
TOWN OF COVENTRY

ANNUAL FINANCIAL REPORT

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2009***

***Warren W. West
Finance Director***

Prepared by: Finance Department

COVENTRY, RHODE ISLAND

**TOWN OF COVENTRY, RHODE ISLAND
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

List of Town Officials

TOWN OF COVENTRY, RHODE ISLAND

TOWN COUNCIL

Raymond E. Spear – President
Laura A. Flanagan – Vice President
Kenneth L. Cloutier
Glenford J. Shibley
Frank Hyde

TOWN MANAGER

Thomas R. Hoover

FINANCE DIRECTOR

Warren W. West

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

INDEPENDENT AUDITORS' REPORT

The Honorable President and
Members of the Town Council
Town of Coventry
Coventry, 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 Coventry, Rhode Island (Town) as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Coventry, Rhode Island's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Town of Coventry, Rhode Island as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.


As described in Note 17 to the basic financial statements, the Town adopted GASB Statement 45 as of July 1, 2008.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 8, 2010 on our consideration of the Town of Coventry, Rhode Island's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over

financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis, the budgetary comparison information and pension information on pages 3 through 12 and 60 through 66 respectively, are not a required part of the financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual non-major fund statements, other schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by The U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the Town. The combining and individual non-major fund statements and schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The other schedules and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Parmelee, Poirier & Associates, LLP
January 8, 2010

Management's Discussion and Analysis

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2009
(Un-audited)

Our discussion and analysis of the Town of Coventry, Rhode Island's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2009. Please read it in conjunction with the Town's financial statements that follow this section.

Financial Highlights

- ❖ The Town's net assets decreased \$5,316,953 as a result of this year's operation. On a government-wide basis the liabilities of the Town of Coventry exceeded its assets at the close of the most recent fiscal year by \$5,353,484. Net assets of business activities increased by \$447,134, or 6.2%, while net assets of Governmental Activities decreased by \$5,764,087, or 80%.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$101,122,366 a 6% increase from the prior year, while revenues collected were \$95,814,966 a 1.0% decrease.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,422,397. Over 96% of this amount, \$7,136,297 is unreserved and available for use within the Town's designation and fiscal policies.
- ❖ At the end of the current fiscal year, the general fund unreserved fund balance was \$5,308,281, or 7.9% of the total general fund expenditures for the fiscal year. The current fiscal year's expenditures and transfers exceeded revenues and transfers by \$514,858. On a budgetary basis revenues exceeded expenditures and transfers by \$262,671.

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

In addition to the basic financial statements, this report also contains other supplementary information.

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

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2009
(Un-audited)

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

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

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

Both of the 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 Sewer Fund.

The government wide financial statements are reported on pages 13 through 14.

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

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

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.

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2009
(Un-audited)

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

Proprietary Funds - The Town's proprietary fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town has one enterprise fund. The Coventry Sewer Fund, which accounts for the Town's sewer system.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Coventry Sewer Fund since it is considered to be a major fund of the Town.

The basic proprietary fund financial statements are presented on pages 18 through 20.

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

The basic fiduciary fund financial statements can be found on pages 21 and 22.

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 23 through 59.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information pertinent to the Town's operations. Required Supplementary information is presented on pages 60 through 67.

The combining statements referred to earlier in connection with non-major governmental funds, are presented on pages 68 through 98.

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2009
(Un-audited)

Government-wide Financial Analysis

Analysis of the Town of Coventry's Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The Town of Coventry, governmental activities liabilities exceeded assets by \$12,937,274 as of June 30, 2009. The deficit in governmental activities net assets was increased by \$5,764,087 from the previous year.

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

<i>Town of Coventry</i>						
<i>Net Assets</i>						
	<i>June 30, 2009</i>			<i>June 30, 2008</i>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Current and Other Assets	\$ 23,445,820	\$ 11,547,377	\$ 34,993,197	\$ 24,859,622	\$ 10,547,404	\$ 35,407,026
Capital assets	32,345,888	23,038,263	55,384,151	34,340,708	21,388,915	55,729,623
Total Assets	<u>55,791,708</u>	<u>34,585,640</u>	<u>90,377,348</u>	<u>59,200,330</u>	<u>31,936,319</u>	<u>91,136,649</u>
Other Liabilities	10,661,804	10,411,850	21,073,654	8,054,703	7,939,663	15,994,366
Long-Term Liabilities	58,067,178	16,590,000	74,657,178	58,318,814	16,860,000	75,178,814
Total Liabilities	<u>68,728,982</u>	<u>27,001,850</u>	<u>95,730,832</u>	<u>66,373,517</u>	<u>24,799,663</u>	<u>91,173,180</u>
Net Assets:						
Invested in Capital						
Net of Related Debt	9,105,888	6,444,592	15,550,480	9,010,708	1,165,468	10,176,176
Restricted	-	-	-	962,879	-	962,879
Unrestricted	<u>(22,043,162)</u>	<u>1,139,198</u>	<u>(20,903,964)</u>	<u>(17,146,774)</u>	<u>5,971,188</u>	<u>(11,175,586)</u>
Total Net Assets	<u><u>\$ (12,937,274)</u></u>	<u><u>\$ 7,583,790</u></u>	<u><u>\$ (5,353,484)</u></u>	<u><u>\$ (7,173,187)</u></u>	<u><u>\$ 7,136,656</u></u>	<u><u>\$ (36,531)</u></u>

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The largest portion of the Town's net assets, \$15,550,480, 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.

