Tiverton can authorize bond issues pursuant to a special act of the RI General Assembly. Bond issues authorized by a special act of the General Assembly are normally not subject to any legal debt limit, but are subject to financial constraints such as the Town's ability and willingness to service the bonded debt. See the statistical section for computation of the legal debt margin.

### **Note 4. Cash and Investments:**

#### *Deposits:*

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

#### *Investments:*

Investment of all idle funds is made through national banks or trust companies, providing that the financial conditions and integrity of these institution or institutions are verifiable and can be monitored. The investment of funds are in direct obligations of the United States Government and "money market instruments" rated "A" or better. Investments in any one institution cannot exceed five (5) percent of that institutions capital and surplus as set forth in the institutions most recent audited financial statements. All investments are made as would be done by prudent men of discretion and intelligence in such matters who are seeking a reasonable income and preservation of their capital.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2015

Note 4. Cash and Investments (Continued):

Interest Rate Risk:

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

Concentrations:

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

Custodial Credit Risk

Deposits:

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2015, the Town owned bank balances of \$14,477,929 were fully insured within each financial institution or through a third party collateralization agreement. Information on the Town's book balance of \$15,282,490 is provided below.

Investments:

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

Cash and investment of the Town consist of the following at June 30, 2015:

<b>Cash and Cash Equivalents</b>		
Deposits with financial institutions	\$	15,282,490
<b>Investments</b>		
Certificate of Deposits	\$	1,533,777
Government Securities		544,881
Municipal Bonds		230,908
Corporate bonds		474,411
Equity		8,343,582
Fixed Index Annuities		1,098,792
Fixed Income		4,233,658
<b>Total Cash and Investments</b>	<b>\$</b>	<b>31,742,499</b>

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

<b>Statement of Net Assets</b>		
Cash and cash equivalents	\$	14,294,227
Investments		6,886,740
<b>Fiduciary Funds</b>		
Cash and cash equivalents		988,263
Investments		9,573,269
<b>Total Cash and Investments</b>	<b>\$</b>	<b>31,742,499</b>

(Continued)

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

**Note 4. Cash and Investments (Continued):**

*Interest Rate Risk:*

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1 - 5 Years	6 - 10 Years	Over 10 Years
Certificate of Deposits	\$ 1,533,777	\$ 176,399	\$ 745,542	\$ 611,836	\$ -
Government Securities	544,881	131,034	-	220,747	193,100
Municipal Bonds	230,908	-	230,908	-	-
Corporate Bonds	474,411	-	368,856	-	105,555
Equity	8,343,582	8,343,582	-	-	-
Fixed Index Annuity	1,098,792	1,098,792	-	-	-
Fixed Income	<u>4,233,658</u>	<u>4,233,658</u>	-	-	-
Total	<u>\$ 16,460,009</u>	<u>\$ 13,983,465</u>	<u>\$ 1,345,306</u>	<u>\$ 832,583</u>	<u>\$ 298,655</u>

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

*Credit Risk:*

The Town's investment policy allows for investments in obligations of the U.S. Government and its agencies, state and municipal obligations, corporate debt securities, preferred stock, corporate debt, preferred stocks convertible to equities, repurchase agreements and commercial paper. These allowed investments are subject to the following limitations; at the time of purchase all investments must have a rating of A or higher from Moody's or a comparable established rating agency, fixed income investments must be rated at least Baa2 or its equivalent by at least one recognized bond rating service and at least 80% of the fixed income portfolio must carry a rating of A, and commercial paper must be rated P-1 or A-1 by Standards & Poor's or Moody's, respectively.

Moody's Average Rating	Bonds and U.S. Treasury Securities
Aaa	\$ 413,846
Aa2	54,008
A1	52,610
A2	307,935
A3	105,555
Baa1	266,161
Baa2	<u>50,085</u>
	<u>\$ 1,250,200</u>

(Continued)

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

**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, 2015.

	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
<b>Major Governmental Funds</b>		
General Fund	\$ -	\$ 5,237,529
School Unrestricted	4,261,343	45,000
<b>Non-Major Governmental Funds</b>		
Special Revenue Funds	704,945	9,356
Capital Projects	2,830	209,638
<b>Proprietary Funds</b>		
Land Acquisition Fund	248,849	-
Cafeteria Fund	45,000	-
<b>Fiduciary Funds</b>		
Agency Funds	252,792	-
Private Purpose Trust Funds	-	14,236
Totals	<b>\$ 5,515,759</b>	<b>\$ 5,515,759</b>

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, 2015.

	<b>Transfers In</b>	<b>Transfers Out</b>
<b>Major Governmental Funds</b>		
General Fund	\$ -	\$ 23,474,775
School Unrestricted	23,474,775	45,000
<b>Non-Major Governmental Funds</b>		
Special Revenue Funds	54,986	-
Capital Projects	-	54,986
<b>Proprietary Funds</b>		
Cafeteria Fund	45,000	-
Totals	<b>\$ 23,574,761</b>	<b>\$ 23,574,761</b>

(Continued)

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

**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, 2015 was as follows:

	<b>Balance July 1, 2014</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2015</b>
<b><u>Governmental Activities:</u></b>				
Capital assets not being depreciated:				
Land	\$ 4,166,486	\$ -	\$ -	\$ 4,166,486
Construction in progress	1,866,621	-	1,421,607	445,014
Subtotal	6,033,107	-	1,421,607	4,611,500
Other Capital Assets:				
Buildings and improvements	48,027,185	9,349,515	29,740	57,346,960
Motor vehicles	5,427,266	296,380	-	5,723,646
Infrastructure	15,719,803	236,584	-	15,956,387
Machinery and equipment	2,872,769	1,162,949	-	4,035,718
Subtotal	72,047,023	11,045,428	29,740	83,062,711
Accumulated Depreciation:				
Buildings and improvements	14,462,526	1,078,971	29,740	15,511,757
Motor vehicles	3,864,722	279,138	-	4,143,860
Infrastructure,	10,273,885	679,728	-	10,953,613
Machinery and equipment	1,559,934	200,600	-	1,760,534
Subtotal	30,161,067	2,238,437	29,740	32,369,764
Net other capital assets, restated	41,885,956	8,806,991	-	50,692,947
Net capital assets, restated	\$ 47,919,063	\$ 8,806,991	\$ 1,421,607	\$ 55,304,447

*(Continued)*

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

*June 30, 2015*

**Note 7. Capital Assets (Continued)**

Depreciation was charged to functions as follows:

General government	\$	34,397
Public safety		265,945
Public works		783,545
Parks and recreation		21,717
Education		1,132,834
		1,132,834
	\$	2,238,438

**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, 2015 was as follows:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Due within</u> <u>one year</u>
<b>Governmental activities</b>					
Bonds and notes payable					
Bonds payable	\$ 31,605,000	\$ 6,785,000	\$ 1,980,000	\$ 36,410,000	\$ 2,305,000
Total bonds payable	31,605,000	6,785,000	1,980,000	36,410,000	2,305,000
Capital Leases	1,045,863	198,500	244,606	999,757	230,341
Other port-employment benefit obligation	4,831,657	966,821	-	5,798,478	-
Net pension liability - police	5,154,285	-	328,214	4,826,071	-
Net pension liability - ERS	18,738,962	-	2,198,504	16,540,458	-
Landfill closure and postclosure care costs	5,825,276	3,174,724	-	9,000,000	-
Accrued compensated absences	1,108,975	-	46,301	1,062,674	17,355
Total long-term obligations	36,705,018	4,340,045	2,817,625	38,227,438	247,696
Total government-wide obligations	\$ 68,310,018	\$ 11,125,045	\$ 4,797,625	\$ 74,637,438	\$ 2,552,696

*(Continued)*

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

**Note 8. Long-Term Debt (Continued):**

Maturities of long-term debt for the year ending June 30, 2016 through 2029 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,305,000	\$ 1,707,388	\$ 4,012,388
2017	2,475,000	1,546,440	4,021,440
2018	2,550,000	1,444,247	3,994,247
2019	2,645,000	1,331,325	3,976,325
2020	2,735,000	1,224,846	3,959,846
2021-2025	13,265,000	4,192,285	17,457,285
2026-2030	8,725,000	1,182,831	9,907,831
2031-2035	<u>1,710,000</u>	<u>148,050</u>	<u>1,858,050</u>
	<u>\$ 36,410,000</u>	<u>\$ 12,777,412</u>	<u>\$ 49,187,412</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, 2015:

<u>Year End</u>	<u>Town &amp; School Lease Payments</u>
2016	\$ 230,341
2017	221,693
2018	181,042
2019	146,590
2020	110,514
Thereafter	<u>109,577</u>
Future minimum rental payments	999,757
Interest portion of payments	<u>107,235</u>
Obligation under capital leases	<u>\$ 1,106,992</u>

As of June 30, 2015, all capital leases are scheduled to be paid off as of June 30, 2022.

The Town and school has entered into various operating leases for rentals of office copy equipment. Operating lease expenses totaled \$29,686 for 2015 for the governmental funds. The following is a schedule of minimum lease payments:

<u>Year End</u>	<u>Town &amp; School Lease Payments</u>
2016	\$ 20,484
2017	6,047
2018	<u>865</u>
Future minimum rental payments	27,396
Interest portion of payments	<u>-</u>
Obligation under operating leases	<u>\$ 27,396</u>

(Continued)

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

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**Note 9. Landfill Closure and Postclosure Care Costs**

The Town accounts for its closure and post-closure care costs under GASB Statement No. 18. This Statement is based on the October 9, 1991, U.S. Environmental Protection Agency (EPA) rule, "Solid Waste Disposal Facility Criteria", which establishes closure requirements for all municipal solid waste landfills (MSWLF's) that receive solid waste after October 9, 1991. The EPA rule also establishes thirty-year post-closure care requirements for MSWLF's that accept solid waste after October 9, 1993. The effect of this EPA rule and similar state laws or regulations is to obligate MSWLF owners and operators to perform certain closing functions and post-closure monitoring and maintenance functions as a condition for the right to operate the MSWLF in the current period.

State and Federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after its closure.

The most recent study performed by the PARE Corporation in September 2014, had estimated that at the current land filling rate (3,000 tons/year) the Tiverton landfill will reach capacity sometime during 2016 or 2017. PARE's opinion of probable construction cost to cap the landfill, in 2014 dollars, is approximately \$9.0M. This cost accounts for construction materials and labor, engineering fees, permitting, inspection, certification, and storm water management. However it should be noted that this is an approximate cost, and the actual cost to close the landfill will be based on the availability of materials and economic climate at the time of closure. The cost of many of the materials used in landfill capping, specifically the petroleum-based products like the plastic capping material, are tied to highly volatile commodities markets, and therefore, are very difficult to predict prior to the actual landfill closure.

To fund the landfill closure costs, the Town has restricted all net funds received from the pay-as-you-throw trash bag program. For fiscal years 2014 and 2015, the Town has set aside \$398,656 and \$414,442 respectively. As of June 30, 2015, the Town has accumulated \$6,302,077 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 Healthmate Coast to Coast  
Dental: Delta Dental of Rhode Island  
Life: \$50,000 Term Life Insurance

**Eligibility - Medical, Dental**

Police employees: 20 years of service or attainment of age 55, whichever comes first. Fire employees: Any age with 20 years.  
School employees: Age 55 with 20 years of service  
Town Employees: Age 58 with 10 years, (those hired after July 1, 1993 shall not receive retiree medical coverage). Members covered by the Teamsters contract shall receive retiree medical insurance upon attainment of age 58 with 25 years of service, which shall end upon attainment of age 65 (those hired after July 1, 1994 shall not receive retiree medical coverage)

(Continued)

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

**Note 10. Other Post Retirement Benefits (Continued)**

**Benefit/Cost Sharing - Medical**

Police Employees: Family and Individual plans employee pays \$900.00 per year.\*  
 Fire Employees: Individual Plan employee pays \$520 per year, Family Plan employee pays \$1,040 per year.\*  
 Town Employees: Members of Teamsters Union, no cost sharing, all others pay 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 retire under and date of retirement. This co pay could increase to \$1,000 for single employees and \$2,000 for families.

**Benefit/Cost Sharing - Dental**

Police Employees: None  
 Fire Employees: None  
 Town Employees: None  
 School Employees: Individual Plan, 25% to 50% based on age & service, Family Plan 25% to 50% based on age and service.

**Eligibility - Life Insurance**

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

**Membership**

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>
Active	276	276	211
Retirees	<u>123</u>	<u>71</u>	<u>34</u>
Total	<u><u>399</u></u>	<u><u>347</u></u>	<u><u>245</u></u>

**Funding Policy**

Contribution requirements are negotiated between the Town and the respective unions and employees. For the fiscal year ended June 30, 2015, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members. For the fiscal year ended June 30, 2015 the Town contributed \$1,286,220 to the plan. The Police and Fire personnel have agreed to contribute to the OPEB cost.

**Annual OPEB Funded Status and Net OPEB Obligation**

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

*(Continued)*

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

*June 30, 2015*

**Note 10. Other Post Retirement Benefits (Continued)**

**Annual OPEB Funded Status and Net OPEB Obligation (Continued)**

*Annual OPEB Cost and Net OPEB Obligation:* Below are the required pension obligation presentations per GASB 45 for the fiscal year ended June 30, 2015.

Annual required contribution	\$ 2,773,466
Interest on OPEB obligation	338,216
Adjustment to annual required contribution	(363,894)
Amortization of actuarial (gains)/losses	<u>(1,216,272)</u>
Annual OPEB cost	1,531,516
Employer contributions	<u>1,392,728</u>
Increase (decrease) in OPEB obligation	138,788
Net OPEB obligation beginning of year	<u>4,831,657</u>
Net OPEB obligation end of year	<u><u>\$ 4,970,445</u></u>

**Required Contributions:**

<u>Years Ending June 30</u>	<u>Town's Portion of Annual Required Contributions</u>	<u>Percentage Contributed</u>
2013	\$ 2,485,785	52.01%
2014	\$ 2,542,567	50.59%
2015	\$ 2,773,466	49.80%

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include types of benefits provided at the time of each valuation and the historical pattern of sharing benefit cost between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Below are the actuarial assumptions used to project future cost of the plan.

Valuation Date	July 1, 2014
Interest Rate	3.5%
2014 Medical Trend Rate	5%
2014 Dental Trend Rate	5%
General Inflation Assumptions	2.5%
Annual Compensation Increases	3%
Actuarial Value of Assets	Market Value
Amortization of UAAL	30 Years
Remaining Amortization Period	24 Years

*(Continued)*

# TOWN OF TIVERTON, RHODE ISLAND

## Notes to the Financial Statements

June 30, 2015

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### 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 covering state employees and teachers reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments are provided at five-year intervals.

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 2015, 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 9.19% and 13.41% of annual covered payroll for the fiscal year ended June 30, 2015 for the state and Town, respectively. The Town contributed \$1,892,289 and \$1,338,127 for the fiscal years ended June 30, 2015 and 2014, respectively, equal to 100% of the required contributions for each year.

(Continued)

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

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**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, 2015, the Town reported a liability of \$16,540,458 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 (name of Teacher Unit were as follows:

Town proportionate share of the net pension liability	\$ 16,540,458
State's proportionate share of the net pension liability associated with the Town	<u>11,342,554</u>
Total net pension liability	<u>\$ 27,883,012</u>

The net pension liability was measured as of June 30, 2014, 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, 2013 rolled forward to June 30, 2014. The Town proportion of the net pension liability was based on a projection of the (Name or Teacher Unit) 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, 2014 the Town proportion was 0.67955856%.

Subsequent to June 30, 2014 (the measurement date), 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.

The amended benefit provisions in the newly enacted legislation and settlement agreement have not been reflected in the determination of the net pension liability at June 30, 2014 (the measurement date). These amended benefit provisions are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rate from 3.75% to 11% and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- 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.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather 5 year intervals.
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

These amendments are not considered to have a material effect on the net pension liability had they been retroactively applied to the calculation of the total pension liability at June 30, 2013 rolled forward to June 30, 2014. An actuarial analysis of the pension settlement provisions enacted by the General Assembly and approved by the Court indicated that the funded ratio at June 30, 2014 for teachers (determined on a funding basis) decreased from 59.6% to \$58.2%

(Continued)

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

*June 30, 2015*

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**Note 11. Pension Plans**

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

For the year ended June 30, 2015 the Town recognized gross pension expense of \$1,938,318 and revenue of \$788,490 for support provided by the State. At June 30, 2015 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	<u>\$ 1,892,289</u>
Deferred inflows of resources	
Change of assumptions	\$ 585,895
Net difference between projected and actual earnings on pension plan investments	<u>1,424,310</u>
Total	<u>\$ 2,010,205</u>

\$1,892,289 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2015 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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

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

Inflation	2.75%
Salary increases	3.50% to 6.50%
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, 2013 valuation rolled forward to June 30, 2014 and the calculation of the total pension liability at June 30, 2014 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

*(Continued)*

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

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**Note 11. Pension Plans**

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

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 forward-looking medium-term (10 year) capital market return assumptions developed by eight investment consulting firms. The June 30, 2014 expected arithmetic returns over the medium term by asset class as developed by the State Investment Commission's investment consultant, which are generally consistent with the averages utilized by the actuary, are summarized in the following table:

Asset Class	Target allocation	Medium-term expected real rate of return
Global Equity	38%	6.05%
Private Equity	7%	9.05%
Equity Hedge funds	8%	4.75%
Absolute return hedge	7%	2.95%
Real Return	14%	3.85%
Real Estate	8%	4.45%
Core Fixed	15%	0.25%
Cash	3%	-0.50%
	100%	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall medium-term expected rate of return best-estimate on an arithmetic basis. To arrive at the long-term expected return estimate, the actuary adjusts the medium-term number to reflect the longer 30-year time frame required for actuarial calculations. This process produces the actuarial expected return, which is based on a 30-year horizon, and can differ from the medium-term, 10-year-horizon return expectations.