The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to its citizens and creditors. The unrestricted net assets for governmental activities reported a \$22,043,162 deficit while the business-type activities reported a \$1,139,198 positive balance.

As of June 30, 2009 the Town of Coventry reports positive balances in the invested in capital assets, net of debt category.

Analysis of the Town of Coventry's Operations

The following analysis provides a summary of the Town's operations for the year ended June 30, 2009. The Town first implemented GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments for the fiscal year June 30, 2003. Therefore, comparative data is now available and is presented in the following schedules. Governmental activities decreased the Town's net assets by \$5,764,087 for the current period accounting for a 80% decrease in the Town's governmental net assets, while business-type activities increased the Town's net assets by \$447,134 for the current period. Overall the Town's decrease in net assets was \$5,316,953 from current year activity which is a 145% decrease over the prior year.

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

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
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(Un-audited)

Town of Coventry
Changes in Net Assets

	June 30, 2009			June 30, 2008		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Revenues						
Program revenues						
Charges for services	\$ 4,717,337	\$ 2,159,178	\$ 6,876,515	\$ 3,966,771	\$ 1,593,913	\$ 5,560,684
Federal/State grants	30,499,911	-	30,499,911	31,225,183	-	31,225,183
General Revenues						
Property taxes	56,220,134	-	56,220,134	56,773,328	-	56,773,328
Investment earnings	502,001	7,423	509,424	698,109	23,272	721,381
Miscellaneous	1,708,982	-	1,708,982	2,195,899	-	2,195,899
Transfers	-	-	-	-	-	-
Total revenues	<u>93,648,365</u>	<u>2,166,601</u>	<u>95,814,966</u>	<u>94,859,290</u>	<u>1,617,185</u>	<u>96,476,475</u>
Expenses						
General government	6,515,316	-	6,515,316	5,218,577	-	5,218,577
Public safety	9,084,560	-	9,084,560	8,994,209	-	8,994,209
Education	72,368,325	-	72,368,325	68,706,006	-	68,706,006
Public works	6,582,663	-	6,582,663	6,111,958	-	6,111,958
Community and economic development	493,767	-	493,767	283,377	-	283,377
Health and human services	1,168,757	-	1,168,757	953,712	-	953,712
Culture and recreation	2,132,959	-	2,132,959	1,693,115	-	1,693,115
Interest on long-term debt	1,056,552	-	1,056,552	1,128,176	-	1,128,176
Sewer Fund Expenses	-	1,719,467	1,719,467	-	1,618,372	1,618,372
Special item: Loss on disposal of capital asset	9,553	-	9,553	5,762	-	5,762
Total expenses	<u>99,412,452</u>	<u>1,719,467</u>	<u>101,131,919</u>	<u>93,094,892</u>	<u>1,618,372</u>	<u>94,713,264</u>
Change in net assets	(5,764,087)	447,134	(5,316,953)	1,764,398	(1,187)	1,763,211
Net assets - beginning	(7,173,187)	7,136,656	(36,531)	(9,396,029)	7,137,843	(2,258,186)
Prior period adjustments	-	-	-	458,444	-	458,444
Net assets - beginning	<u>(7,173,187)</u>	<u>7,136,656</u>	<u>(36,531)</u>	<u>(8,937,585)</u>	<u>7,137,843</u>	<u>(1,799,742)</u>
Net assets - ending	<u>\$(12,937,274)</u>	<u>\$ 7,583,790</u>	<u>\$ (5,353,484)</u>	<u>\$(7,173,187)</u>	<u>\$ 7,136,656</u>	<u>\$ (36,531)</u>

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
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Financial Analysis of the Town of Coventry's Funds

Governmental Funds - The focus of the Town of Coventry'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 unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,422,397. Approximately 96% of the total amount, or \$7,136,297 constituted unreserved fund balances. The remainder of the fund balance is reserved because of future commitments.

Reserved fund balances:

Encumbrances	\$ 76,823
Other specific purposes	50,139
Appropriated for FY 2010	<u>159,138</u>
Total reserved fund balances:	<u>\$ 286,100</u>

Proprietary Funds - The Town of Coventry'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 respective proprietary funds are \$1,139,198.

General Fund Budgetary Highlights

Revenues:

General Property Taxes – were under budget by \$119,356 due to a large number of adjustments to real estate valuations.

Intergovernmental Revenue – was under budget by \$370,705 due to an unanticipated reduction in State General Revenue Sharing of \$457,008.

Federal Revenue – State Fiscal Stabilization – The School Department was awarded \$1,166.987 in Federal Stimulus Funds to offset a reduction in State Aid to Education.

Licenses, Fees & Permits – were under budget by \$136,263 due to a down turn in the economy and reduction in development activity and related fees and permits.

Interest on Investments – was under budget by \$106,948 due to a decline in interest rates.

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
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General Fund Budgetary Highlights – (continued)

Expenses:

Public Safety – was under budget by \$468,901 due to open positions mainly from National Guard call ups.

Public Works – was over budget by \$396,804 due to increases in Building Maintenance, Snow Removal and Vehicular Maintenance costs. Building Maintenance ran over budget by \$97,007 due to increased utility and repair costs along with the School Department ceasing to contribute to the utility costs associated with the School Administration Office in the Annex. Snow Removal was \$132,893 over budget due to the larger than anticipated number of winter storms. Vehicular Maintenance was \$96,814 over budget due to the aging of our fleet and the need for major repairs.

The Town of Coventry's Capital Assets

The Town of Coventry's investment in capital assets for its governmental and business-type activities amounts to \$55,384,152 net of accumulated depreciation at June 30, 2009. Included are land, building and improvements, motor vehicles, furniture, machinery and equipment and infrastructure.

Additional information on the Town of Coventry's capital assets is located in note 6 of the notes to the financial statements.

Town of Coventry
Capital Assets (Net of Accumulated Depreciation)

	June 30, 2009			June 30, 2008		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Land	2,793,163	141,600	2,934,763	2,781,690	-	2,781,690
Construction in progress	666,633	3,671	670,304	1,180,678	3,363,447	4,544,125
Infrastructure	740,931	-	740,931	783,047	-	783,047
Buildings & Improvements	26,424,127	110,880	26,535,007	27,865,977	-	27,865,977
Machinery and equipment	85,808	-	85,808	90,271	-	90,271
Office equipment and furniture	241,833	-	241,833	328,185	-	328,185
Vehicles	1,140,913	-	1,140,913	1,310,860	-	1,310,860
Wastewater collection system	-	23,034,593	23,034,593	-	18,025,468	18,025,468
Total	<u>32,093,408</u>	<u>23,290,744</u>	<u>55,384,152</u>	<u>34,340,708</u>	<u>21,388,915</u>	<u>55,729,623</u>

TOWN OF COVENTRY, RHODE ISLAND
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(Un-audited)

The Town of Coventry's Debt Administration

At the end of the current fiscal year, the Town of Coventry's Governmental Activities had a total bonded debt of \$23,240,000. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government. The following is a summary of the Town's long-term debt.

Town of Coventry
Outstanding Debt
General Obligation & Notes Payable

	<i>June 30, 2009</i>			<i>June 30, 2008</i>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
General Obligation Bonds	23,240,000	3,020,000	26,260,000	25,330,000	3,155,000	28,485,000
Notes Payable	-	13,570,000	13,570,000	200,000	13,705,000	13,905,000
Totals	<u>23,240,000</u>	<u>16,590,000</u>	<u>39,830,000</u>	<u>25,530,000</u>	<u>16,860,000</u>	<u>42,390,000</u>

Additional information on the Town's long-term debt can be found in note 9 of the Notes to the Financial Statements and on pages 104 and 105.

Economic Factors and Next Year's Budgets and Rates

The Town of Coventry's total budget for fiscal year 2010 amounts to \$87,021,668, which reflects an decrease of \$1,536,450 or 1.7% over the fiscal 2009 budget of \$88,558,118. Of the Town's 2010 budget, \$62,895,882, or 72% is budgeted for educational purposes, \$20,586,699 or 24% for municipal government, \$3,059,954 or 3% for debt service and \$479,133 or 1% for capital improvements and library resource sharing.

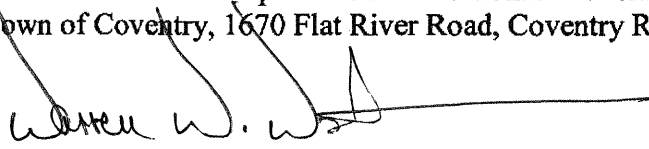
The State of Rhode Island is budgeted to contribute \$19,566,550 toward the Town's educational expenses for fiscal year 2010. This is no increase over the \$19,566,550 contributed by the State in the fiscal year 2009.

The Town's residential and commercial property tax rates for fiscal 2010 are \$15.46 and \$18.63, respectively, with 72% allocated for education, 24% for municipal government, 3% for debt service and 1% for capital improvements and library resource sharing. For fiscal 2009 the Town's residential and commercial property tax rates were \$15.46 and \$18.63, respectively, with 71% allocated for education, 25% for municipal government, 3% for debt service and 1% for capital improvements.

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2009
(Un-audited)

Request for Information

The financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Town's finances and to show the Town's accountability for the tax dollars received. If you have questions about this report or need additional financial information, contact the Finance Director's Office, Town of Coventry, 1670 Flat River Road, Coventry RI 02816.