**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, 2015

**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.

<b>1.00% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1.00 Increase (8.5%)</b>
\$ 20,714,879	\$ 16,540,458	\$ 12,280,381

*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, 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 1% 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.

As previously indicated in the disclosure of recently-enacted pension legislation, the employer contribution for certain qualifying employees will increase slightly beginning in fiscal 2016.

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

The Town of Tiverton, Rhode Island recognized pension expense of \$359,308, for the fiscal year ended June 30, 2015.

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>.

# TOWN OF TIVERTON, RHODE ISLAND

## Notes to the Financial Statements

June 30, 2015

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### 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](http://www.ersri.org)

**Benefits provided** – For general employees prior to June 30, 2012 the plan provided retirement benefits equal to 2% of a member's final average salary multiplied by the number of years of total service up to a maximum of 75%. Such benefits are available to members at least age 58 with 10 years of service or after 30 years of service at any age. Benefits accrued at June 30, 2012 are protected under the Rhode Island Retirement Security Act until it is exceeded by the member's full years of service credit, including service after June 30, 2012, multiplied by the average of five consecutive years of compensation. Effective July 1, 2012 the retirement age will mirror the Social Security Normal Retirement Age not to exceed age 67. Members will receive a benefit accrual of 1.0% per year based on the five-year average compensation.

Joint and survivor options are available as well as the Service Retirement Allowance (SRA) Plus option that provides for the payment of a larger benefit before the attainment of age sixty-two (62) and a reduced amount thereafter. The reduced amount is equal to the benefit before age sixty-two (62), including cost-of-living increases, minus the member's estimated social security benefit payable at age sixty-two (62).

Prior to June 30, 2012 police and fire personnel may retire at age 55 if they have 10 years of service or after 25 years of service at any age. An option may be elected to provide a 20 year service pension with a benefit equal to 2.5% for each year of service up to a maximum of 75% for police and fire personnel. Benefits are based on the average of the highest three consecutive years' earnings, exclusive of overtime.

The new retirement age will be 55 years old with 25 years of total service or for members with five years of service but less than 25 years of service the new retirement age will mirror the Social Security Normal Retirement Age not to exceed 67. Police officers or firefighters, that are at least 45 years old, have 10 or more years of contributing service and are eligible to retire prior to age 52 under the law in effect on June 30, 2012, may retire at age 52.

As of June 30, 2012 members will continue to have a frozen benefit accrual of 2.0% per year for a standard 25 year with any age and out plan; 2.5% for a standard 20 year with any age and out plan. Effective July 1, 2012 the optional 20 and 25 year with retirement at any age plans have been eliminated. The benefit accrual for all plans will be 2.0% per year based on the five-year average compensation, exclusive of overtime. Police and fire employees may retire with a reduced pension benefit if they have 20 years of service and are within five years of their retirement eligibility. The actuarially reduced benefit will be calculated based on how close the member is to the eligibility date that is prescribed in the Rhode Island Retirement Security Act.

The plan also provides survivor's benefits; and certain lump sum death benefits.

Plan members are vested after five years of service.

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2015

Note 11. Pension Plans

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

An optional cost-of-living provision may be elected for police and fire personnel and general employees. The Cost of Living Adjustment (COLA) has been suspended for any unit whose funding level is less than 80%. The COLA provision can be reviewed in a five-year interval. When the funding level of a plan exceeds 80% funded eligible retirees may receive a COLA annually effective on their date of retirement plus one month.

The COLA will be calculated as the five (5) year smoothed investment rate of return less 5.50%, with a 0.00% floor and a 4.00% cap. For police and fire units, COLA will be delayed until the later of age 55 or three years after retirement. For general employee units, COLA will be delayed until the later of the Social Security Normal Retirement Age or three years after retirement. The COLA will be applied to the first \$25,000 of benefits indexed annually.

The plan also provides nonservice-connected disability benefits after 5 years of service; service-connected disability pensions with no minimum service requirement.

Employees covered by benefit terms

At the June 30, 2013 valuation date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	84
Inactive, Nonretired Members	40
Active Members	<u>144</u>
Total	<u>268</u>

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees are required to contribute 1% of their salaries. Public safety employees are required to contribute 7% 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 \$641,192 to their general employee MERS plan in the year ended June 30, 2015 which was 14.34% of annual covered payroll and contributed \$113,606 to their rescue employee MERS plan in the year ended June 30, 2015 which was 10.93% of annual covered payroll.

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2013 and rolled forward to June 30, 2014, 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, 2014 measurement date (June 30, 2013 valuation rolled forward to June 30, 2014)

Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Equivalent Single Remaining Amortization Period	21 years at June 30, 2014

(Continued)

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2015

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**Note 11. Pension Plans**

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

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"><li>• Male Employees, MERS General and MERS P&amp;F: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.</li><li>• Female Employees, MERS General and MERS P&amp;F: 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.</li></ul>
Cost of Living Adjustments	COLA is equal to the average five-year fund asset performance (percent) greater than 5.5% up to a maximum of 4% - the COLA is to be applied to the first \$25,000 of benefits, indexed over time. COLA is delayed until the latter of Social Security eligibility age or 3 years after retirement except for MERS Police and Fire for which the COLA is delayed until the later of age 55 or 3 years after retirement. A 2% COLA is assumed after January 1, 2014.

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on forward-looking medium-term (10 year) capital market return assumptions developed by eight investment consulting firms. The June 30, 2014 expected arithmetic returns over the medium term by asset class as developed by the State Investment Commission's investment consultant, which are generally consistent with the averages utilized by the actuary, are summarized in the following table:

*(Continued)*

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

**Note 11. Pension Plans**

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

Asset Class	Target allocation	Medium-term expected real rate of return
Global Equity	38%	6.05%
Private Equity	7%	9.05%
Equity Hedge funds	8%	4.75%
Absolute return hedge	7%	2.95%
Real Return	14%	3.85%
Real Estate	8%	4.45%
Core Fixed	15%	0.25%
Cash	3%	-0.50%
	100%	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall medium-term expected rate of return best-estimate on an arithmetic basis. To arrive at the long-term expected return estimate, the actuary adjusts the medium-term number to reflect the longer 30-year time frame required for actuarial calculations. This process produces the actuarial expected return, which is based on a 30-year horizon, and can differ from the medium-term, 10-year-horizon return expectations.

**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**

	<b>Total Pension Liability</b>	<b>Increase (Decrease) Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
Balances as of June 30, 2013	\$ 9,778,577	\$ 11,593,250	(\$1,814,673)
Changes for the Year			
Service cost	320,597	-	320,597
Interest on the total pension liability	725,531	-	725,531
Changes in assumptions	22,056	-	22,056
Employer contributions	-	129,321	(129,321)
Employee contributions	-	67,392	(67,392)
Net investment income	-	1,732,208	(1,732,208)
Benefit payments, including employee refunds	(530,246)	(530,246)	-
Administrative expense	-	(10,847)	10,847
Other changes	-	24,573	(24,573)
Net changes	537,938	1,412,401	(874,463)
Balances as of June 30, 2014	\$10,316,515	\$ 13,005,651	(\$2,689,136)

(Continued)

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

**Note 11. Pension Plans**

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

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

	<b>Total Pension Liability</b>	<b>Increase (Decrease) Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
Balances as of June 30, 2013	\$ 3,750,566	\$ 3,522,415	(\$228,151)
Changes for the Year			
Service cost	94,889	-	94,889
Interest on the total pension liability	277,106	-	277,106
Changes in assumptions	14,773	-	14,773
Employer contributions	-	89,438	(89,438)
Employee contributions	-	18,161	(18,161)
Net investment income	-	525,526	(525,526)
Benefit payments, including employee refunds	(206,525)	(206,525)	-
Administrative expense	-	(3,291)	3,291
Other changes	-	-	-
Net changes	<u>180,243</u>	<u>423,309</u>	<u>(874,463)</u>
Balances as of June 30, 2014	<u>\$ 3,930,809</u>	<u>\$ 3,945,724</u>	<u>(\$2,689,136)</u>

**Changes in the Net Pension Liability (Asset) - Fire Department Employees**

	<b>Total Pension Liability</b>	<b>Increase (Decrease) Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
Balances as of June 30, 2013	\$ 10,470,507	\$ 8,806,631	\$ 1,660,876
Changes for the Year			
Service cost	273,939	-	273,939
Interest on the total pension liability	771,046	-	771,046
Changes in assumptions	(95,297)	-	(95,297)
Employer contributions	-	164,296	(164,296)
Employee contributions	-	133,465	(133,465)
Net investment income	-	1,297,206	(1,297,206)
Benefit payment including employee refunds	(653,720)	(653,720)	-
Administrative expense	-	(8,123)	8,123
Other changes	-	(154)	154
Net changes	<u>295,968</u>	<u>932,970</u>	<u>(637,002)</u>
Balances as of June 30, 2014	<u>\$ 10,766,475</u>	<u>\$ 9,739,601</u>	<u>\$ 1,026,874</u>

(Continued)

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

**Note 11. Pension Plans**

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

*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.

<b>1.00% Decrease (6.5%)</b>	<b>General Employees Plan Current Discount Rate (7.5%)</b>	<b>1.00 Increase (8.5%)</b>
(\$ 1,602,471)	(\$ 2,689,136)	(\$ 3,775,801)
<b>1.00% Decrease (6.5%)</b>	<b>Local 2670A Plan Current Discount Rate (7.5%)</b>	<b>1.00 Increase (8.5%)</b>
\$ 399,593	(\$ 14,915)	(\$ 429,423)
<b>1.00% Decrease (6.5%)</b>	<b>Fire Department Plan Current Discount Rate (7.5%)</b>	<b>1.00 Increase (8.5%)</b>
\$ 2,171,345	\$ 1,026,874	(\$ 117,597)

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

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

***General Employees Plan***

For the year ended June 30, 2015 the employer recognized pension expense of (\$ 64,469). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred inflows of Resources
Differences in assumptions	\$ 19,093	\$ -
Excess(deficit) Investment		
Returns	<u>-</u>	<u>699,766</u>
Total	<u>\$ 19,093</u>	<u>\$ 699,766</u>

*(Continued)*

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

*June 30, 2015*

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**Note 11. Pension Plans**

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

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
2016	\$ (171,978)
2017	\$ (171,978)
2018	\$ (171,978)
2019	\$ (171,980)
2020	\$ 2,963
Thereafter	<u>\$ 4,278</u>
<b>Total</b>	<u><u>\$ ( 680,673)</u></u>

**Local 2670A Employees Plan**

For the year ended June 30, 2015 the employer recognized pension expense of \$46,464. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred inflows of Resources
Differences in assumptions	\$ 12,050	\$ -
Excess(deficit) Investment		
Returns	<u>-</u>	<u>212,142</u>
Total	<u><u>\$ 12,050</u></u>	<u><u>\$ 212,142</u></u>

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

*(Continued)*

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

*June 30, 2015*

**Note 11. Pension Plans**

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

Year Ending June 30	Net Deferred Outflows of Resources
2016	\$ (50,313)
2017	\$ (50,313)
2018	\$ (50,313)
2019	\$ (50,311)
2020	\$ 1,158
Thereafter	\$ <u>          -</u>
<b>Total</b>	<b>\$ <u>(200,092)</u></b>

**Fire Department Employees Plan**

For the year ended June 30, 2015 the employer recognized pension expense of \$131,426. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Differences in assumptions	\$ -	\$ 83,838
Excess(deficit) Investment	<u>          -</u>	<u>520,294</u>
Returns		
Total	<u>\$ <u>          -</u></u>	<u>\$ <u>604,132</u></u>

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

Year Ending June 30	Net Deferred Outflows of Resources
2016	\$ (141,533)
2017	\$ (141,533)
2018	\$ (141,533)
2019	\$ (141,531)
2020	\$ (11,459)
Thereafter	\$ <u>(26,543)</u>
<b>Total</b>	<b>\$ <u>(604,132)</u></b>

*(Continued)*

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

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**Note 11. Pension Plans**

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

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

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

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

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

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

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

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

(Continued)

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

*June 30, 2015*

**Note 11. Pension Plans**

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

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

<b>Parent and 1 Child</b>	<b>Parent and 2 or more Children</b>	<b>One Child Alone</b>	<b>Two Children Alone</b>	<b>Three or more Children Alone</b>	<b>Dependent Parent</b>
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 \$18,364 and \$18,189 for the fiscal years ended June 30, 2015 and 2014, 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, 2015 the Town reported an asset of \$3,712,154 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, 2014, 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, 2013 rolled forward to June 30, 2014. The Town proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2014 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2014 the Town proportion was 2.98594898%.

For the year ended June 30, 2015 the Town recognized pension expense of \$(286,145) – an increase in the net pension asset. At June 30, 2015 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources	
Contributions subsequent to the measurement date	\$ 18,364
Deferred inflows of resources	
Net difference between projected and actual earnings on pension plan investments	\$ 485,815

*(Continued)*

TOWN OF TIVERTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2015

**Note 11. Pension Plans**

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

\$18,364 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2015 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ 121,454
2017	121,454
2018	121,454
2019	121,453

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

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

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

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

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on forward-looking medium-term (10 year) capital market return assumptions developed by eight investment consulting firms. The June 30, 2014 expected arithmetic returns over the medium term by asset class as developed by the State Investment Commission’s investment consultant, which are generally consistent with the averages utilized by the actuary, are summarized in the following table:

(Continued)

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

**Note 11. Pension Plans**

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

Asset Class	Target allocation	Medium-term expected real rate of return
Global Equity	38%	6.05%
Private Equity	7%	9.05%
Equity Hedge funds	8%	4.75%
Absolute return hedge	7%	2.95%
Real Return	14%	3.85%
Real Estate	8%	4.45%
Core Fixed	15%	0.25%
Cash	3%	-0.50%
	100%	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall medium-term expected rate of return best-estimate on an arithmetic basis. To arrive at the long-term expected return estimate, the actuary adjusts the medium-term number to reflect the longer 30-year time frame required for actuarial calculations. This process produces the actuarial expected return, which is based on a 30-year horizon, and can differ from the medium-term, 10-year-horizon return expectations.

**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%)
\$ 3,181,262	\$ 3,712,154	\$ 4,242,968

**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, 2015

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**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, 2015, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	26
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>30</u>
Subtotal	<u><u>56</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, 2015

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, 2014, the active member contribution rate was 10 percent of annual pay, and the Town's contribution rate was 56.7 percent of annual payroll.

The contributions made to the plan for the fiscal year ended June 30, 2015 were \$979,257 which consists of employer contributions of \$800,000 and employee contributions of \$179,257.

(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, 2015:

Asset Class	Target Allocation
Domestic equity	49.5%
International equity	16.5%
Fixed income	26.0%
Real estate	5.5%
Tangible assets	2.5%
Total	100.0%

(Continued)

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

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**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, 2014, 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, 2015 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, 2015, there were no deposits subject to custodial credit risk.

*(e) Interest Rate Risk*

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

*(f) Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. As of June 30, 2015, 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, 2015, there were no deposits subject to foreign currency risk.

*(Continued)*

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

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**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, 2015.

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

The components of the net pension liability of the Town at June 30, 2015, were as follows:

Total pension liability	\$ 14,604,337
Plan fiduciary net position	<u>(9,778,266)</u>
Town's net pension liability	<u>\$ 4,826,071</u>
 Plan fiduciary net position as a percentage of the total pension liability	 66.95%

*(a) Actuarial assumptions*

The total pension liability was determined by an actuarial valuation as of June 30, 2015, 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, 2015 valuation were based on the results of an actuarial experience study for the period ended June 30, 2015.

*(Continued)*

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

**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.

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balance as of 7/1/2014</b>	\$ 14,002,853	\$ 8,848,568	\$ 5,154,285
<b>Changes for the year:</b>			
Service cost	315,103	-	315,103
Interest on total pension liability	1,733,891	-	1,733,891
Differences between expected and actual experience	(699,268)	-	(699,268)
Changes in assumptions	-	-	-
Contributions - employer	-	800,000	(800,000)
Contributions - employee	-	179,257	(179,257)
Net investment income	-	698,683	(698,683)
Benefit payments	(748,242)	(748,242)	-
Administrative expense	-	-	-
<b>Net changes</b>	<u>601,484</u>	<u>929,698</u>	<u>(328,214)</u>
<b>Balance as of 6/30/2015</b>	<u>\$ 14,604,337</u>	<u>\$ 9,778,266</u>	<u>\$ 4,826,071</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 6.00 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 (5.00 percent) or 1-percentage-point higher (7.00 percent) than the current rate:

	<b>1% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
Plan's Net Pension Liability	Unavailable	\$ 4,826,071	Unavailable

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

For the year ended June 30, 2014, the Town recognized benefits paid of \$748,242. At June 30, 2015, the Town did not report deferred outflows of resources or deferred inflows of resources related to pensions.