Warren W. West
Finance Director/Treasurer

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

TOWN OF COVENTRY
Statement of Net Assets
June 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<i>Assets:</i>			
<i>Current Assets:</i>			
Cash and cash equivalents	\$ 14,670,481	\$ 365,091	\$ 15,035,572
Investments	3,033,013	-	3,033,013
Real estate and personal property tax receivable, net	1,812,337	-	1,812,337
Water and sewer use fees receivable, net	-	871,762	871,762
Due from federal and state government	2,471,264	-	2,471,264
Other receivables, net	1,458,725	-	1,458,725
<i>Total current assets</i>	<u>23,445,820</u>	<u>1,236,853</u>	<u>24,682,673</u>
<i>Noncurrent assets:</i>			
Sewer assessments receivable	-	9,486,576	9,486,576
<i>Capital assets:</i>			
Land	2,934,763	-	2,934,763
Construction in progress	666,633	3,671	670,304
Property, plant & equipment - net	28,744,492	23,034,592	51,779,084
Capital assets, net	32,345,888	23,038,263	55,384,151
Other assets, net	-	823,948	823,948
<i>Total noncurrent assets</i>	<u>32,345,888</u>	<u>33,348,787</u>	<u>65,694,675</u>
<i>Total assets</i>	<u>55,791,708</u>	<u>34,585,640</u>	<u>90,377,348</u>
<i>Liabilities:</i>			
Accounts payable and accrued liabilities	6,461,610	556,033	7,017,643
Internal balances	(967,361)	967,361	-
Unearned revenues	439,046	8,888,456	9,327,502
Other	4,728,509	-	4,728,509
<i>Total current liabilities</i>	<u>10,661,804</u>	<u>10,411,850</u>	<u>21,073,654</u>
<i>Long-term liabilities:</i>			
Due within one year	2,075,000	5,985,000	8,060,000
Due in more than one year	55,992,178	10,605,000	66,597,178
<i>Total noncurrent liabilities</i>	<u>58,067,178</u>	<u>16,590,000</u>	<u>74,657,178</u>
<i>Total liabilities</i>	<u>68,728,982</u>	<u>27,001,850</u>	<u>95,730,832</u>
<i>Net Assets:</i>			
Invested in capital assets, net of related debt	9,105,888	6,444,592	15,550,480
Unrestricted	(22,043,162)	1,139,198	(20,903,964)
<i>Total net assets</i>	<u>\$ (12,937,274)</u>	<u>\$ 7,583,790</u>	<u>\$ (5,353,484)</u>

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

TOWN OF COVENTRY, RHODE ISLAND
Statement of Activities
For the Year Ended June 30, 2009

		Program revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for	Operating	Governmental	Primary Government
	Expenses	Services	Grants and	Activities	Business-type
			Contributions		Activities
					Total
<u>Functions/ Programs</u>					
<u>Governmental Activities:</u>					
Governmental activities:					
General government	\$ 6,515,316	\$ 736,753	\$ 4,253,884	\$ (1,524,679)	\$ (1,524,679)
Public safety	9,084,560	125,640	-	(8,958,920)	(8,958,920)
Education	72,368,325	2,134,062	26,161,953	(44,072,310)	(44,072,310)
Public works	6,582,663	77,347	-	(6,505,316)	(6,505,316)
Community and economic development	493,767	1,567,818	-	1,074,051	1,074,051
Health and human services	1,168,757	-	-	(1,168,757)	(1,168,757)
Culture and recreation	2,132,959	75,717	84,074	(1,973,168)	(1,973,168)
Interest on long-term debt	1,056,552	-	-	(1,056,552)	(1,056,552)
<i>Total governmental activities</i>	99,402,899	4,717,337	30,499,911	(64,185,651)	(64,185,651)
<u>Business type activities:</u>					
Sewer Fund	1,719,467	2,159,178	-	-	\$ 439,711
<i>Total business-type activities</i>	1,719,467	2,159,178	-	-	439,711
<i>Total</i>	\$ 101,122,366	\$ 6,876,515	\$ 30,499,911	(64,185,651)	439,711
<u>General revenues:</u>					
Real estate and personal property taxes				56,220,134	-
Interest on property taxes				500,263	-
Investment earnings				502,001	7,423
Miscellaneous				1,208,719	-
Special item: (Loss) on disposal of capital asset				(9,553)	-
<i>Total general revenues</i>				58,421,564	7,423
<i>Change in net assets</i>				(5,764,087)	447,134
<i>Net assets-beginning</i>				(7,173,187)	7,136,656
<i>Net assets-ending</i>				\$ (12,937,274)	\$ 7,583,790

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

Fund Financial Statements

TOWN OF COVENTRY, RHODE ISLAND

**Balance Sheet
Governmental Funds
June 30, 2009**

	<i>General Fund</i>	<i>School Unrestricted Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
ASSETS				
Cash and cash equivalents	\$ 13,016,555	\$ 265,201	\$ 549,962	\$ 13,831,718
Accounts receivable:				
Real estate and personal property taxes	1,812,337	-	-	1,812,337
Due from federal and state governments	327,405	583,493	1,560,366	2,471,264
Other receivables	775,727	682,998	-	1,458,725
Due from other funds	1,139,738	3,696,300	2,620,066	7,456,104
Total assets	<u>\$ 17,071,762</u>	<u>\$ 5,227,992</u>	<u>\$ 4,730,394</u>	<u>\$ 27,030,148</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenditures	\$ 179,618	\$ 5,308,907	\$ 883,158	\$ 6,371,683
Due to other funds	6,069,581	-	1,216,634	7,286,215
Deferred revenues	1,579,770	-	439,046	2,018,816
Other liabilities	3,698,551	232,486	-	3,931,037
Total liabilities	<u>11,527,520</u>	<u>5,541,393</u>	<u>2,538,838</u>	<u>19,607,751</u>
Fund balances:				
Reserve for:				
Encumbrances	76,823	-	-	76,823
Other specific purposes	-	50,139	-	50,139
Appropriated fund balance 2010	159,138	-	-	159,138
Unreserved:				
Undesignated	5,308,281	(363,540)	-	4,944,741
Unreserved, reported in:				
Special revenue funds	-	-	1,545,850	1,545,850
Capital project funds	-	-	645,706	645,706
Total fund balances	<u>5,544,242</u>	<u>(313,401)</u>	<u>2,191,556</u>	<u>7,422,397</u>
Total liabilities and fund balances	<u>\$ 17,071,762</u>	<u>\$ 5,227,992</u>	<u>\$ 4,730,394</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (Note 7)	32,093,408
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Note 7)	1,489,843
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Note 7)	(58,067,178)
Internal service fund equity balance (Note 7)	4,124,256
Net assets of governmental activities	<u>\$ (12,937,274)</u>