*(Continued)*

# TOWN OF TIVERTON, RHODE ISLAND

## Notes to the Financial Statements

June 30, 2015

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### 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 2015, the Town of Tiverton incurred approximately \$13,704 worth of expenditures for the "Rehabilitation of Old Stone Bridge" and \$2,800 for the acquisition and site preparation of the "Gas Station Parcel."

#### 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 and damages roughly estimate \$20,000 - \$40,000.

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

(Continued)

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

**Note. 12. Commitments and Contingencies (Continued)**

**b. Contingencies (Continued)**

**2. Bay Street Contamination (Continued)**

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

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

**Note. 13. Fund Balance Classifications**

	Major Funds		Non-Major Funds			Total
	General Fund	School Department	Special Revenue	Capital Projects	Debt Service Fund	
<b>Fund Balances</b>						
<b>Nonspendable</b>						
In Form	\$ 160,410	\$ -	\$ -	\$ -	\$ -	\$ 160,410
<b>Restricted for</b>						
Public safety programs	-	-	75,681	-	-	75,681
Educational purposes	-	1,191,881	123,072	-	-	1,314,953
Public works programs	-	-	381,412	-	-	381,412
Health and human services programs	-	-	2,390	-	-	2,390
<b>Committed to</b>						
General government purposes	17,589	-	90,304	-	-	107,893
Finance administration purposes	66,899	-	-	-	-	66,899
Public safety programs	-	-	80,674	-	-	80,674
Health and human services programs	-	-	7,944	-	-	7,944
Public works programs	200,020	-	45,786	6,302,077	-	6,547,883
Parks and recreation	-	-	398,049	33,305	-	431,354
Capital projects	-	-	-	380,008	-	380,008
Various school renovation projects	-	1,131,415	-	-	-	1,131,415
Debt service bonds	-	-	-	-	531,114	531,114
<b>Unassigned</b>	1,860,460	-	(249)	(184,273)	-	1,675,938
	\$ 2,305,378	\$ 2,323,296	\$ 1,205,063	\$ 6,531,117	\$ 531,114	\$ 12,895,968

(Continued)

**TOWN OF TIVERTON, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2015

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**Note 14. Fund Deficit**

The following funds had deficits at year end:

Old Stone Bridge	\$ 184,273
Wastewater Management	249

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

**Note 15. Restatement**

The following were the restatements that occurred at the Government-Wide level based on prior year misstatements as well as changes in accordance with new GASB standards.

	<u>Governmental Activities</u>	
Beginning balance, July 1, 2014	\$	11,170,726
To remove net pension obligation in accordance with GASB 68		1,667,990
To record 2002 sewer line as fixed asset net of accumulated depreciation		3,110,625
To record police net pension liability in accordance with GASB 68		(5,154,285)
To record ERS net pension liability in accordance with GASB 68		(17,400,835)
		2,940,193
To record MERS net pension asset in accordance with GASB 68		<u>305,701</u>
Beginning balance, July 1, 2014, restated	\$	<u><u>(3,359,885)</u></u>

**Note 16. 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, 2015 and through December 8, 2015, the date of which the financial statements were issued.

As of December 8, 2015, the Town did not have any significant subsequent events to disclose.

## **Required Supplementary Information**

**TOWN OF TIVERTON, RHODE ISLAND**  
 Required Supplementary Information  
 Budgetary Comparison Schedule - General Fund  
 For the Year Ended June 30, 2015

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances / Appropriations Carried To FY 16</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Encumbrances Carried to FY 15</u>	<u>Original Budget</u>	<u>Transfers</u>				
<b>Revenues</b>							
General property taxes	\$ -	\$ 37,524,955	\$ -	\$ 37,524,955	\$ 37,240,930	\$ -	\$ (284,025)
Intergovernmental	-	1,391,609	-	1,391,609	1,408,526	-	16,917
Licenses, permits, and usage fees	-	2,196,830	-	2,196,830	2,217,362	-	20,532
Fines and interest on late payments	-	285,000	-	285,000	331,498	-	46,498
Interest on investment	-	23,000	-	23,000	39,912	-	16,912
Other revenue	-	49,100	-	49,100	189,052	-	139,952
Total revenues	-	41,470,494	-	41,470,494	41,427,280	-	(43,214)
<b>Expenditures</b>							
General government	15,000	1,134,113	1,227	1,150,340	1,098,680	17,589	34,071
Finance administration	78,000	4,826,988	(35,286)	4,869,702	4,738,793	66,899	64,010
Public safety	-	5,787,855	(12,560)	5,775,295	5,670,465	-	104,830
Health and human services	-	640,081	(7,350)	632,731	627,272	-	5,459
Public works	16,254	2,192,256	63,361	2,271,871	2,241,782	17,260	12,829
Parks and recreation	-	119,738	(9,392)	110,346	103,919	-	6,427
Capital outlay	-	425,409	-	425,409	406,817	-	18,592
Debt service - principal	-	1,980,000	-	1,980,000	1,980,000	-	-
Debt service - interest	-	1,510,772	-	1,510,772	1,510,771	-	1
Total expenditures	109,254	18,617,212	-	18,726,466	18,378,499	101,748	246,219
<b>Excess (deficiency) of revenues over expenditures</b>	(109,254)	22,853,282	-	22,744,028	23,048,781	(101,748)	203,005

*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, 2015

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances / Appropriations Carried To FY 16</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Encumbrances Carried to FY 15</u>	<u>Original Budget</u>	<u>Transfers</u>				
<b>Other financing sources and (uses)</b>							
Transfer to other funds	-	(23,449,088)	-	(23,449,088)	(23,474,775)	-	(25,687)
Use of fund balance	-	595,806	-	595,806	-	-	(595,806)
Transfers from other funds	-	-	-	-	-	-	-
	<u>-</u>	<u>(22,853,282)</u>	<u>-</u>	<u>(22,853,282)</u>	<u>(23,474,775)</u>	<u>-</u>	<u>(621,493)</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis</b>	<u>\$ (109,254)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (109,254)</u>	(425,994)	<u>\$ (101,748)</u>	<u>\$ (418,488)</u>
Adjustment of budgetary basis to U.S. GAAP					<u>(38,155)</u>		
Excess of revenue and other financing sources over expenditures and other uses, U.S. GAAP basis					<u>(464,149)</u>		
Fund balance, July 1, 2014					<u>2,769,527</u>		
Fund balance, June 30, 2015					<u>\$ 2,305,378</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, 2015

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>				
Federal and State governments	\$ 5,800,664	\$ 5,800,664	\$ 5,800,664	\$ -
Other revenues	-	-	10,246	10,246
Total revenues	<u>5,800,664</u>	<u>5,800,664</u>	<u>5,810,910</u>	<u>10,246</u>
<b>Expenditures</b>				
Salaries	15,615,281	15,615,281	16,416,590	(801,309)
Employee benefits	6,356,860	6,356,860	6,010,016	346,844
Purchased services	6,005,001	6,005,001	4,807,334	1,197,667
Supplies and materials	1,143,268	1,143,268	1,074,782	68,486
Capital outlay	134,654	134,654	283,195	(148,541)
Other operating expenditures	<u>20,375</u>	<u>20,375</u>	<u>19,967</u>	<u>408</u>
Total expenditures	<u>29,275,439</u>	<u>29,275,439</u>	<u>28,611,884</u>	<u>663,555</u>
Excess of expenditures over revenues, budgetary basis	<u>(23,474,775)</u>	<u>(23,474,775)</u>	<u>(22,800,974)</u>	<u>673,801</u>
<b>Other financing sources (uses)</b>				
Transfer from Town of Tiverton	23,474,775	23,474,775	23,474,775	-
Transfer to other funds	-	-	(45,000)	(45,000)
Total other financing sources (uses)	<u>23,474,775</u>	<u>23,474,775</u>	<u>23,429,775</u>	<u>45,000</u>
<b>Excess of revenues and other financing sources over expenditures and other financing uses, budgetary basis</b>	<u>\$ -</u>	<u>\$ -</u>	628,801	<u>\$ 718,801</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>628,801</u>	
Fund balance, July 1, 2014			<u>1,694,495</u>	
Committed fund balance June 30, 2015			1,131,415	
Restricted fund balance June 30, 2015			<u>1,191,881</u>	
Total fund balance June 30, 2015			<u>\$ 2,323,296</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, 2015*

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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, 2015 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)	\$ (425,994)	\$ 628,801
State contribution to teachers' pension plan revenue on behalf	-	1,359,857
State contribution to teacher's pension plan expense on behalf	-	(1,359,857)
Increase (decrease) in 60 day accrual	<u>(38,155)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ (464,149)</u>	<u>\$ 628,801</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, 2015*

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

*See independent auditor's report*

**TOWN OF TIVERTON, RHODE ISLAND**

Required Supplementary Information

Schedule of Required Contributions - Other Post Employment Benefits

*For the Year Ended June 30, 2015*

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<u>Years Ending June 30</u>	<u>Town's Portion of Annual Required Contributions</u>	<u>Percentage Contributed</u>
2013	\$ 2,485,785	52.01%
2014	\$ 2,542,567	50.59%
2015	\$ 2,773,466	49.80%

*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, 2015*

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	<u>2015</u>
Employer's proportion of the net pension liability	0.67955856%
Employer's proportionate share of the net pension liability	\$ 16,540,458
State's proportionate share of the net pension liability associated with the school district	<u>11,342,554</u>
Total	<u>\$ 27,883,012</u>
Employer's covered employee payroll	\$ 14,797,140
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	188.44%
Plan fiduciary net position as a percentage of the total pension liability	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.*

*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, 2015*

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	<u>2015</u>
Actuarially determined contribution	\$ 1,892,289
Contributions in relation to the actuarially determined contribution	<u>1,892,289</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 14,797,140
Contributions as a percentage of covered- employee payroll	12.79%

**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.*

*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, 2015*

	<b>Year Ended June 30, 2014</b>
<b>A. Total pension liability</b>	
1. Service Cost	\$ 273,939
2. Interest on the Total Pension Liability	771,046
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the Total Pension Liability	-
5. Changes of assumptions	(95,297)
6. Benefit payments, including refunds of employee contributions	<u>(653,720)</u>
7. Net change in total pension liability	295,968
8. Total pension liability – beginning	<u>10,470,507</u>
9. Total pension liability – ending (a)	<u><u>\$ 10,766,475</u></u>
<b>B. Plan fiduciary net position</b>	
1. Contributions – employer	\$ 164,296
2. Contributions – employee	133,465
3. Net investment income	1,297,206
4. Benefit payments, including refunds of employee contributions	(653,720)
5. Pension Plan Administrative Expense	(8,123)
6. Other	<u>(154)</u>
7. Net change in plan fiduciary net position	932,970
8. Plan fiduciary net position – beginning	<u>8,806,631</u>
9. Plan fiduciary net position – ending (b)	<u><u>\$ 9,739,601</u></u>
<b>C. Net pension liability - ending (a) - (b)</b>	<u><u>\$ 1,026,874</u></u>
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	90.46%
<b>E. Covered employee payroll</b>	\$ 1,668,325
<b>F. Net pension liability as a percentage of covered payroll</b>	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, 2015*

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	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 266,991
Contributions in relation to the actuarially determined contribution	<u>266,991</u>
Contribution deficiency (excess)	<u>-</u>
Covered-employee payroll	<u>\$ 1,668,325</u>
Contributions as a percentage of covered-employee payroll	16.00%

**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.*

*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, 2015*

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	<b>Year Ended June 30, 2014</b>
<b>A. Total pension liability</b>	
1. Service Cost	\$ 320,597
2. Interest on the Total Pension Liability	725,531
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the Total Pension Liability	-
5. Changes of assumptions	22,056
6. Benefit payments, including refunds of employee contributions	<u>(530,246)</u>
7. Net change in total pension liability	537,938
8. Total pension liability – beginning	<u>9,778,577</u>
9. Total pension liability – ending (a)	<u><u>\$ 10,316,515</u></u>
<b>B. Plan fiduciary net position</b>	
1. Contributions – employer	\$ 129,321
2. Contributions – employee	67,392
3. Net investment income	1,732,208
4. Benefit payments, including refunds of employee contributions	(530,246)
5. Pension Plan Administrative Expense	(10,847)
6. Other	<u>24,573</u>
7. Net change in plan fiduciary net position	1,412,401
8. Plan fiduciary net position – beginning	<u>11,593,250</u>
9. Plan fiduciary net position – ending (b)	<u><u>\$ 13,005,651</u></u>
<b>C. Net pension liability - ending (a) - (b)</b>	<u><u>\$ (2,689,136)</u></u>
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	126.07%
<b>E. Covered employee payroll</b>	\$ 3,301,722
<b>F. Net pension liability as a percentage of covered payroll</b>	-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, 2015*

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	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 104,665
Contributions in relation to the actuarially determined contribution	<u>104,665</u>
Contribution deficiency (excess)	<u>-</u>
Covered-employee payroll	<u>\$ 3,301,722</u>
Contributions as a percentage of covered-employee payroll	3.17%

**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.*

*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, 2015*

	<b>Year Ended June 30, 2014</b>
<b>A. Total pension liability</b>	
1. Service Cost	\$ 94,889
2. Interest on the Total Pension Liability	277,106
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the Total Pension Liability	-
5. Changes of assumptions	14,773
6. Benefit payments, including refunds of employee contributions	<u>(206,525)</u>
7. Net change in total pension liability	180,243
8. Total pension liability – beginning	<u>3,750,566</u>
9. Total pension liability – ending (a)	<u><u>\$ 3,930,809</u></u>
<b>B. Plan fiduciary net position</b>	
1. Contributions – employer	\$ 89,438
2. Contributions – employee	18,161
3. Net investment income	525,526
4. Benefit payments, including refunds of employee contributions	(206,525)
5. Pension Plan Administrative Expense	(3,291)
6. Other	<u>-</u>
7. Net change in plan fiduciary net position	423,309
8. Plan fiduciary net position – beginning	<u>3,522,415</u>
9. Plan fiduciary net position – ending (b)	<u><u>\$ 3,945,724</u></u>
<b>C. Net pension liability - ending (a) - (b)</b>	<u><u>\$ (14,915)</u></u>
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	100.38%
<b>E. Covered employee payroll</b>	\$ 985,345
<b>F. Net pension liability as a percentage of covered payroll</b>	-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, 2015*

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	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 69,401
Contributions in relation to the actuarially determined contribution	<u>69,401</u>
Contribution deficiency (excess)	<u>-</u>
Covered-employee payroll	<u>\$ 985,345</u>
Contributions as a percentage of covered-employee payroll	7.04%

**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.*

*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, 2015*

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	<u>2015</u>
Employer's proportion of the net pension asset	2.98594898%
Employer's proportionate share of the net pension asset	\$ 3,712,154
Employer's covered employee payroll	\$ 14,797,140
Employer's proportionate share of the net pension asset as a percentage of its covered employee payroll	25.09%
Plan fiduciary net position as a percentage of the total pension liability	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.*

*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, 2015*

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

***Notes:***

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

*2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become 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, 2015*

*Last 10 Fiscal Years\**

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>
<b>Total pension liability</b>			
Service cost	\$ 315,103	\$ 285,815	\$ 318,749
Interest	1,733,891	1,461,475	1,334,339
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(699,268)	(595,528)	(507,331)
Changes of assumptions	-	-	-
Benefit payments, including refunds of participant contributions	<u>(748,242)</u>	<u>(765,309)</u>	<u>(757,538)</u>
<b>Net change in total pension liability</b>	601,484	386,453	388,219
<b>Total pension liability - beginning</b>	<u>14,002,853</u>	<u>13,616,400</u>	<u>13,228,181</u>
<b>Total pension liability - ending</b>	<u>\$ 14,604,337</u>	<u>\$ 14,002,853</u>	<u>\$ 13,616,400</u>
<b>Pension fiduciary net position</b>			
Contributions - employer	\$ 800,000	\$ 825,000	\$ 700,000
Contributions - employee	179,257	166,440	143,389
Net investment income	698,683	1,157,063	685,107
Benefit payments, including refunds of participant contributions	(748,242)	(765,309)	(733,907)
Administrative expense	-	-	(23,631)
Other	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in plan fiduciary net position</b>	929,698	1,383,194	770,958
<b>Plan fiduciary net position - beginning</b>	<u>8,848,568</u>	<u>7,465,374</u>	<u>6,694,416</u>
<b>Plan fiduciary net position - ending</b>	<u>\$ 9,778,266</u>	<u>\$ 8,848,568</u>	<u>\$ 7,465,374</u>
<b>Plan's net pension liability - ending</b>	<u>\$ 4,826,071</u>	<u>\$ 5,154,285</u>	<u>\$ 6,151,026</u>

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

*See independent auditor's report*

**TOWN OF TIVERTON, RHODE ISLAND**

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios

Police Pension Plan

For the Year Ended June 30, 2015

Last 10 Fiscal Years\*

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	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Total pension liability	\$ 14,604,337	\$ 14,002,853	\$ 13,616,400
Plan fiduciary net position	<u>9,778,266</u>	<u>8,848,568</u>	<u>7,465,374</u>
Town's net pension liability	<u>\$ 4,826,071</u>	<u>\$ 5,154,285</u>	<u>\$ 6,151,026</u>
Plan fiduciary net position as a percentage of the total pension liability	66.95%	63.19%	54.83%
Covered-employee payroll	1,716,424	1,455,000	1,448,000
Net pension liability as a percentage of covered-employee payroll	281.17%	354.25%	424.79%

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

See independent auditor's report

**TOWN OF TIVERTON, RHODE ISLAND**

Required Supplementary Information

Schedule of Contributions

Police Pension Plan

For the Year Ended June 30, 2015

Last 10 Fiscal Years\*

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially determined contribution	\$ 536,634	\$ 544,334	\$ 590,573	\$ 682,092	\$1,067,884	\$1,023,362	\$ 711,225	\$ 597,226	\$ 647,343	\$ 648,059
Contributions in relation to the actuarially determined contribution	<u>799,585</u>	<u>825,000</u>	<u>700,000</u>	<u>550,000</u>	<u>448,511</u>	<u>-</u>	<u>711,225</u>	<u>597,226</u>	<u>595,556</u>	<u>648,059</u>
Contribution deficiency (excess)	<u>\$ (262,951)</u>	<u>\$ (280,666)</u>	<u>\$ (109,427)</u>	<u>\$ 132,092</u>	<u>\$ 619,373</u>	<u>\$1,023,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,787</u>	<u>\$ -</u>
Covered-employee payroll	1,716,424	1,455,000	1,448,000	1,473,000	1,587,000	1,762,000	1,716,000	1,512,000	1,338,000	1,275,000
Contributions as a percentage of covered-employee payroll	46.58%	56.70%	48.34%	37.34%	28.26%	0.00%	41.45%	39.50%	44.51%	50.83%

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, 2015*  
*Last 10 Fiscal Years\**

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

*\* Second year of implementation of GASB 67 therefore only two years of the 10 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, 2015*

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**Notes to the Schedule:**

Valuation Date:

Actuarially determined contribution rates are calculated as of June 30, 2015.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent-of-payroll
Remaining amortization period	22 years
Asset valuation method	Market plus receivables
Inflation	Contribution as a percentage of payroll
Salary increases	3.50%
Investment rate of return	7.50%, net of administrative expenses paid by the Trust
Retirement age	The rate is 50% at first eligibility, then the rate is 10% per year thereafter, with 100% at age 55 (or first eligible if later)
Mortality	Assumed life expectancies were adjusted as a result of adopting the RP-2000 Healthy Annuitant Mortality Table
Disability	Annual rates of disability increase males from age 25 to .03% to age 60 at .90% and in females from age 25 at .05% to age 60 at 1.21%
Turnover	None
Cost of living adjustments	1.3% increase each year

*See independent auditor's report*

## Supplementary Information

**TOWN OF TIVERTON, RHODE ISLAND**

Supplementary Information

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

*For the Year Ended June 30, 2015*

	<b>Original Budget Revenues</b>	<b>Transfers</b>	<b>Total Budget Available</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>General property taxes</b>					
Real estate and personal property tax	\$ 37,524,955	\$ -	\$ 37,524,955	\$ 37,240,930	\$ (284,025)
<b>Total general property taxes</b>	<u>37,524,955</u>	<u>-</u>	<u>37,524,955</u>	<u>37,240,930</u>	<u>(284,025)</u>
<b>Intergovernmental</b>					
State of Rhode Island	1,391,609	-	1,391,609	1,408,526	16,917
<b>Total intergovernmental</b>	<u>1,391,609</u>	<u>-</u>	<u>1,391,609</u>	<u>1,408,526</u>	<u>16,917</u>
<b>Licenses, permits, and usage fees</b>					
Business fees	707,400	-	707,400	624,823	(82,577)
Usage fees	1,489,430	-	1,489,430	1,592,539	103,109
<b>Total licenses, permits, and usage fees</b>	<u>2,196,830</u>	<u>-</u>	<u>2,196,830</u>	<u>2,217,362</u>	<u>20,532</u>
Fines and interest on late payments	285,000	-	285,000	331,498	46,498
Interest on investments	23,000	-	23,000	39,912	16,912
Other revenues	49,100	-	49,100	189,052	139,952
<b>Total revenues</b>	<u>41,470,494</u>	<u>-</u>	<u>41,470,494</u>	<u>41,427,280</u>	<u>(43,214)</u>
<b>Other financing sources</b>					
Use of fund balance	595,806	-	595,806	-	(595,806)
Transfers from other funds	-	-	-	-	-
<b>Total other financing sources</b>	<u>595,806</u>	<u>-</u>	<u>595,806</u>	<u>-</u>	<u>(595,806)</u>
<b>Total revenue and other financing sources</b>	<u>\$ 42,066,300</u>	<u>\$ -</u>	<u>\$ 42,066,300</u>	<u>\$ 41,427,280</u>	<u>\$ (639,020)</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, 2015*

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances to FY 16</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances to FY 15</u>	<u>Original Budget</u>	<u>Transfers</u>					
<b><i>General government</i></b>								
<b><i>Town clerk's office</i></b>								
Dept management salary	\$ -	\$ 59,541	\$ 230	\$ 59,771	\$ 59,770	\$ -	\$ 1	\$ -
Staff salaries - AFSCME	-	149,754	2,350	152,104	152,067	-	37	-
Longevity	-	6,422	542	6,964	6,963	-	1	-
Photocopier lease	-	4,000	(2,875)	1,125	1,124	-	1	-
Recording Expenses	-	20,000	3,860	23,860	23,844	-	16	-
Recodify Town Code	-	6,000	-	6,000	6,000	-	-	-
Advertising/ ordinances	-	10,000	(9,840)	160	160	-	-	-
Supplies and misc.	-	8,600	2,155	10,755	10,754	-	1	-
<b><i>Total town clerk's office</i></b>	<b>-</b>	<b>264,317</b>	<b>(3,578)</b>	<b>260,739</b>	<b>260,682</b>	<b>-</b>	<b>57</b>	<b>-</b>
<b><i>Town council</i></b>								
Town council stipends	-	17,300	-	17,300	17,300	-	-	-
Future needs	-	20,000	(11,998)	8,002	-	-	8,002	7,502
Contingency fund	-	20,000	(9)	19,991	19,347	-	644	144
Advertising/ ordinances	-	18,000	7,003	25,003	25,003	-	-	-
Supplies and misc.	-	2,500	9	2,509	2,509	-	-	-
<b><i>Total town council</i></b>	<b>-</b>	<b>77,800</b>	<b>(4,995)</b>	<b>72,805</b>	<b>64,159</b>	<b>-</b>	<b>8,646</b>	<b>7,646</b>
<b><i>Board of canvassers</i></b>								
Board of canvas stipends	-	3,600	(175)	3,425	1,942	-	1,483	983
Elections	15,000	30,000	-	45,000	27,411	17,589	-	-
Supplies and misc.	-	3,000	1,000	4,000	3,825	-	175	-
Computer service	-	1,500	(141)	1,359	1,359	-	-	-
<b><i>Total board of canvassers</i></b>	<b>15,000</b>	<b>38,100</b>	<b>684</b>	<b>53,784</b>	<b>34,537</b>	<b>17,589</b>	<b>1,658</b>	<b>983</b>
<b><i>Town hall</i></b>								
Heat	-	3,500	44	3,544	3,544	-	-	-
Electric	-	10,000	(793)	9,207	9,177	-	30	-
Water and supplies	-	700	(169)	531	530	-	1	-
Telephone	-	4,000	(58)	3,942	3,223	-	719	219
Building maintenance	-	7,000	427	7,427	7,427	-	-	-
<b><i>Total town hall</i></b>	<b>-</b>	<b>25,200</b>	<b>(549)</b>	<b>24,651</b>	<b>23,901</b>	<b>-</b>	<b>750</b>	<b>219</b>
<b><i>Legal Services</i></b>								
Town solicitor	-	98,000	-	98,000	95,838	-	2,162	1,662
Litigation	-	110,000	(17,900)	92,100	91,263	-	837	337
Prosecutions	-	24,500	(1,000)	23,500	19,937	-	3,563	3,063
Legal zoning issues	-	16,000	1,000	17,000	16,751	-	249	-
Labor counsel	-	30,000	25,400	55,400	55,391	-	9	-
<b><i>Total legal services</i></b>	<b>-</b>	<b>278,500</b>	<b>7,500</b>	<b>286,000</b>	<b>279,180</b>	<b>-</b>	<b>6,820</b>	<b>5,062</b>

*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, 2015*

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance</u>	<u>T/C</u>
	<u>Carried to FY 15</u>	<u>Original Budget</u>	<u>Transfers</u>			<u>Carried to FY 16</u>	<u>Favorable (Unfavorable)</u>	<u>Resolution to Paving</u>
<b>Building / zoning inspector</b>								
Dept management salary	-	55,000	10,358	65,358	65,358	-	-	-
Staff salaries - AFSCME	-	47,772	(9,337)	38,435	38,386	-	49	-
Longevity	-	2,266	-	2,266	2,266	-	-	-
Vacation coverage	-	1,200	(1,200)	-	-	-	-	-
Copy Services	-	672	1,869	2,541	2,414	-	127	-
Postage	-	1,500	-	1,500	1,410	-	90	-
Automobile expenses	-	2,000	(515)	1,485	1,485	-	-	-
Education seminars	-	500	773	1,273	1,273	-	-	-
Telephone	-	1,700	(405)	1,295	1,281	-	14	-
Boarding of buildings	-	1,000	(1,000)	-	-	-	-	-
Constable Services	-	200	(104)	96	-	-	96	-
Supplies and misc.	-	4,000	(1,401)	2,599	2,584	-	15	-
Software maintenance	-	2,137	(112)	2,025	2,000	-	25	-
<b>Total building / zoning inspec</b>	<b>-</b>	<b>119,947</b>	<b>(1,074)</b>	<b>118,873</b>	<b>118,457</b>	<b>-</b>	<b>416</b>	<b>-</b>
<b>Planning board</b>								
Administrative Officer Stipend	-	8,000	-	8,000	8,000	-	-	-
Travel / Seminars	-	500	-	500	188	-	312	-
Comp Plan Update Consultant	-	10,000	720	10,720	7,780	-	2,940	2,440
Comp Plan Mapping	-	2,000	2,275	4,275	4,275	-	-	-
Comp Plan Advertising & Print	-	2,500	(2,275)	225	-	-	225	-
Subdivision Regs Amendment Advertising	-	1,000	-	1,000	302	-	698	198
Consulting Services - Zoning	-	10,000	(9,973)	27	-	-	27	-
Professional / Tech Svcs	-	5,000	-	5,000	965	-	4,035	3,535
Supplies and Misc	-	1,500	-	1,500	497	-	1,003	503
CPU upgrades, Maint and Equi	-	500	(260)	240	100	-	140	-
<b>Total planning board</b>	<b>-</b>	<b>41,000</b>	<b>(9,513)</b>	<b>31,487</b>	<b>22,107</b>	<b>-</b>	<b>9,380</b>	<b>6,676</b>
<b>Zoning board of review</b>								
Public stenographer	-	4,000	3,333	7,333	7,331	-	2	-
<b>Total zoning board of review</b>	<b>-</b>	<b>4,000</b>	<b>3,333</b>	<b>7,333</b>	<b>7,331</b>	<b>-</b>	<b>2</b>	<b>-</b>
<b>Town sergeant</b>								
Town sergeant stipend	-	1,500	-	1,500	1,500	-	-	-
<b>Total town sergeant</b>	<b>-</b>	<b>1,500</b>	<b>-</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial town referendum</b>								
Financial town referendum	-	12,500	-	12,500	11,835	-	665	165
<b>Total financial town referend</b>	<b>-</b>	<b>12,500</b>	<b>-</b>	<b>12,500</b>	<b>11,835</b>	<b>-</b>	<b>665</b>	<b>165</b>

*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, 2015*

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances Carried to FY 16</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances Carried to FY 15</u>	<u>Original Budget</u>	<u>Transfers</u>					
<b><i>Town administrator</i></b>								
Dept mgmt salary	-	93,000	(765)	92,235	91,504	-	731	231
Personnel svcs	-	40,677	170	40,847	40,844	-	3	-
Grant / permit applications	-	2,000	(1,900)	100	100	-	-	-
Photocopier lease	-	2,500	-	2,500	2,454	-	46	-
Automobile expenses	-	2,500	(2,296)	204	204	-	-	-
Education / Seminars	-	2,000	(2,000)	-	-	-	-	-
Town wide internet svcs	-	2,500	235	2,735	2,734	-	1	-
Employee manual maint	-	1,500	11,727	13,227	12,755	-	472	-
Website	-	3,000	-	3,000	2,409	-	591	91
League of cities & towns	-	9,375	(519)	8,856	8,856	-	-	-
Supplies and misc.	-	3,000	(2,102)	898	894	-	4	-
Computer services	-	5,000	625	5,625	5,625	-	-	-
Expense account	-	1,000	(825)	175	175	-	-	-
<b><i>Total town administrator</i></b>	<b>-</b>	<b>168,052</b>	<b>2,350</b>	<b>170,402</b>	<b>168,554</b>	<b>-</b>	<b>1,848</b>	<b>322</b>
<b><i>Planning department</i></b>								
Dept mgmt salary	-	20,000	10,753	30,753	30,689	-	64	-
Staf salaries - AFSCME	-	36,132	(3,500)	32,632	32,048	-	584	84
Longevity	-	1,807	-	1,807	1,600	-	207	-
Photocopier lease	-	1,050	300	1,350	1,280	-	70	-
Education / seminars	-	2,000	(900)	1,100	943	-	157	-
Telephone	-	800	-	800	575	-	225	-
Professional / tech svcs	-	1,000	-	1,000	980	-	20	-
Publications	-	300	-	300	273	-	27	-
Supplies and maint	-	1,250	1,000	2,250	1,553	-	697	197
Software maint	-	2,000	(400)	1,600	610	-	990	490
<b><i>Total planning department</i></b>	<b>-</b>	<b>66,339</b>	<b>7,253</b>	<b>73,592</b>	<b>70,551</b>	<b>-</b>	<b>3,041</b>	<b>771</b>
<b><i>Municipal court</i></b>								
Municipal court judge	-	12,500	-	12,500	12,500	-	-	-
Bailliff	-	500	-	500	-	-	500	-
Clerical assistant	-	10,508	-	10,508	10,274	-	234	-
Telephone	-	350	(48)	302	254	-	48	-
Supplies and misc.	-	1,200	348	1,548	1,548	-	-	-
Computer	-	1,000	(800)	200	200	-	-	-
<b><i>Total municipal court</i></b>	<b>-</b>	<b>26,058</b>	<b>(500)</b>	<b>25,558</b>	<b>24,776</b>	<b>-</b>	<b>782</b>	<b>-</b>
<b><i>Probate account</i></b>								
Probate court judge	-	8,500	-	8,500	8,500	-	-	-
Recording exps	-	1,000	316	1,316	1,316	-	-	-
Supplies and misc	-	1,000	-	1,000	1,000	-	-	-
Program software	-	300	-	300	295	-	5	-
<b><i>Total probate account</i></b>	<b>-</b>	<b>10,800</b>	<b>316</b>	<b>11,116</b>	<b>11,111</b>	<b>-</b>	<b>5</b>	<b>-</b>
<b><i>Total general government</i></b>	<b>\$ 15,000</b>	<b>\$ 1,134,113</b>	<b>\$ 1,227</b>	<b>\$ 1,150,340</b>	<b>\$ 1,098,681</b>	<b>\$ 17,589</b>	<b>\$ 34,070</b>	<b>\$ 21,844</b>