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

TOWN OF COVENTRY, RHODE ISLAND
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2009

	<i>General Fund</i>	<i>School Unrestricted Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues				
Real estate and personal property taxes	\$ 58,405,116	\$ -	\$ -	\$ 58,405,116
Other taxes	720,539	-	-	720,539
Penalties and interest on taxes	500,263	-	-	500,263
Licenses, fees and permits	757,262	-	-	757,262
Investment income	293,052	-	13,814	306,866
Intergovernmental	5,015,182	20,134,042	4,621,105	29,770,329
Federal revenue - SFSF	1,166,987	-	-	1,166,987
Contributions and private grants	-	-	48,965	48,965
Charges for services	-	727,481	1,975,503	2,702,984
Miscellaneous	741,958	418,602	790,117	1,950,677
Total revenues	<u>67,600,359</u>	<u>21,280,125</u>	<u>7,449,504</u>	<u>96,329,988</u>
Expenditures				
Current:				
General government	3,740,405	-	230,961	3,971,366
Public safety	8,833,167	-	393,155	9,226,322
Education	-	64,883,333	5,553,705	70,437,038
Public works	6,150,122	-	206,127	6,356,249
Community and economic development	355,024	-	138,743	493,767
Health and human services	722,434	-	430,318	1,152,752
Culture and recreation	1,998,823	-	387,504	2,386,327
Debt service				
Principal payments	2,090,000	-	-	2,090,000
Interest and fiscal charges	1,061,847	-	-	1,061,847
Total expenditures	<u>24,951,822</u>	<u>64,883,333</u>	<u>7,340,513</u>	<u>97,175,668</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>42,648,537</u>	<u>(43,603,208)</u>	<u>108,991</u>	<u>(845,680)</u>
Other financing sources (uses)				
Transfers from other funds	477,081	42,335,785	988,280	43,801,146
Transfers to other funds	(42,473,489)	(40,800)	(1,326,857)	(43,841,146)
Transfer to other funds - Federal SFSF	(1,166,987)	1,166,987	-	-
Total other financing sources (uses)	<u>(43,163,395)</u>	<u>43,461,972</u>	<u>(338,577)</u>	<u>(40,000)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(514,858)</u>	<u>(141,236)</u>	<u>(229,586)</u>	<u>(885,680)</u>
Fund balances - beginning	<u>6,059,100</u>	<u>(172,165)</u>	<u>2,421,142</u>	<u>8,308,077</u>
Fund balances - ending	<u>\$ 5,544,242</u>	<u>\$ (313,401)</u>	<u>\$ 2,191,556</u>	<u>\$ 7,422,397</u>

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

TOWN OF COVENTRY, RHODE ISLAND
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2009

Net change in fund balances-total governmental funds	\$ (885,680)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$2,765,702 and loss on disposal of \$9,553 exceeded capital outlays of \$788,355 in the current period.	(1,986,900)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,905,521)
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Interest expenses in the statement of activities includes accrued interest calculated for bonds payable	5,295
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of debt principal repayments paid by the Town.	2,290,000
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The Internal Service Fund is used by management to charge the costs of Worker's Compensation claims. The net revenues (expenses) of the Internal Service Fund is reported with Governmental Activities in the Government-Wide financial statements.	(242,917)
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Other certain accrued expenditures that do not use current financial resources are not reported in the fund financial statements. However, in the statement of activities these accrued expenses are recognized and charged to current activities.	(2,038,364)
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Change in net assets of governmental activities.	\$ (5,764,087)
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Please see Note 8 for a more detailed explanation of the differences between the Government-Wide Financial Statements and the Fund Financial Statements

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

TOWN OF COVENTRY, RHODE ISLAND
Statement of Net Assets
Proprietary Funds
June 30, 2009