*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, 2015*

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances to FY 16</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances Carried to FY 15</u>	<u>Original Budget</u>	<u>Transfers</u>					
<b><i>Finance and administration</i></b>								
<b><i>Tax assessor's</i></b>								
Dept mgmt salary	\$ -	\$ 69,373	\$ -	\$ 69,373	\$ 69,023	\$ -	\$ 350	\$ -
Staff salaries - AFSCME	-	55,838	-	55,838	55,775	-	63	-
Longevity	-	3,350	-	3,350	3,350	-	-	-
Printing	-	2,000	620	2,620	2,620	-	-	-
GIS web hosting	-	3,000	-	3,000	3,000	-	-	-
GIS update / data layers	-	4,000	72	4,072	4,072	-	-	-
Mileage	-	1,000	-	1,000	845	-	155	-
Education / seminars	-	2,000	10	2,010	2,008	-	2	-
Telephone	-	1,300	(295)	1,005	988	-	17	-
Professional / tech svcs	-	2,500	(72)	2,428	2,371	-	57	-
Publications	-	500	(325)	175	137	-	38	-
Supplies and misc.	-	4,000	(10)	3,990	3,239	-	751	251
Software maint	-	5,500	-	5,500	5,498	-	2	-
<b>Total tax assessor's</b>	<b>-</b>	<b>154,361</b>	<b>-</b>	<b>154,361</b>	<b>152,926</b>	<b>-</b>	<b>1,435</b>	<b>251</b>
<b><i>Revaluation acct</i></b>								
Revaluation - consulting	78,000	53,000	-	131,000	64,101	66,899	-	-
<b>Total revaluation acct</b>	<b>78,000</b>	<b>53,000</b>	<b>-</b>	<b>131,000</b>	<b>64,101</b>	<b>66,899</b>	<b>-</b>	<b>-</b>
<b><i>Treasurer's office</i></b>								
Dept mgmt salary	-	65,975	261	66,236	66,236	-	-	-
Staff salaries - AFSCME	-	91,960	(4,011)	87,949	81,983	-	5,966	5,466
Longevity	-	4,614	(542)	4,072	4,073	-	(1)	-
Office equip	-	1,000	275	1,275	1,272	-	3	-
Education / seminars	-	500	(415)	85	63	-	22	-
Telephone	-	1,300	(335)	965	813	-	152	-
Computerized payroll	-	16,000	(1,750)	14,250	14,221	-	29	-
Consultant - GASB 45	-	3,750	2,150	5,900	5,900	-	-	-
Consulting services	-	2,200	60	2,260	2,260	-	-	-
Supplies and misc.	-	6,000	1,395	7,395	7,395	-	-	-
Software maint	-	5,000	(1,380)	3,620	3,617	-	3	-
<b>Total treasurer's office</b>	<b>-</b>	<b>198,299</b>	<b>(4,292)</b>	<b>194,007</b>	<b>187,833</b>	<b>-</b>	<b>6,174</b>	<b>5,466</b>
<b><i>Tax collector</i></b>								
Dept mgmt salary	-	30,541	145	30,686	30,686	-	-	-
Staff salaries - AFSCME	-	55,838	875	56,713	56,711	-	2	-
Longevity	-	3,350	-	3,350	3,350	-	-	-
Postage	-	8,500	(63)	8,437	8,405	-	32	-
Telephone	-	900	(163)	737	686	-	51	-
Consulting svcs	-	6,000	226	6,226	6,226	-	-	-
Supplies and misc.	-	8,500	453	8,953	8,541	-	412	-
Software maint	-	3,625	-	3,625	3,625	-	-	-
<b>Total tax collector</b>	<b>-</b>	<b>117,254</b>	<b>1,473</b>	<b>118,727</b>	<b>118,230</b>	<b>-</b>	<b>497</b>	<b>-</b>

*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, 2015*

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances Carried to FY 16</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances Carried to FY 15</u>	<u>Original Budget</u>	<u>Transfers</u>					
<b>Tax sale</b>								
Tax sale	-	3,000	(453)	2,547	2,547	-	-	-
<b>Total tax sale</b>	-	3,000	(453)	2,547	2,547	-	-	-
<b>Insurance</b>								
ER - health savings contributi	-	160,000	30,000	190,000	189,629	-	371	-
Group health ins. - active	-	1,090,000	(13,024)	1,076,976	1,060,718	-	16,258	15,758
Group health ins - retired	-	640,000	(30,000)	610,000	599,999	-	10,001	9,501
Dental ins - active	-	70,000	-	70,000	69,889	-	111	-
Dental ins - retired	-	30,000	-	30,000	23,575	-	6,425	5,925
Life ins - active	-	40,000	1,688	41,688	41,688	-	-	-
Town bldgs / pers prop	-	280,000	(18,778)	261,222	260,580	-	642	142
Workmens comp insurance	-	85,000	-	85,000	83,812	-	1,188	688
<b>Total insurance</b>	-	2,395,000	(30,114)	2,364,886	2,329,890	-	34,996	32,014
<b>Audit of town accounts</b>								
Audit services	-	26,000	(4,000)	22,000	22,000	-	-	-
<b>Total audit of town accounts</b>	-	26,000	(4,000)	22,000	22,000	-	-	-
<b>Pension plans</b>								
Special retirement	-	16,500	-	16,500	16,500	-	-	-
Fire pension - 1534	-	279,889	-	279,889	266,991	-	12,898	12,398
Pension plan - police	-	800,000	-	800,000	800,000	-	-	-
ERSRI - pension 1532	-	54,600	1,970	56,570	56,569	-	1	-
TIAA CREF - 1532	-	12,480	355	12,835	12,833	-	2	-
ERSRI - pension 1538	-	102,000	(1,970)	100,030	94,637	-	5,393	4,893
TIAA CREF - 1538	-	11,022	(355)	10,667	10,028	-	639	139
<b>Total pension plans</b>	-	1,276,491	-	1,276,491	1,257,558	-	18,933	17,430
<b>Social security</b>								
Social security and medicare	-	508,333	-	508,333	506,419	-	1,914	1,414
<b>Total social security</b>	-	508,333	-	508,333	506,419	-	1,914	1,414
<b>Unemployment security</b>								
Unemployment security	-	10,000	-	10,000	9,952	-	48	-
<b>Total unemployment security</b>	-	10,000	-	10,000	9,952	-	48	-
<b>Unfunded liability</b>								
Unfunded liability	-	85,000	2,100	87,100	87,087	-	13	-
<b>Total unfunded liability</b>	-	85,000	2,100	87,100	87,087	-	13	-
<b>Budget committee</b>								
Supplies and misc.	-	250	-	250	250	-	-	-
<b>Total budget committee</b>	-	250	-	250	250	-	-	-
<b>Total finance administration</b>	\$ 78,000	\$ 4,826,988	\$ (35,286)	\$ 4,869,702	\$ 4,738,793	\$ 66,899	\$ 64,010	\$ 56,575

*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, 2015*

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances Carried to FY 16</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances Carried to FY 15</u>	<u>Original Budget</u>	<u>Transfers</u>					
<b><i>Public safety</i></b>								
<b><i>Fire department</i></b>								
Dept mgmt salary	\$ -	\$ 82,865	\$ (178)	\$ 82,687	\$ 81,553	\$ -	\$ 1,134	\$ 634
Personnel svcs	-	1,504,416	(63,316)	1,441,100	1,427,801	-	13,299	12,799
Staff salaries	-	46,488	185	46,673	46,673	-	-	-
Overtime	-	280,000	60,000	340,000	339,485	-	515	15
Shift differential	-	5,580	(1,849)	3,731	2,271	-	1,460	960
Holiday pay	-	76,678	-	76,678	71,514	-	5,164	4,664
Longevity	-	71,639	(2,400)	69,239	69,210	-	29	-
Education allowance	-	3,000	-	3,000	3,000	-	-	-
EMS incentive	-	92,950	-	92,950	89,527	-	3,423	2,923
Fire marshall inspections	-	40,000	(9,000)	31,000	30,916	-	84	-
Clothing allowance	-	47,925	-	47,925	44,544	-	3,381	2,881
Recruiting process	-	3,000	-	3,000	1,495	-	1,505	1,005
Equipment svcs contract	-	34,984	(4,700)	30,284	29,907	-	377	-
Radio maintenance	-	10,500	(2,400)	8,100	7,848	-	252	-
Minor equip replacements	-	12,500	-	12,500	11,290	-	1,210	710
Hazardous equipment	-	2,000	-	2,000	1,997	-	3	-
Heat	-	22,000	13	22,013	22,013	-	-	-
Sewer fee	-	1,000	(30)	970	539	-	431	-
Electric	-	13,536	(87)	13,449	11,012	-	2,437	1,937
Water and supplies	-	1,600	105	1,705	1,685	-	20	-
Seminars for chief	-	2,000	(2,000)	-	-	-	-	-
Firefighter training	-	10,000	4,149	14,149	14,144	-	5	-
Operational technologies	-	5,100	2,400	7,500	7,118	-	382	-
Telephone	-	18,500	4,400	22,900	22,481	-	419	-
Medical physicals	-	15,000	(5,000)	10,000	4,257	-	5,743	5,243
Medical supplies	-	29,000	-	29,000	28,945	-	55	-
Personal and protective gear	-	20,000	2,400	22,400	22,304	-	96	-
Supplies and misc.	-	6,000	-	6,000	5,991	-	9	-
Software maint	-	5,500	950	6,450	6,321	-	129	-
Fuel oil and tires	-	73,030	-	73,030	60,397	-	12,633	12,133
Apparatus maintenance	-	45,000	-	45,000	41,293	-	3,707	3,207
Station maintenance	-	32,000	(950)	31,050	30,594	-	456	-
<b><i>Total fire department</i></b>	<b>-</b>	<b>2,613,791</b>	<b>(17,308)</b>	<b>2,596,483</b>	<b>2,538,125</b>	<b>-</b>	<b>58,358</b>	<b>49,111</b>

*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, 2015*

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances to FY 16</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances Carried to FY 15</u>	<u>Original Budget</u>	<u>Transfers</u>					
<b><i>Police department</i></b>								
Dept mgmt salary	-	85,530	20	85,550	85,550	-	-	-
Personnel svcs	-	1,585,763	(12,427)	1,573,336	1,558,077	-	15,259	14,759
Staff salaries - AFSCME	-	470,226	(36,882)	433,344	433,250	-	94	-
Overtime	-	190,000	-	190,000	174,717	-	15,283	14,783
Shift differential	-	16,053	(1,584)	14,469	14,470	-	(1)	-
Out of rank	-	2,664	(2,521)	143	133	-	10	-
Holiday pay	-	139,857	(24,426)	115,431	115,431	-	-	-
Longevity	-	88,648	(3,880)	84,768	84,768	-	-	-
Health and wellness	-	15,000	(1,000)	14,000	14,000	-	-	-
Education incentive	-	47,242	4,419	51,661	51,661	-	-	-
Sick leave buy back	-	30,571	(1,000)	29,571	28,221	-	1,350	850
Clothing allowance	-	50,000	16,065	66,065	66,065	-	-	-
In-service training	-	13,500	203	13,703	13,703	-	-	-
Uniform equip replacement	-	5,000	5,295	10,295	10,295	-	-	-
Animal shelter	-	28,500	(2,088)	26,412	26,412	-	-	-
Animal controls expenses	-	500	(421)	79	79	-	-	-
Tires, parts, and maintenance	-	18,500	42,478	60,978	58,457	-	2,521	2,021
Operations, ammo & photo s	-	17,000	9,152	26,152	25,691	-	461	-
Chief's misc expenses	-	1,600	51	1,651	1,651	-	-	-
Photocopier lease	-	19,000	2,478	21,478	21,478	-	-	-
State qualifications	-	2,000	-	2,000	1,975	-	25	-
Heat	-	12,500	(1,323)	11,177	11,177	-	-	-
Electric	-	15,000	2,237	17,237	17,237	-	-	-
Water and supplies	-	1,000	172	1,172	1,170	-	2	-
Prisoner meals	-	500	-	500	500	-	-	-
Education / seminars	-	45,000	(5,264)	39,736	36,267	-	3,469	2,969
Radio, communications	-	12,000	(182)	11,818	11,814	-	4	-
Telephone	-	17,000	(2,017)	14,983	14,983	-	-	-
Medical supplies	-	1,000	1,327	2,327	2,327	-	-	-
Code Red System	-	5,000	-	5,000	5,000	-	-	-
Psychological testing	-	2,500	(2,500)	-	-	-	-	-
Supplies and misc	-	12,000	150	12,150	12,150	-	-	-
Fued, oil, tires	-	85,000	(18,925)	66,075	62,262	-	3,813	3,313
Station maintenance	-	8,000	8,393	16,393	16,393	-	-	-
Resource officer - school	-	(50,400)	-	(50,400)	(50,400)	-	-	-
<b><i>Total police department</i></b>	<b>-</b>	<b>2,993,254</b>	<b>(24,000)</b>	<b>2,969,254</b>	<b>2,926,964</b>	<b>-</b>	<b>42,290</b>	<b>38,695</b>
<b><i>Harbor commission</i></b>								
Education / seminars	-	500	-	500	-	-	500	-
Supplies and misc.	-	2,400	(2,000)	400	-	-	400	-
<b><i>Total harbor commission</i></b>	<b>-</b>	<b>2,900</b>	<b>(2,000)</b>	<b>900</b>	<b>-</b>	<b>-</b>	<b>900</b>	<b>-</b>

*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, 2015*

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances to FY 16</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances Carried to FY 15</u>	<u>Original Budget</u>	<u>Transfers</u>					
<b>Harbor master</b>								
Harbormaster stipend	-	7,250	-	7,250	5,250	-	2,000	1,500
Uniforms / clothing	-	300	(205)	95	-	-	95	-
Misc operating supplies	-	12,060	205	12,265	12,265	-	-	-
Mandated Educ & Training	-	250	-	250	-	-	250	-
Radio communications	-	750	-	750	376	-	374	-
Supplies and misc	-	800	-	800	237	-	563	63
<b>Total harbor master</b>	-	<b>21,410</b>	-	<b>21,410</b>	<b>18,128</b>	-	<b>3,282</b>	<b>1,563</b>
<b>Street lighting</b>								
Lighting expense	-	155,000	30,748	185,748	185,748	-	-	-
<b>Total street lighting</b>	-	<b>155,000</b>	<b>30,748</b>	<b>185,748</b>	<b>185,748</b>	-	-	-
<b>Hydrant service</b>								
North tiverton & stone bridge	-	1,500	-	1,500	1,500	-	-	-
<b>Total hydrant service</b>	-	<b>1,500</b>	-	<b>1,500</b>	<b>1,500</b>	-	-	-
<b>Total public safety</b>	<b>\$ -</b>	<b>\$ 5,787,855</b>	<b>\$ (12,560)</b>	<b>\$ 5,775,295</b>	<b>\$ 5,670,465</b>	<b>\$ -</b>	<b>\$ 104,830</b>	<b>\$ 89,369</b>
<b>Health and human services</b>								
<b>Senior citizens service</b>								
Dept mgmt salary	\$ -	\$ 50,031	\$ 195	\$ 50,226	\$ 50,223	\$ -	\$ 3	\$ -
Staff salaries AFSCME	-	16,249	-	16,249	16,118	-	131	-
Bus service	-	15,000	(4,294)	10,706	10,409	-	297	-
Heat	-	3,200	500	3,700	3,511	-	189	-
Electric	-	4,500	(1,901)	2,599	2,314	-	285	-
Water and supplies	-	175	7	182	182	-	-	-
Repairs, Maint&Gas Vehicle	-	800	(7)	793	186	-	607	107
Telephone	-	800	-	800	549	-	251	-
Agency dues and devel.	-	975	-	975	456	-	519	19
Supplies and misc.	-	9,000	-	9,000	8,682	-	318	-
My senior center	-	3,700	-	3,700	3,700	-	-	-
Building maintenance	-	6,000	(500)	5,500	4,254	-	1,246	746
<b>Total senior citizens service</b>	-	<b>110,430</b>	<b>(6,000)</b>	<b>104,430</b>	<b>100,584</b>	-	<b>3,846</b>	<b>872</b>
<b>Economic devel. comm.</b>								
Postage	-	1,000	(1,000)	-	-	-	-	-
Brochure / pamphlet	-	3,000	(1,390)	1,610	1,609	-	1	-
Special projects / events	-	2,000	3,000	5,000	5,000	-	-	-
Website	-	1,000	(110)	890	120	-	770	270
Supplies and misc.	-	500	(500)	-	-	-	-	-
<b>Total economic devel. comm.</b>	-	<b>7,500</b>	-	<b>7,500</b>	<b>6,729</b>	-	<b>771</b>	<b>270</b>
<b>Boards and commissions</b>								
Historical cemetery comm	-	3,000	-	3,000	2,868	-	132	-
Garden club	-	500	-	500	384	-	116	-
Arts council	-	500	(125)	375	373	-	2	-
Open space commission	-	3,400	25	3,425	3,424	-	1	-
Conservation commission	-	1,000	-	1,000	516	-	484	-
Fort barton park	-	3,200	-	3,200	3,200	-	-	-
Tree commission	-	1,000	-	1,000	1,000	-	-	-
Recycling commission	-	150	(50)	100	-	-	100	-
<b>Total boards &amp; commissions</b>	-	<b>12,750</b>	<b>(150)</b>	<b>12,600</b>	<b>11,765</b>	-	<b>835</b>	-