	<u>Enterprise Fund</u> <u>Sewer</u> <u>Fund</u>	<u>Internal Service</u> <u>Fund</u> <u>Self Insurance</u> <u>Reserve</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 365,091	\$ 838,763
Investments	-	3,033,013
Accounts receivable, net:		
Water and sewer use fees	871,762	-
Total current assets	<u>1,236,853</u>	<u>3,871,776</u>
Non-current assets:		
Capital assets		
Land	-	141,600
Construction in progress	3,671	-
Depreciable assets - net	23,034,592	110,880
Sewer assessments	9,486,576	-
Other assets, net	823,948	-
Total noncurrent assets	<u>33,348,787</u>	<u>252,480</u>
Total assets	<u>34,585,640</u>	<u>4,124,256</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	556,033	-
Due to other funds	967,361	-
Current portion of long term debt	5,985,000	-
Total current liabilities	<u>7,508,394</u>	<u>-</u>
Non-current liabilities:		
Deferred revenue	8,888,456	-
Bonds and loans payable	10,605,000	-
Total noncurrent liabilities	<u>19,493,456</u>	<u>-</u>
Total liabilities	<u>27,001,850</u>	<u>-</u>
NET ASSETS		
Invested in Capital assets, net of related debt	6,444,592	252,480
Unrestricted	1,139,198	3,871,776
Total net assets	<u>\$ 7,583,790</u>	<u>\$ 4,124,256</u>

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

TOWN OF COVENTRY, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2009

	<u>Enterprise Funds</u> <u>Sewer</u> <u>Fund</u>	<u>Internal Service</u> <u>Fund</u> <u>Self Insurance</u> <u>Reserve</u>
<i>Operating revenues</i>		
Assessments and user fees	\$ 1,704,065	\$ -
Grant revenues	433,540	-
Other revenues	21,573	28,763
<i>Total operating revenues</i>	<u>2,159,178</u>	<u>28,763</u>
<i>Operating expenses</i>		
Contract services	102,517	92,063
Operations & Maintenance	786,608	-
Materials and supplies	-	19,227
Depreciation and amortization	454,212	7,920
Second injury fund	-	37,723
Claims Paid	-	349,882
<i>Total operating expenses</i>	<u>1,343,337</u>	<u>506,815</u>
<i>Operating income (loss)</i>	<u>815,841</u>	<u>(478,052)</u>
<i>Non-operating revenues (expenses)</i>		
Interest and dividend income	7,423	195,135
Interest expense	(376,130)	-
<i>Total non-operating revenues (expenses)</i>	<u>(368,707)</u>	<u>195,135</u>
Income (loss) before transfers	<u>447,134</u>	<u>(282,917)</u>
Transfers		
Transfers in	-	40,000
<i>Total transfers</i>	<u>-</u>	<u>40,000</u>
Change in Net Assets	<u>447,134</u>	<u>(242,917)</u>
Total Net Assets - Beginning	7,136,656	4,367,173
Total Net Assets - Ending	<u>\$ 7,583,790</u>	<u>\$ 4,124,256</u>

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

TOWN OF COVENTRY, RHODE ISLAND
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2009

	<u>Enterprise Funds</u>	<u>Internal Service</u>
	<u>Sewer</u>	<u>Fund</u>
	<u>Fund</u>	<u>Self Insurance</u>
		<u>Reserve</u>
Cash flows from operating activities		
Cash received from customers	\$ 1,286,855	\$ -
Cash payments to suppliers for goods and services	(879,904)	(498,895)
Other operating receipts	455,113	28,763
Net cash provided by (used for) operating activities	<u>862,064</u>	<u>(470,132)</u>
Cash flows from non-capital financing activities		
Interfund loans	244,367	-
Transfers in from School		40,000
Net cash provided by (used for) non-capital financing activities	<u>244,367</u>	<u>40,000</u>
Cash flows from capital and related financing activities		
Additions to capital assets	(2,103,560)	-
Principal paid on bonds, notes and loans	(5,770,000)	-
Note proceeds	7,150,775	-
Capitalized bond cost	(13,713)	-
Interest paid on notes	(376,130)	-
Net cash provided (used for) capital and related financing activities	<u>(1,112,628)</u>	<u>-</u>
Cash flows from investing activities		
Interest and dividends on investment	7,423	195,135
Change in market value	-	365,072
Net cash provided by (used for) investing activities	<u>7,423</u>	<u>560,207</u>
Net increase (decrease) in cash and cash equivalents	1,226	130,075
Cash and cash equivalents at beginning of year	363,865	708,688
Cash and cash equivalents at end of year	<u>\$ 365,091</u>	<u>\$ 838,763</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income (Loss)	\$ 815,841	\$ (478,052)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	454,212	7,920
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(417,210)	-
Increase (decrease) in accounts payable	9,221	-
Total adjustments	<u>46,223</u>	<u>7,920</u>
Net cash provided by operating activities	<u>\$ 862,064</u>	<u>\$ (470,132)</u>

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

TOWN OF COVENTRY, RHODE ISLAND
Statement of Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2009

	<u>Police Pension Fund</u>	<u>Municipal Pension Fund</u>	<u>Permanent Funds</u>	<u>Agency Funds</u>
ASSETS				
Cash	\$ 164,764	\$ 67,230	\$ 50,144	\$ 1,376,570
Receivables:				
Internal balances	-	-	797,472	-
Total receivables	-	-	797,472	-
Investments, at fair value:				
Fixed income-governmental securities	2,112,539	950,803	1,579,138	-
Mutual funds	812,652	360,793	-	-
Equities	2,812,277	1,597,595	-	-
Total investments	5,737,468	2,909,191	1,579,138	-
Total Assets	<u>5,902,232</u>	<u>2,976,421</u>	<u>2,426,754</u>	<u>1,376,570</u>
LIABILITIES				
Deposits held in custody for others	-	-	12,471	1,376,570
Total liabilities	-	-	12,471	<u>\$ 1,376,570</u>
NET ASSETS				
Held in trust for other purposes	<u>\$ 5,902,232</u>	<u>\$ 2,976,421</u>	<u>\$ 2,414,283</u>	