*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, 2015*

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances Carried to FY 16</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances Carried to FY 15</u>	<u>Original Budget</u>	<u>Transfers</u>					
<b><i>Civic appropriations</i></b>								
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	-	-	-
East RI conservation district	-	500	-	500	500	-	-	-
Tiverton historical society	-	250	-	250	250	-	-	-
Wildlife rehab assoc of RI	-	200	-	200	200	-	-	-
Pocasset cemetery-vets plot	-	150	-	150	150	-	-	-
Eastern RI cooperative ext	-	1,200	(1,200)	-	-	-	-	-
Fire - community training	-	1,250	-	1,250	1,243	-	7	-
Parents as Teachers	-	500	-	500	500	-	-	-
<b><i>Total civic appropriations</i></b>	<b>-</b>	<b>18,550</b>	<b>(1,200)</b>	<b>17,350</b>	<b>17,343</b>	<b>-</b>	<b>7</b>	<b>-</b>
<b><i>Library Services</i></b>								
Personnel services	-	-	-	-	292,624	-	(292,624)	-
Payroll benefits	-	-	-	-	87,250	-	(87,250)	-
Approp - operating exp's	-	490,851	-	490,851	110,977	-	379,874	-
<b><i>Total library services</i></b>	<b>-</b>	<b>490,851</b>	<b>-</b>	<b>490,851</b>	<b>490,851</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total health &amp; human svcs</b>	<b>\$ -</b>	<b>\$ 640,081</b>	<b>\$ (7,350)</b>	<b>\$ 632,731</b>	<b>\$ 627,272</b>	<b>\$ -</b>	<b>\$ 5,459</b>	<b>\$ 1,142</b>
<b><u>Public works</u></b>								
<b><i>Town maintenance</i></b>								
Staff salaries - AFSCME	\$ -	\$ 69,992	\$ (12,925)	\$ 57,067	\$ 57,042	\$ -	\$ 25	\$ -
Maint / laborer seasonal	-	14,470	(11,075)	3,395	3,197	-	198	-
Uniform rental	-	1,200	171	1,371	1,329	-	42	-
Tool replacement	-	2,000	-	2,000	2,001	-	(1)	-
Misc operating supplies	-	-	-	-	-	-	-	-
Mileage	-	4,500	(371)	4,129	3,852	-	277	-
<b><i>Total town maintenance</i></b>	<b>-</b>	<b>92,162</b>	<b>(24,200)</b>	<b>67,962</b>	<b>67,421</b>	<b>-</b>	<b>541</b>	<b>-</b>
<b><i>Rubbish / recycling collection</i></b>								
Contracted services	-	606,000	1,500	607,500	607,424	-	76	-
<b><i>Total rubbish / recycling coll</i></b>	<b>-</b>	<b>606,000</b>	<b>1,500</b>	<b>607,500</b>	<b>607,424</b>	<b>-</b>	<b>76</b>	<b>-</b>
<b><i>Landfill</i></b>								
Personnel svcs	-	85,838	-	85,838	85,838	-	-	-
Overtime	-	500	-	500	-	-	500	-
Longevity	-	4,267	-	4,267	4,263	-	4	-
Sick leave buy back	-	4,000	878	4,878	4,862	-	16	-
Clothing allowance	-	300	-	300	300	-	-	-
Uniform rental	-	600	14	614	602	-	12	-
Landfill equip rent / cover	-	40,000	(290)	39,710	39,710	-	-	-
Stormwater mgmt	-	25,000	(6,780)	18,220	13,378	-	4,842	4,342
Electric	-	250	234	484	445	-	39	-
Engineering testing permits	-	55,000	5,257	60,257	60,257	-	-	-
Fuel, oil, and tires	-	15,000	(3,189)	11,811	11,810	-	1	-
Bulldozer repairs	-	15,000	113	15,113	15,113	-	-	-
On-site wastewater mgmt	-	20,000	1,523	21,523	21,523	-	-	-
<b><i>Total landfill</i></b>	<b>-</b>	<b>265,755</b>	<b>(2,240)</b>	<b>263,515</b>	<b>258,101</b>	<b>-</b>	<b>5,414</b>	<b>4,342</b>

*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, 2015*

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances to FY 16</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances Carried to FY 15</u>	<u>Original Budget</u>	<u>Transfers</u>					
<b>Public works operations</b>								
Dept mgmt salary	-	85,722	-	85,722	85,184	-	538	38
Personnel services	-	384,000	(31,158)	352,842	349,127	-	3,715	3,215
Staff salaries - AFSCME	-	36,272	-	36,272	36,271	-	1	-
Overtime	-	50,000	23,516	73,516	73,325	-	191	-
Longevity	-	19,045	-	19,045	19,025	-	20	-
Sick leave buy back	-	15,000	(670)	14,330	11,997	-	2,333	1,833
Clothing allowance	-	1,350	(150)	1,200	1,200	-	-	-
Uniform rental	-	3,150	126	3,276	2,854	422	-	-
Backhoe rental	-	-	30,000	30,000	27,000	3,000	-	-
Snow removal	-	60,500	40,834	101,334	101,332	2	-	-
Tree removal	-	5,000	(200)	4,800	4,800	-	-	-
Minor equip replacements	-	75,000	13,628	88,628	88,621	7	-	-
Shop tools	-	1,000	-	1,000	1,000	-	-	-
Sand, salt, gravel, and pipe	-	90,000	70,786	160,786	160,786	-	-	-
Paving account	16,254	225,000	(21,200)	220,054	213,749	6,305	-	-
Drainage account	-	50,000	(18,955)	31,045	31,045	-	-	-
Line Painting	-	5,000	(5,000)	-	-	-	-	-
Guard rails	-	5,000	1,900	6,900	6,900	-	-	-
Community center expenses	-	8,000	(7,930)	70	70	-	-	-
Heat	-	15,000	662	15,662	15,662	-	-	-
Electric	-	5,500	2,000	7,500	6,752	748	-	-
Water / sewer	-	1,000	228	1,228	904	324	-	-
Radio communications	-	6,500	(662)	5,838	5,840	(2)	-	-
Telephone	-	1,300	(457)	843	811	32	-	-
High way signs	-	5,000	329	5,329	5,299	30	-	-
Supplies and misc.	-	15,000	(826)	14,174	13,854	320	-	-
Fuel, oil, and tires	-	60,000	(8,500)	51,500	45,428	6,072	-	-
<b>Total public works operation.</b>	<b>16,254</b>	<b>1,228,339</b>	<b>88,301</b>	<b>1,332,894</b>	<b>1,308,836</b>	<b>17,260</b>	<b>6,798</b>	<b>5,086</b>
<b>Total public works</b>	<b>\$ 16,254</b>	<b>\$ 2,192,256</b>	<b>\$ 63,361</b>	<b>\$ 2,271,871</b>	<b>\$ 2,241,782</b>	<b>\$ 17,260</b>	<b>\$ 12,829</b>	<b>\$ 9,428</b>
<b>Parks and recreation</b>								
<b>Town beaches</b>								
Seasonal employees	\$ -	\$ 33,500	\$ (11,064)	\$ 22,436	\$ 19,556	\$ -	\$ 2,880	\$ 2,380
Misc operating supplies	-	6,400	-	6,400	5,594	-	806	306
<b>Total town beaches</b>	<b>-</b>	<b>39,900</b>	<b>(11,064)</b>	<b>28,836</b>	<b>25,150</b>	<b>-</b>	<b>3,686</b>	<b>2,686</b>
<b>Red cross swim program</b>								
Seasonal employees	-	2,100	(1,960)	140	-	-	140	-
Misc operating supplies	-	325	(53)	272	-	-	272	-
<b>Total red cross swim program</b>	<b>-</b>	<b>2,425</b>	<b>(2,013)</b>	<b>412</b>	<b>-</b>	<b>-</b>	<b>412</b>	<b>-</b>
<b>Recreation commission</b>								
Recreation director	-	8,550	-	8,550	8,550	-	-	-
Seasonal employees	-	18,000	(1,615)	16,385	16,385	-	-	-
Transportation, fees and equi	-	7,500	(3,941)	3,559	3,559	-	-	-
Winter recreation	-	900	166	1,066	1,051	-	15	-
Supplies and misc	-	1,500	150	1,650	1,553	-	97	-
<b>Total recreation commission</b>	<b>-</b>	<b>36,450</b>	<b>(5,240)</b>	<b>31,210</b>	<b>31,098</b>	<b>-</b>	<b>112</b>	<b>-</b>

*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, 2015*

	<u>Original Budget</u>			<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances Carried to FY 16</u>	<u>Variance Favorable (Unfavorable)</u>	<u>T/C Resolution to Paving</u>
	<u>Encumbrances Carried to FY 15</u>	<u>Original Budget</u>	<u>Transfers</u>					
<b>Maint, supplies, and mowing</b>								
Mowing services	-	25,963	2,265	28,228	28,228	-	-	-
Field rehabilitation	-	6,500	5,030	11,530	11,530	-	-	-
Preventive maintenance	-	5,000	1,630	6,630	6,629	-	1	-
Preventive maintenance	-	3,500	-	3,500	1,284	-	2,216	1,716
<b>Total maint, supplies, and mo</b>	<b>-</b>	<b>40,963</b>	<b>8,925</b>	<b>49,888</b>	<b>47,671</b>	<b>-</b>	<b>2,217</b>	<b>1,716</b>
<b>Total parks and recreation</b>	<b>\$ -</b>	<b>\$ 119,738</b>	<b>\$ (9,392)</b>	<b>\$ 110,346</b>	<b>\$ 103,919</b>	<b>\$ -</b>	<b>\$ 6,427</b>	<b>\$ 4,402</b>
<b>Capital outlay</b>								
<b>School department</b>								
School - capital expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total school department</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-recurring exps</b>								
DPW - 1.5 ton truck	-	9,910	-	9,910	9,910	-	-	-
DPW - utility truck	-	45,000	-	45,000	44,990	-	10	-
DPW - maintenance vehicle	-	12,500	-	12,500	7,067	-	5,433	-
DPW - 6 wheel with plow an	-	43,182	-	43,182	40,163	-	3,019	-
DPW - 6 wheel with plow an	-	43,182	-	43,182	41,233	-	1,949	-
FD - engine 1	-	56,382	-	56,382	56,381	-	1	-
FD - rescue 2	-	49,034	-	49,034	49,034	-	-	-
FD - pumper	-	61,219	-	61,219	61,219	-	-	-
PD - patrol cars	-	60,000	-	60,000	60,000	-	-	-
FD - airpaks and air bottles	-	25,000	-	25,000	25,000	-	-	-
Town farm lower soccer field	-	12,000	-	12,000	11,820	-	180	-
Planning & Code Enforceme	-	8,000	-	8,000	-	-	8,000	-
<b>Total non-recurring exps</b>	<b>-</b>	<b>425,409</b>	<b>-</b>	<b>425,409</b>	<b>406,817</b>	<b>-</b>	<b>18,592</b>	<b>-</b>
<b>Total capital outlay</b>	<b>\$ -</b>	<b>\$ 425,409</b>	<b>\$ -</b>	<b>\$ 425,409</b>	<b>\$ 406,817</b>	<b>\$ -</b>	<b>\$ 18,592</b>	<b>\$ -</b>
<b>Debt service</b>								
Principal	\$ -	\$ 1,980,000	\$ -	\$ 1,980,000	\$ 1,980,000	\$ -	\$ -	\$ -
Interest	-	1,510,772	-	1,510,772	1,510,771	-	1	-
<b>Total debt service</b>	<b>\$ -</b>	<b>\$ 3,490,772</b>	<b>\$ -</b>	<b>\$ 3,490,772</b>	<b>\$ 3,490,771</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ -</b>
<b>Total expenditures</b>	<b>\$ 109,254</b>	<b>\$ 18,617,212</b>	<b>\$ -</b>	<b>\$ 18,726,466</b>	<b>\$ 18,378,500</b>	<b>\$ 101,748</b>	<b>\$ 246,218</b>	<b>\$ 182,760</b>
<b>Other financing uses</b>								
Transfers to school	-	23,449,088	-	23,449,088	23,474,775	-	(25,687)	-
<b>Total expenditures &amp; other</b>	<b>\$ 109,254</b>	<b>\$ 42,066,300</b>	<b>\$ -</b>	<b>\$ 42,175,554</b>	<b>\$ 41,853,275</b>	<b>\$ 101,748</b>	<b>\$ 220,531</b>	<b>\$ 182,760</b>

*See independent auditor's report*

**TOWN OF TIVERTON, RHODE ISLAND**

Supplementary Information

Non Major Governmental Funds - Combining Balance Sheet

*June 30, 2015*

	<b>Town Special Revenue</b>	<b>School Special Revenue</b>	<b>Capital Projects</b>	<b>Debt Service Fund</b>	<b>Total Non-Major Governmental Funds</b>
<b>Assets</b>					
Cash and investments	\$ 381,672	\$ 96,556	\$ 6,737,925	\$ 531,114	\$ 7,747,267
Due from other governments	488,946	31,124	-	-	520,070
Due from other funds	704,945	-	2,830	-	707,775
Total assets	<u>1,575,563</u>	<u>127,680</u>	<u>6,740,755</u>	<u>531,114</u>	<u>8,975,112</u>
<b>Deferred outflows of resources</b>					
None	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 1,575,563</u>	<u>\$ 127,680</u>	<u>\$ 6,740,755</u>	<u>\$ 531,114</u>	<u>\$ 8,975,112</u>
<b>Liabilities</b>					
Due to other funds	\$ 4,748	\$ 4,608	\$ 209,638	\$ -	\$ 218,994
Total liabilities	4,748	4,608	209,638	-	218,994
<b>Deferred inflows of resources</b>					
Unearned revenue	488,824	-	-	-	488,824
Total deferred inflows of resources	<u>488,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>488,824</u>
<b>Fund balance</b>					
Restricted	459,483	123,072	-	-	582,555
Committed	622,757	-	6,715,390	531,114	7,869,261
Unassigned	(249)	-	(184,273)	-	(184,522)
Total fund balance	<u>1,081,991</u>	<u>123,072</u>	<u>6,531,117</u>	<u>531,114</u>	<u>8,267,294</u>
Town liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,575,563</u>	<u>\$ 127,680</u>	<u>\$ 6,740,755</u>	<u>\$ 531,114</u>	<u>\$ 8,975,112</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, 2015*

	<u>Town Special Revenue</u>	<u>School Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues</b>					
Federal and state grant income	\$ 198,977	\$ 755,466	\$ -	\$ -	\$ 954,443
Other revenue	172,601	167,694	490,217	-	830,512
Investment income	1,458	-	69,431	79	70,968
Total revenue	<u>373,036</u>	<u>923,160</u>	<u>559,648</u>	<u>79</u>	<u>1,855,923</u>
<b>Expenditures</b>					
General government	44,455	-	-	-	44,455
Public safety	83,471	-	-	-	83,471
Public works	222,752	-	87,399	-	310,151
Education	-	827,954	-	-	827,954
Health and human services	101,238	-	-	-	101,238
Parks and recreation	13,264	-	5,591,594	-	5,604,858
Total Expenditures	<u>465,180</u>	<u>827,954</u>	<u>5,678,993</u>	<u>-</u>	<u>6,972,127</u>
Excess (deficiency) of revenues over expenditures	(92,144)	95,206	(5,119,345)	79	(5,116,204)
<b>Other financing sources (uses)</b>					
Proceeds from issuance of long term debt			7,043,268	-	7,043,268
Transfers in	54,986	-	-	-	54,986
Transfers out	-	-	(54,986)	-	(54,986)
Total other financing sources (uses)	<u>54,986</u>	<u>-</u>	<u>6,988,282</u>	<u>-</u>	<u>7,043,268</u>
<b>Excess of revenue and other sources over expenditures and other uses</b>					
	(37,158)	95,206	1,868,937	79	1,927,064
Fund balance, July 1, 2014	<u>1,119,149</u>	<u>27,866</u>	<u>4,662,180</u>	<u>531,035</u>	<u>6,340,230</u>
Fund balance, June 30, 2015	<u>\$ 1,081,991</u>	<u>\$ 123,072</u>	<u>\$ 6,531,117</u>	<u>\$ 531,114</u>	<u>\$ 8,267,294</u>

*See independent auditor's report*

**TOWN OF TIVERTON, RHODE ISLAND**

Supplementary Information

Special Revenue Funds - Town - Combining Balance Sheet

June 30, 2015

	<b>Fire Detection Fund</b>	<b>Meds Grant</b>	<b>Substance Abuse</b>	<b>PD Crime Prevention</b>	<b>Drug Forfeiture</b>
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investment	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	5,294	25,944	24,100	2,372	40,389
Total assets	5,294	25,944	24,100	2,372	40,389
<b>Deferred Outflows of Resources</b>					
None	-	-	-	-	-
Total outflows of resources and assets	\$ 5,294	\$ 25,944	\$ 24,100	\$ 2,372	\$ 40,389
<b>Liabilities</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-
<b>Deferred Inflows of Resources</b>					
Unearned Revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
<b>Fund Balances</b>					
Restricted	-	-	24,100	2,372	40,389
Committed	5,294	25,944	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficits)	5,294	25,944	24,100	2,372	40,389
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 5,294	\$ 25,944	\$ 24,100	\$ 2,372	\$ 40,389