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

TOWN OF COVENTRY, RHODE ISLAND
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2009

	<u>Police Pension Fund</u>	<u>Municipal Pension Fund</u>	<u>Permanent Funds</u>
Additions			
Contributions			
Employer contributions	\$ 2,274,733	\$ 550,000	\$ -
Plan members contributions	290,776	168,302	-
Total contributions	<u>2,565,509</u>	<u>718,302</u>	<u>-</u>
Investment earnings			
Interest and dividends	99,653	71,834	43,828
Net decrease in fair value of investment	(1,434,915)	(700,012)	(25,007)
Total investment earnings	(1,335,262)	(628,178)	18,821
Less investment expense	7,136	3,818	-
Net investment earnings	<u>(1,342,398)</u>	<u>(631,996)</u>	<u>18,821</u>
Total additions	<u>1,223,111</u>	<u>86,306</u>	<u>18,821</u>
Deductions			
Benefits paid	2,383,765	484,536	-
Operating expenses	16,245	24,701	114,025
Total deductions	<u>2,400,010</u>	<u>509,237</u>	<u>114,025</u>
Change in net assets	(1,176,899)	(422,931)	(95,204)
Net assets - beginning of year	7,079,131	3,399,352	2,509,487
Net assets - end of year	<u><u>\$ 5,902,232</u></u>	<u><u>\$ 2,976,421</u></u>	<u><u>\$ 2,414,283</u></u>

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

Notes to Financial Statements

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Coventry, Rhode Island, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The government's significant accounting policies are described below.

Reporting Entity

The Town of Coventry was incorporated in 1741. The Town is governed largely under the 1973 Coventry Home Rule Charter. In some matters, including the issuance of short and long-term debt, the general laws of the State of Rhode Island govern the Town. The Town operates under a Council/Manager form of government and provides the following services as authorized by its charter: Public Safety (police, fire alarm, animal control, inspections, and ambulance) Public Works (sanitation, roads and bridges, engineering and building maintenance), Parks and Recreation, Education, Social Services, and General Administrative Services.

Members of the Town Council are elected by district for a term of two years. The Town Council is granted all powers to enact, amend or repeal ordinances relating to the Town's property, affairs and government, including the power to create offices, departments or agencies of the Town, preserving the public peace, health and safety, establishing personnel policies, giving effect to any vote of the Financial Town Meeting authorizing the issuance of bonds and providing for an annual audit of the Town's accounts.

This report includes all of the funds and account groups of the Town of Coventry. The reporting entity for the town consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14. Under GASB Statement No. 14, the financial reporting entity includes both the primary government, which is the Town of Coventry and all of its component units. Component units are legally separate entities that meet any one of the following three tests:

Test 1- the primary government appoints the voting majority of the board of the potential Component unit and

- * Is able to impose its will on the potential component unit and/or
- * Is in a relationship of financial benefit or burden with the potential component unit;

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Test 2- the potential component unit is fiscally dependent upon the primary government; or

Test 3 - the financial statements would be misleading if data from the potential component unit was not included.

The following entity was considered for classification as component units for fiscal year 2009:

* Coventry School System

Although the Coventry School System met certain criteria of the tests listed above, this entity is not deemed to have separate legal status apart from the Town. As a result, the financial data of this entity has been included as Special Revenue Fund within the Town's financial statements and is not considered a component unit of the Town.

BASIS OF PRESENTATION

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for *fiduciary funds* (the activity of these funds are reported in the statements of fiduciary net assets and changes in fiduciary net assets). The government-wide financial statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

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

- (a) Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total (assets, liabilities, and so forth) for all funds of that category or type (that is, total governmental or total enterprise funds), and
- (b) Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

In addition to funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users (for example, because of public interest or consistency) may be reported as a major fund.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GOVERNMENTAL FUND TYPES

These are the funds through which most governmental functions are typically financed. The funds included in this category are as follows:

General Fund - is used to account for resources devoted to financing the general services that the Town performs for its citizens. General tax revenues and other sources of revenues used to finance the fundamental operations of the Town are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Special Revenue Funds - are used to account for the proceeds of specific revenue sources (other than expendable trust, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary or Trust funds).

PROPRIETARY FUND TYPE

This fund type accounts for operations that are organized to be self-supporting through user charges. The fund included in this category is as follows:

Enterprise Funds - are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy management control, accountability, or other purposes.

Internal Service Funds - are used to account for the financing of goods or services provided by an activity to other departments or funds of the Town on a cost-reimbursement basis.

FIDUCIARY FUND TYPES

These funds account for assets held by the Town as a trustee or agent for individuals, private organizations, and other units of governments. These funds are as follows:

Agency Funds - are used to account for funds that are to be used for educational and welfare expenditures and for funds held in escrow for other parties.

Private Purpose Trust Funds - These funds account for assets held by the Town under various trust arrangements for the benefit of certain individuals and groups.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

Measurement Focus – Government Wide Financial Statements

In the Government-Wide Financial Statements the Statement of Net Assets and Statement of Activities, the governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expense, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the government also are recognized as revenue. Fines, permits, and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accounting and financial reporting treatment applied to the *fund financial statements* is determined by its measurement focus. All Governmental Fund Types and Expendable Trust Funds are 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 total 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 total assets.