*See independent auditor's report*

**TOWN OF TIVERTON, RHODE ISLAND**

Supplementary Information

Special Revenue Funds - Town - Combining Balance Sheet

*June 30, 2015*

	<b>Byrne Stimulus</b>	<b>Police Dept Equipment</b>	<b>CDBG</b>	<b>Planning Challenge</b>	<b>Senior Center</b>
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investment	-	-	-	-	-
Due from other governments	-	-	488,823	-	-
Due from other funds	<u>8,820</u>	-	<u>4,240</u>	<u>6,500</u>	<u>5,762</u>
Total assets	<u>8,820</u>	-	<u>493,063</u>	<u>6,500</u>	<u>5,762</u>
<b>Deferred Outflows of Resources</b>					
None	-	-	-	-	-
Total outflows of resources and assets	<u>\$ 8,820</u>	<u>\$ -</u>	<u>\$ 493,063</u>	<u>\$ 6,500</u>	<u>\$ 5,762</u>
<b>Liabilities</b>					
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	-	-	-	-	-
<b>Deferred Inflows of Resources</b>					
Unearned Revenue	-	-	<u>488,824</u>	-	-
Total deferred inflows of resources	-	-	<u>488,824</u>	-	-
<b>Fund Balances</b>					
Restricted	8,820	-	4,239	-	-
Committed	-	-	-	6,500	5,762
Unassigned	-	-	-	-	-
Total fund balances (deficits)	<u>8,820</u>	-	<u>4,239</u>	<u>6,500</u>	<u>5,762</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 8,820</u>	<u>\$ -</u>	<u>\$ 493,063</u>	<u>\$ 6,500</u>	<u>\$ 5,762</u>

*See independent auditor's report*

**TOWN OF TIVERTON, RHODE ISLAND**

Supplementary Information

Special Revenue Funds - Town - Combining Balance Sheet

*June 30, 2015*

	<b>Senior Center Waite Account</b>	<b>Senior Center Roof Repair</b>	<b>North Tiverton Contamination Award</b>	<b>Bulgarmarsh Park</b>	<b>Recycling</b>
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 23,332	\$ -	\$ -
Investment	-	-	358,340	-	-
Due from other governments	-	-	-	-	-
Due from other funds	<u>2,182</u>	<u>2,390</u>	<u>-</u>	<u>65</u>	<u>45,786</u>
Total assets	<u>2,182</u>	<u>2,390</u>	<u>381,672</u>	<u>65</u>	<u>45,786</u>
<b>Deferred Outflows of Resources</b>					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total outflows of resources and assets	<u>\$ 2,182</u>	<u>\$ 2,390</u>	<u>\$ 381,672</u>	<u>\$ 65</u>	<u>\$ 45,786</u>
<b>Liabilities</b>					
Due to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,499</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>4,499</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
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>
<b>Fund Balances</b>					
Restricted	-	2,390	377,173	-	-
Committed	2,182	-	-	65	45,786
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>2,182</u>	<u>2,390</u>	<u>377,173</u>	<u>65</u>	<u>45,786</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 2,182</u>	<u>\$ 2,390</u>	<u>\$ 381,672</u>	<u>\$ 65</u>	<u>\$ 45,786</u>

*See independent auditor's report*

**TOWN OF TIVERTON, RHODE ISLAND**

Supplementary Information

Special Revenue Funds - Town - Combining Balance Sheet

*June 30, 2015*

	<u>Historical Records</u>	<u>Land Evidence</u>	<u>Open Space Acquisition</u>	<u>Vicious Dog</u>	<u>Open Space Stewardship</u>
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investment	-	-	-	-	-
Due from other governments	-	-	-	-	-
Due from other funds	<u>11,181</u>	<u>61,850</u>	<u>395,361</u>	<u>49,436</u>	<u>7,817</u>
Total assets	<u>11,181</u>	<u>61,850</u>	<u>395,361</u>	<u>49,436</u>	<u>7,817</u>
<b>Deferred Outflows of Resources</b>					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total outflows of resources and assets	<u>\$ 11,181</u>	<u>\$ 61,850</u>	<u>\$ 395,361</u>	<u>\$ 49,436</u>	<u>\$ 7,817</u>
<b>Liabilities</b>					
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>
<b>Deferred Inflows of Resources</b>					
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>
<b>Fund Balances</b>					
Restricted	-	-	-	-	-
Committed	11,181	61,850	395,361	49,436	7,817
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>11,181</u>	<u>61,850</u>	<u>395,361</u>	<u>49,436</u>	<u>7,817</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 11,181</u>	<u>\$ 61,850</u>	<u>\$ 395,361</u>	<u>\$ 49,436</u>	<u>\$ 7,817</u>

*See independent auditor's report*

**TOWN OF TIVERTON, RHODE ISLAND**

Supplementary Information

Special Revenue Funds - Town - Combining Balance Sheet

*June 30, 2015*

	<b>Pocassetlands Stewardship</b>	<b>Wastewater Management</b>	<b>Tree at Lawton Ave</b>	<b>Library Memorial Gift</b>	<b>Total</b>
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 23,332
Investments	-	-	-	-	358,340
Due from other governments	-	-	123	-	488,946
Due from other funds	<u>2,956</u>	-	-	<u>2,500</u>	<u>704,945</u>
Total assets	<u>2,956</u>	-	<u>123</u>	<u>2,500</u>	<u>1,575,563</u>
<b>Deferred Outflows of Resources</b>					
None	-	-	-	-	-
Total outflows of resources and assets	<u>\$ 2,956</u>	<u>\$ -</u>	<u>\$ 123</u>	<u>\$ 2,500</u>	<u>\$ 1,575,563</u>
<b>Liabilities</b>					
Due to other funds	<u>\$ -</u>	<u>\$ 249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,748</u>
Total liabilities	-	<u>249</u>	-	-	<u>4,748</u>
<b>Deferred Inflows of Resources</b>					
Unearned Revenue	-	-	-	-	<u>488,824</u>
Total deferred inflows of resources	-	-	-	-	<u>488,824</u>
<b>Fund Balances</b>					
Restricted	-	-	-	-	459,483
Committed	2,956	-	123	2,500	622,757
Unassigned	-	(249)	-	-	<u>(249)</u>
Total fund balances (deficits)	<u>2,956</u>	<u>(249)</u>	<u>123</u>	<u>2,500</u>	<u>1,081,991</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 2,956</u>	<u>\$ -</u>	<u>\$ 123</u>	<u>\$ 2,500</u>	<u>\$ 1,575,563</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, 2015*

	<u>Fire Detection Fund</u>	<u>Meds Grant</u>	<u>Substance Abuse</u>	<u>PD Crime Prevention</u>	<u>Drug Forfeiture</u>
<b>Revenues</b>					
Intergovernmental revenue	\$ -	\$ -	\$ 70,839	\$ 1,500	\$ -
Charges for service	-	-	-	-	-
Investment income	-	-	-	-	-
Other revenue	<u>10,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,968</u>
Total revenues	<u>10,160</u>	<u>-</u>	<u>70,839</u>	<u>1,500</u>	<u>4,968</u>
<b>Expenditures</b>					
General	18,116	-	-	-	-
Public safety	-	-	76,243	3,484	3,744
Public works	-	-	-	-	-
Health and human Services	-	-	-	-	-
Parks and recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>18,116</u>	<u>-</u>	<u>76,243</u>	<u>3,484</u>	<u>3,744</u>
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	(7,956)	-	(5,404)	(1,984)	1,224
<b>Other financing sources (uses)</b>					
Transfers (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>	(7,956)	-	(5,404)	(1,984)	1,224
Fund Balance, July 1, 2014	<u>13,250</u>	<u>25,944</u>	<u>29,504</u>	<u>4,356</u>	<u>39,165</u>
Fund Balance, June 30, 2015	<u>\$ 5,294</u>	<u>\$ 25,944</u>	<u>\$ 24,100</u>	<u>\$ 2,372</u>	<u>\$ 40,389</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, 2015*

	<u>Byrne Stimulus</u>	<u>Police Dept Equipment</u>	<u>CDBG</u>	<u>Planning Challenge</u>	<u>Senior Center</u>
<b>Revenues</b>					
Intergovernmental revenue	\$ 8,820	\$ -	\$ 78,917	\$ -	\$ 9,935
Charges for service	-	-	-	-	-
Investment income	-	-	-	-	-
Other revenue	-	7,619	-	17,062	-
Total revenues	<u>8,820</u>	<u>7,619</u>	<u>78,917</u>	<u>17,062</u>	<u>9,935</u>
<b>Expenditures</b>					
General	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and human Services	-	-	90,126	-	10,087
Parks and recreation	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>90,126</u>	<u>-</u>	<u>10,087</u>
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	8,820	7,619	(11,209)	17,062	(152)
<b>Other financing sources (uses)</b>					
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>	8,820	7,619	(11,209)	17,062	(152)
Fund Balance, July 1, 2014	<u>-</u>	<u>(7,619)</u>	<u>15,448</u>	<u>(10,562)</u>	<u>5,914</u>
Fund Balance, June 30, 2015	<u>\$ 8,820</u>	<u>\$ -</u>	<u>\$ 4,239</u>	<u>\$ 6,500</u>	<u>\$ 5,762</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, 2015*

	<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>
<b>Revenues</b>					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 28,966
Charges for service	-	-	-	-	-
Investment income	-	-	1,458	-	-
Other revenue	-	-	-	157	-
Total revenues	<u>-</u>	<u>-</u>	<u>1,458</u>	<u>157</u>	<u>28,966</u>
<b>Expenditures</b>					
General	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	30,450
Health and human Services	294	-	731	-	-
Parks and recreation	-	-	-	-	-
Total expenditures	<u>294</u>	<u>-</u>	<u>731</u>	<u>-</u>	<u>30,450</u>
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	(294)	-	727	157	(1,484)
<b>Other financing sources (uses)</b>					
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>	(294)	-	727	157	(1,484)
Fund Balance, July 1, 2014	<u>2,476</u>	<u>2,390</u>	<u>376,446</u>	<u>(92)</u>	<u>47,270</u>
Fund Balance, June 30, 2015	<u>\$ 2,182</u>	<u>\$ 2,390</u>	<u>\$ 377,173</u>	<u>\$ 65</u>	<u>\$ 45,786</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, 2015*

	<u>Historical Records</u>	<u>Land Evidence</u>	<u>Open Space Acquisition</u>	<u>Vicious Dog</u>	<u>Open Space Stewardship</u>
<b>Revenues</b>					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	3,317	15,190	95,521	-	-
Investment income	-	-	-	-	-
Other revenue	-	-	-	-	116
Total revenues	<u>3,317</u>	<u>15,190</u>	<u>95,521</u>	<u>-</u>	<u>116</u>
<b>Expenditures</b>					
General	-	26,339	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and human Services	-	-	-	-	-
Parks and recreation	-	-	10,200	-	1,939
Total expenditures	<u>-</u>	<u>26,339</u>	<u>10,200</u>	<u>-</u>	<u>1,939</u>
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	3,317	(11,149)	85,321	-	(1,823)
<b>Other financing sources (uses)</b>					
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>54,986</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>	3,317	(11,149)	140,307	-	(1,823)
Fund Balance, July 1, 2014	<u>7,864</u>	<u>72,999</u>	<u>255,054</u>	<u>49,436</u>	<u>9,640</u>
Fund Balance, June 30, 2015	<u>\$ 11,181</u>	<u>\$ 61,850</u>	<u>\$ 395,361</u>	<u>\$ 49,436</u>	<u>\$ 7,817</u>

*See independent auditor's report*

**TOWN OF TIVERTON, RHODE ISLAND**

Supplementary Information

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

*For the Year Ended June 30, 2015*

	<u>Pocassetlands Stewardship</u>	<u>Wastewater Management</u>	<u>Tree at Lawton Ave</u>	<u>Library Memorial Gift</u>	<u>Total</u>
<b>Revenues</b>					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 198,977
Charges for service	-	16,927	-	-	130,955
Investment income	-	-	-	-	1,458
Other revenue	<u>1,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,646</u>
Total revenues	<u>1,564</u>	<u>16,927</u>	<u>-</u>	<u>-</u>	<u>373,036</u>
<b>Expenditures</b>					
General	-	-	-	-	44,455
Public safety	-	-	-	-	83,471
Public works	-	192,302	-	-	222,752
Health and human Services	-	-	-	-	101,238
Parks and recreation	<u>1,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,264</u>
Total expenditures	<u>1,125</u>	<u>192,302</u>	<u>-</u>	<u>-</u>	<u>465,180</u>
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	439	(175,375)	-	-	(92,144)
<b>Other financing sources (uses)</b>					
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,986</u>
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>	439	(175,375)	-	-	(37,158)
Fund Balance, July 1, 2014	<u>2,517</u>	<u>175,126</u>	<u>123</u>	<u>2,500</u>	<u>1,119,149</u>
Fund Balance, June 30, 2015	<u>\$ 2,956</u>	<u>\$ (249)</u>	<u>\$ 123</u>	<u>\$ 2,500</u>	<u>\$ 1,081,991</u>

*See independent auditor's report*

**TOWN OF TIVERTON, RHODE ISLAND**  
 Supplementary Information  
 Special Revenue Funds - School - Combining Balance Sheet  
 June 30, 2015

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

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**TOWN OF TIVERTON, RHODE ISLAND**  
 Supplementary Information  
 Special Revenue Funds - School - Combining Balance Sheet  
 June 30, 2015

	<b>RTTT Standards &amp; Curriculum</b>	<b>RTTT ISS Set Aside</b>	<b>RTTT Edu Effective Set Aside</b>	<b>RTTT HCD Set Aside</b>	<b>ARRA RTTT</b>
<b>Assets</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ (28,385)
Due from state or federal government	-	-	-	-	28,385
Total assets	-	-	-	-	-
<b>Deferred Outflows of Resources</b>					
None	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>					
Due to school unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-
<b>Deferred inflows of resources</b>					
Unearned revenue	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-
Fund balances, restricted	-	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**TOWN OF TIVERTON, RHODE ISLAND**  
 Supplementary Information  
 Special Revenue Funds - School - Combining Balance Sheet  
 June 30, 2015

	<b>RTTT Teacher Resource</b>	<b>Math and Science</b>	<b>Ride Common Core</b>	<b>Substance Abuse</b>	<b>RIDE Wireless Classroom</b>	<b>SAMHSA Substance Abuse</b>
<b>Assets</b>						
Cash	\$ (2,739)	\$ -	\$ 4,608	\$ -	\$ -	\$ -
Due from state or federal government	<u>2,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>-</u>	<u>-</u>	<u>4,608</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-	-	-
<b>Deferred Outflows of Resources</b>						
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>\$ 4,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities</b>						
Due to school unrestricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>4,608</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>						
Unearned revenue	<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>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**TOWN OF TIVERTON, RHODE ISLAND**  
 Supplementary Information  
 Special Revenue Funds - School - Combining Balance Sheet  
 June 30, 2015

	<u>PLTW</u>	<u>Parents as Teachers</u>	<u>RI Full Day Kindergarten</u>	<u>Marijuana Grant</u>	<u>Champlin Small Lab</u>	<u>Other School Grants</u>	<u>Total</u>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ 41,370	\$ -	\$ -	\$ 79,271	\$ 96,556
Due from state or federal government	-	-	-	-	-	-	31,124
Total assets	-	-	41,370	-	-	79,271	127,680
	-	-	-	-	-	-	-
<b>Deferred Outflows of Resources</b>							
None	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,271</u>	<u>\$ 127,680</u>
<b>Liabilities</b>							
Due to school unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,608
Total liabilities	-	-	-	-	-	-	4,608
<b>Deferred inflows of resources</b>							
Unearned revenue	-	-	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-	-	-
Fund balances, restricted	-	-	41,370	-	-	79,271	123,072
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,271</u>	<u>\$ 127,680</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, 2015*

	<b>SPED IDEA Part B</b>	<b>SPED IDEA Preschool</b>	<b>Title I Part A Disadvantaged Youth</b>	<b>Title II Part A Teacher Quality</b>	<b>Perkins Vocational Edu</b>
<b>Revenues</b>					
Federal and state grant income	\$ 77,248	\$ 12,441	\$ 193,118	\$ 86,509	\$ 23,013
Other grant income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	77,248	12,441	193,118	86,509	23,013
<b>Expenditures</b>					
Education	<u>77,248</u>	<u>12,441</u>	<u>193,118</u>	<u>86,509</u>	<u>23,013</u>
Excess (deficiency) of revenue over expenditures	-	-	-	-	-
<b>Other financing sources (uses)</b>					
Transfers from (to) other funds	<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, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>834</u>	<u>1,597</u>
Fund Balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 834</u></u>	<u><u>\$ 1,597</u></u>

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**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, 2015*

	<b>RTTT Standards &amp; Curriculum</b>	<b>RTTT ISS Set Aside</b>	<b>RTTT Edu Effective Set Aside</b>	<b>RTTT HCD Set Aside</b>	<b>ARRA RTTT</b>
<b>Revenues</b>					
Federal and state grant income	\$ 1,598	\$ 437	\$ 1,977	\$ 5,845	\$ 28,385
Other grant income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	1,598	437	1,977	5,845	28,385
<b>Expenditures</b>					
Education	<u>1,598</u>	<u>437</u>	<u>1,977</u>	<u>5,845</u>	<u>28,385</u>
Excess (deficiency) of revenue over expenditures	-	-	-	-	-
<b>Other financing sources (uses)</b>					
Transfers from (to) other funds	<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, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2015	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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**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, 2015*

	<b>RTTT HCD Set Aside</b>	<b>Math and Science</b>	<b>Ride Common Core</b>	<b>Substance Abuse</b>	<b>RIDE Wireless Classroom</b>	<b>SAMHSA Substance Abuse</b>
<b>Revenues</b>						
Federal and state grant income	\$ 2,739	\$ 34,403	\$ 10,825	\$ 9,500	\$ 98,400	\$ 121,239
Other grant income	-	-	-	-	-	-
Total revenues	2,739	34,403	10,825	9,500	98,400	121,239
<b>Expenditures</b>						
Education	2,739	34,403	10,825	9,500	98,400	121,239
Excess (deficiency) of revenue over expenditures	-	-	-	-	-	-
<b>Other financing sources (uses)</b>						
Transfers from (to) other funds	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other use:	-	-	-	-	-	-
Fund Balance, July 1, 2014	-	-	-	-	-	-
Fund Balance, June 30, 2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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**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, 2015*

	<u>PLTW</u>	<u>Parents as Teachers</u>	<u>RI Full Day Kindergarten</u>	<u>Marijuana Grant</u>	<u>Champlin Small Lab</u>	<u>Other School Grants</u>	<u>Total</u>
<b>Revenues</b>							
Federal and state grant income	\$ -	\$ 2,419	\$ 41,370	\$ 4,000	\$ -	\$ -	\$ 755,466
Other grant income	<u>13,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,000</u>	<u>55,123</u>	<u>167,694</u>
Total revenues	13,571	2,419	41,370	4,000	99,000	55,123	923,160
<b>Expenditures</b>							
Education	<u>13,571</u>	<u>2,419</u>	<u>-</u>	<u>5,287</u>	<u>99,000</u>	<u>-</u>	<u>827,954</u>
Excess (deficiency) of revenue over expenditures	-	-	41,370	(1,287)	-	55,123	95,206
<b>Other financing sources (uses)</b>							
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other	-	-	41,370	(1,287)	-	55,123	95,206
Fund Balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,287</u>	<u>-</u>	<u>24,148</u>	<u>27,866</u>
Fund Balance, June 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,271</u>	<u>\$ 123,072</u>

*See independent auditor's report*

**TOWN OF TIVERTON, RHODE ISLAND**

Supplementary Information

Capital Project Funds - Combining Balance Sheet

*June 30, 2015*

	<b>Landfill Closure</b>	<b>Old Stone Bridge</b>	<b>TIF Bond</b>	<b>Library Const. Bond</b>	<b>Sea Side Gas Station</b>	<b>Total</b>
<b>Assets</b>						
Cash & Cash Equivalents	\$ 116,712	\$ -	\$ 405,273	\$ 30,475	\$ -	\$ 552,460
Investments	6,185,465	-	-	-	-	6,185,465
Due from other funds	-	-	-	-	2,830	2,830
Total assets	<u>6,302,177</u>	<u>-</u>	<u>405,273</u>	<u>30,475</u>	<u>2,830</u>	<u>6,740,755</u>
	-	-	-	-	-	-
<b>Deferred outflows of resources</b>						
None	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 6,302,177</u>	<u>\$ -</u>	<u>\$ 405,273</u>	<u>\$ 30,475</u>	<u>\$ 2,830</u>	<u>\$ 6,740,755</u>
<b>Liabilities</b>						
Accounts Payable and Accrued Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retainage Payable	-	-	-	-	-	-
BAN Payable	-	-	-	-	-	-
Due to Other funds	100	184,273	25,265	-	-	209,638
Total liabilities	<u>100</u>	<u>184,273</u>	<u>25,265</u>	<u>-</u>	<u>-</u>	<u>209,638</u>
<b>Deferred inflows of resources</b>						
None	-	-	-	-	-	-
<b>Fund Balances</b>						
Committed	6,302,077	-	380,008	30,475	2,830	6,715,390
Unassigned	-	(184,273)	-	-	-	(184,273)
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,302,177</u>	<u>\$ -</u>	<u>\$ 405,273</u>	<u>\$ 30,475</u>	<u>\$ 2,830</u>	<u>\$ 6,740,755</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, 2015*

	<u>Landfill Closure</u>	<u>Old Stone Bridge</u>	<u>TIF Bond</u>	<u>Library Const. Bond</u>	<u>Sea Side Gas Station</u>	<u>Total</u>
<b>Revenues</b>						
Federal and state grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	62,359	-	100	6,972	-	69,431
Other	<u>484,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,630</u>	<u>490,217</u>
Total revenues	<u>546,946</u>	<u>-</u>	<u>100</u>	<u>6,972</u>	<u>5,630</u>	<u>559,648</u>
<b>Expenditures</b>						
Parks and recreation	-	-	-	5,591,594	-	5,591,594
Public works	<u>70,145</u>	<u>13,704</u>	<u>750</u>	<u>-</u>	<u>2,800</u>	<u>87,399</u>
Total expenditures	<u>70,145</u>	<u>13,704</u>	<u>750</u>	<u>5,591,594</u>	<u>2,800</u>	<u>5,678,993</u>
Excess (deficiency) of revenue over expenditures	476,801	(13,704)	(650)	(5,584,622)	2,830	(5,119,345)
<b>Other financing sources (uses)</b>						
Proceeds from issuance of long term debt	-	-	-	7,043,268	-	7,043,268
Transfer from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,986)</u>	<u>(54,986)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,043,268</u>	<u>(54,986)</u>	<u>6,988,282</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	476,801	(13,704)	(650)	1,458,646	(52,156)	1,868,937
Fund Balance, July 1, 2014	<u>5,825,276</u>	<u>(170,569)</u>	<u>380,658</u>	<u>(1,428,171)</u>	<u>54,986</u>	<u>4,662,180</u>
Fund Balance, June 30, 2015	<u>\$ 6,302,077</u>	<u>\$ (184,273)</u>	<u>\$ 380,008</u>	<u>\$ 30,475</u>	<u>\$ 2,830</u>	<u>\$ 6,531,117</u>

*See independent auditor's report*

**TOWN OF TIVERTON, RHODE ISLAND**

Supplementary Information

Private Purpose Trust - Town - Combining Balance Sheet

June 30, 2015

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	<u>Burial Lots</u>	<u>Pocasset Hill Cemetery</u>	<u>Totals</u>
<b>Assets</b>			
Cash	\$ 12,362	\$ 423,758	\$ 436,120
Investments	<u>9,874</u>	<u>80,238</u>	<u>90,112</u>
<b>Total assets</b>	<u>\$ 22,236</u>	<u>\$ 503,996</u>	<u>\$ 526,232</u>
<b>Liabilities</b>			
Due to General Fund	\$ 953	\$ 13,283	\$ 14,236
<b>Total liabilities</b>	<u>953</u>	<u>13,283</u>	<u>14,236</u>
<b>Net position</b>			
Restricted for pension benefits and oth	<u>21,283</u>	<u>490,713</u>	<u>511,996</u>
<b>Total liabilities and net position</b>	<u>\$ 22,236</u>	<u>\$ 503,996</u>	<u>\$ 526,232</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, 2015*

	<u>Burial Lots</u>	<u>Pocasset Hill Cemetery</u>	<u>Total</u>
<b>Additions</b>			
Investment income	\$ 125	\$ 8,722	\$ 8,847
Other	<u>100</u>	<u>19,675</u>	<u>19,775</u>
Total additions	225	28,397	28,622
<b>Deductions</b>			
Per trust agreements	<u>1,359</u>	<u>32,575</u>	<u>33,934</u>
Changes in fund equity held in trust for individuals, organizations, and other governments	(1,134)	(4,178)	(5,312)
Net position, July 1, 2013	<u>22,417</u>	<u>494,891</u>	<u>517,308</u>
Net position, June 30, 2014	<u>\$ 21,283</u>	<u>\$ 490,713</u>	<u>\$ 511,996</u>

*See independent auditor's report*

**TOWN OF TIVERTON, RHODE ISLAND**

Supplementary Information

Agency Fund - Town - Combining Statement of Additions and Deductions

*For the Year Ended June 30, 2015*

	<u>Student Activities</u>	<u>Gravel Permits</u>	<u>Escrow Funds</u>	<u>Total</u>
<b>Assets</b>				
Cash Checking	\$ 167,925	\$ 10,346	\$ 78,763	\$ 257,034
Due from other funds	<u>-</u>	<u>-</u>	<u>252,792</u>	<u>252,792</u>
Total assets	<u>167,925</u>	<u>10,346</u>	<u>331,555</u>	<u>509,826</u>
<b>Deferred outflows of resources</b>				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total outflows of resources and assets</b>	<u>\$ 167,925</u>	<u>\$ 10,346</u>	<u>\$ 331,555</u>	<u>\$ 509,826</u>
<b>Liabilities</b>				
Deposits held	<u>167,925</u>	<u>10,346</u>	<u>331,555</u>	<u>509,826</u>
Total Liabilities	<u>\$ 167,925</u>	<u>\$ 10,346</u>	<u>\$ 331,555</u>	<u>\$ 509,826</u>
<b>Deferred Inflows of Resources</b>				
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits), unreserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 167,925</u>	<u>\$ 10,346</u>	<u>\$ 331,555</u>	<u>\$ 509,826</u>

*See independent auditor's report*

**TOWN OF TIVERTON, RHODE ISLAND**

Supplementary Information

Agency Fund - Town - Combining Statement of Additions and Deductions

*For the Year Ended June 30, 2015*

	<u>Student Activities</u>	<u>Gravel Permits</u>	<u>Gravel Permits</u>	<u>Total</u>
Statement of Additions and Deductions				
<b>Additions</b>				
Miscellaneous revenue	\$ 367,337	\$ 4	\$ 12	\$ 367,353
Total additions	<u>367,337</u>	<u>4</u>	<u>12</u>	<u>367,353</u>
<b>Deductions</b>				
Amount expended	<u>344,372</u>	<u>-</u>	<u>12,569</u>	<u>356,941</u>
Total deductions	<u>344,372</u>	<u>-</u>	<u>12,569</u>	<u>356,941</u>
Increase (decrease) in deposits held	22,965	4	(12,557)	10,412
Deposits Held, July 1, 2014	<u>144,960</u>	<u>10,342</u>	<u>344,112</u>	<u>499,414</u>
Deposits Held, June 30, 2015	<u><u>\$ 167,925</u></u>	<u><u>\$ 10,346</u></u>	<u><u>\$ 331,555</u></u>	<u><u>\$ 509,826</u></u>

*See independent auditor's report*

## **STATISTICAL SECTION**

The Statistical Section differs from other financial statement presentations because they generally disclose more than one fiscal year and may present non-accounting data such as social and economic data and financial trends of the Town.

**TOWN OF TIVERTON, RHODE ISLAND**

Schedule of Uncollected Property Taxes

*For the Year Ended June 30, 2015*

<u>Tax Roll Year</u>	<u>Balance July 1, 2014</u>	<u>Assessment</u>	<u>Abatements Refunds</u>	<u>Adjustments Transfers</u>	<u>Amount to be collected</u>	<u>Collections</u>	<u>Balance June 30, 2015</u>
2014	\$ -	\$ 37,328,656	\$ (55,820)	\$ 38,954	\$ 37,311,790	\$ 36,299,055	\$ 1,012,735
2013	1,076,227	-	(25)	15,324	1,091,526	590,651	500,875
2012	505,350	-	1,874	-	507,224	347,892	159,332
2011	178,338	-	1,638	-	179,976	24,935	155,041
2010	139,021	-	(133)	-	138,888	4,113	134,775
2009	94,554	-	1,382	-	95,936	4,556	91,380
2008	83,449	-	1,084	-	84,533	2,034	82,499
2007	60,697	-	192	-	60,889	445	60,445
2006	33,449	-	-	-	33,449	326	33,123
2005	22,822	-	-	-	22,822	-	22,822
2004	20,063	-	-	-	20,063	57	20,006
2003	4,510	-	-	-	4,510	337	4,173
2002 and prior	4,973	-	-	-	4,973	-	4,973
	<u>\$ 2,223,453</u>	<u>\$ 37,328,656</u>	<u>\$ (49,809)</u>	<u>\$ 54,278</u>	<u>\$ 39,556,578</u>	<u>\$ 37,274,400</u>	2,282,178
						Less allowance for doubtful accounts	-
							<u>\$ 2,282,178</u>

**TOWN OF TIVERTON, RHODE ISLAND**

Tax Collector's Annual Report

*For the Year Ended June 30, 2015*

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<u>Description of property</u>	<u>Valuations</u>	<u>Levy</u>
Real Property	\$ 1,676,092,781	\$ 31,986,722
Commerical / industrial real estate	169,683,600	3,274,893
Motor vehicles	154,119,148	1,439,852
Tangible property	<u>42,771,348</u>	<u>825,487</u>
Total	2,042,666,877	37,526,954
Expemptions	<u>97,616,738</u>	<u>-</u>
Current year assessment	<u>\$ 1,945,050,139</u>	<u>\$ 37,526,954</u>

Reconciliation of current year property tax revenue:

Current year collections	\$ 37,274,400
Revenue collected within 60 days subsequent to year ended June 30, 2014	<u>190,268</u>
	37,464,668
Prior year revenue received in current year	<u>(228,423)</u>
Current year real estate and personal property tax revenue	<u>\$ 37,236,245</u>

**TOWN OF TIVERTON, RHODE ISLAND**

Schedule of Long-Term Liabilities

*For the Year Ended June 30, 2015*

	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Authorized</u>	<u>Outstanding July 1, 2014</u>	<u>Additions</u>	<u>Maturities During the Year</u>	<u>Outstanding June 30, 2015</u>	<u>Interest Paid</u>
<b>General long-term obligations</b>									
Revenue financing bonds	6/27/2006	4.0%-5.0%	6/30/2026	\$ 3,735,000	\$ 2,265,000	\$ -	\$ 190,000	\$ 2,075,000	\$ 104,775
General obligation bond	4/1/2008	4.25%-5.00%	5/15/2027	10,580,000	8,045,000	-	465,000	7,580,000	382,750
Ft Barton 10.0 million bond	7/15/2000	3.75%-6.00%	5/15/2028	10,000,000	7,930,000	-	405,000	7,525,000	395,044
Pocasset 10.1 million bond	7/1/2009	3.00%-6.25%	5/15/2029	10,100,000	8,650,000	-	400,000	8,250,000	461,763
Tax increment bond (Refi)	9/1/2013	3.530%	6/30/2022	5,310,000	4,715,000	-	520,000	4,195,000	166,440
Library bond	12/3/2014	3.00%-3.50%	10/1/2034	6,785,000	-	6,785,000	-	6,785,000	-
<b>Total general obligation payable</b>				<u>\$ 46,510,000</u>	<u>31,605,000</u>	<u>6,785,000</u>	<u>1,980,000</u>	<u>36,410,000</u>	<u>1,510,772</u>
Capital leases				-	1,045,863	198,500	244,606	999,757	38,333
Landfill closure and postclosure care costs				-	5,825,276	3,174,724	-	9,000,000	-
<b>Other general long-term obligations</b>				<u>-</u>	<u>6,871,139</u>	<u>3,373,224</u>	<u>244,606</u>	<u>9,999,757</u>	<u>38,333</u>
<b>Accrued expenses</b>									
Accrued compensated absences					1,108,975	-	46,301	1,062,674	n/a
Net pension liability - police					5,154,285	-	328,214	4,826,071	n/a
Net pension liability - ERS					18,738,962	-	2,198,504	16,540,458	n/a
Net OPEB obligation					4,831,657	966,821	-	5,798,478	n/a
<b>Total accrued expenses</b>					<u>29,833,879</u>	<u>966,821</u>	<u>2,573,019</u>	<u>28,227,681</u>	
<b>Total long-term liabilities</b>					<u>\$ 68,310,018</u>	<u>\$ 11,125,045</u>	<u>\$ 4,797,625</u>	<u>\$ 74,637,438</u>	

**TOWN OF TIVERTON, RHODE ISLAND**

Schedule of Debt Service Requirements to Maturity

*For the Year Ended June 30, 2015*

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<u>Year Ending June 30,</u>	<u>Percentage of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	6.33%	\$ 2,305,000	\$ 1,707,388	\$ 4,012,388
2017	13.13%	2,475,000	1,546,440	4,021,440
2018	20.13%	2,550,000	1,444,247	3,994,247
2019	27.40%	2,645,000	1,331,325	3,976,325
2020	34.91%	2,735,000	1,224,846	3,959,846
2021-2025	71.34%	13,265,000	4,192,285	17,457,285
2026-2030	95.30%	8,725,000	1,182,831	9,907,831
2031-2035	100.00%	1,710,000	148,050	1,858,050
		<u>\$36,410,000</u>	<u>\$12,777,412</u>	<u>\$49,187,412</u>

**TOWN OF TIVERTON, RHODE ISLAND**

Legal Debt Margin

*For the Year Ended June 30, 2015*

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Gross assessed value	\$	2,042,666,877
Less: exempt property		<u>97,616,738</u>
Total taxable assessed value	\$	<u><u>1,945,050,139</u></u>
Debt limit - 3 percent of total assessed value	\$	58,351,504
Amount of debt applicable to debt limit:		
Total bonded debt		<u>36,410,000</u>
Legal debt margin	\$	<u><u>21,941,504</u></u>