All Governmental Fund Types and Agency Funds 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.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

For the other type, revenues are virtually unrestricted as to purpose of expenditure and revocable only for failure to comply with the prescribed requirements, such as a Community Development Block Grant. These resources are reflected as revenues at the time of receipt or earlier if they meet the “available” criteria.

All Proprietary Funds and Pension Trust Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

In accordance with Government Accounting Standards Board Statement No. 20, the Town of Coventry has elected to apply to all Proprietary Fund Types and Similar Trust Funds all applicable GASB Pronouncements, as well as the following pronouncements issued on or before November 30, 1989; FASB Statements and Interpretations, APB opinions and ARBs unless these pronouncements conflict with or contradict GASB pronouncements.

Cash Equivalents

For the purpose of the Statement of Cash Flows, the Propriety Fund Types consider all highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents.

Investments

Investments are Government Securities, Commercial Paper and various types of corporate stocks and bonds held in the Governmental and Fiduciary Fund types, which are recorded at fair value. Fair value is determined wherever possible, by use of published quoted amounts, where quotes are not available, formal valuations are obtained.

When discounts or premiums are present, the Town will capitalize and amortize the amount over the period of the related investment.

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase. No significant inventory balances were on hand at June 30, 2009.

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, bridges, curbs and gutters, streets and sidewalks, and drainage systems) are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The Town

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

defines capital assets as assets with an individual cost of more than \$5,000 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). Donated assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are recorded as expenditures as incurred.

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

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

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

<u>Description</u>	<u>Estimated Lives (years)</u>
Building	20
Machinery and equipment	5-10
Improvements	10-20
Other infrastructure	10-50

Deferred Revenues

Deferred revenues represent funds received in advance of being owed or receivables, which will be collected and included in revenues of future fiscal years. In the General Fund, deferred revenues relate to property tax receivables, which were received prior to June 30th, plus delinquent balances less amounts due as of the balance sheet date and received sixty days thereafter.

Designated Fund Balances

Designated fund balances represent amounts, which the Town intends to use in future years to pay for non-contracted expenditures at year-end.

Reserved Fund Balances

Reserved fund balances represent amounts, which the Town is contractually obligated to pay but has not as of the balance sheet date received the goods or services.

Fund Equity

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distribution.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues, Expenditures and Expenses

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred. Revenues and expenses of proprietary fund types are recognized using the full accrual basis of accounting. Revenue is recognized when earned and expenses as incurred.

Program Revenues and Expenses

In the statement of activities specific revenues are allocated to program expenses due to their direct relationships. Collections for licenses, fees, tickets and fines are among some of the revenue sources that are program revenues. Indirect expenses are not allocated to functions in the statement of activities.

Property Taxes

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 97.91% of the total December 31, 2007 levy.

The Town's fiscal 2009 property taxes were levied in July of 2008 on assessed valuation as of December 31, 2007. Upon levy, taxes are billed quarterly and are due on August 15, November 15, February 15, and May 15. Failure to mail payments by due dates will result in lien on taxpayer's property. Assessed values are established by Tax Assessor's Office and are currently calculated at 100% of assessed value for real estate and 100% of market value for motor vehicles.

Vacation, Sick Leave, and Other Compensated Absences

Vacation leave is earned by all full-time Town employees. Upon termination, employees are entitled to receive compensation for their unused accrued vacation leave. Sick leave is earned by all full-time employees as well as part-time employees at the School Department. Unused vacation leave is paid upon an employee's termination. Upon retirement, municipal union employees are entitled to receive their accumulated sick leave up to 480 hours, policemen receive all accumulated unused sick leave up to 120 days, and school employees are entitled to receive compensation for their accrued sick leave balance, up to 50 days for teachers and classified personnel. Part-time employees are eligible to receive one half of the above amounts. Upon termination, the Town's non-union employees are entitled to one half of their accumulated sick leave up to 480 hours.

For Governmental Fund Types accrued compensated absences are presented as a current liability for those amounts expected to be paid with current financial resources. For those compensated absences not to be paid with current financial resources the liability is recorded in the Statement of Net Assets of the Government-Wide Financial Statements.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inter-fund Transactions

Quasi-external transactions are accounted for as fund revenues, expenditures or expenses (as appropriate). Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures or expenses (as appropriate) in the reimbursing fund and as reductions of the expenditure or expense in the fund that is reimbursed. All inter-fund transactions, except advances, quasi-external transactions and reimbursements, are accounted for as transfers. Nonrecurring or non-routine transfers of equity between funds are considered equity transfers. All other inter-fund transactions are treated as operating transfers.

Interfund Receivables and Payables

For the government-wide financial statements, all interfund transactions (sources and uses) were eliminated except for those with fiduciary funds.

The Town utilizes the interfund loan accounts as a short term vehicle to expedite the payment of vouchers from a consolidate vendor checking account.

The transfers between funds are to fund matching revenues related to federal grants; to fund and utilized funding for operations in the Special Revenue and Community Development funds.

Estimates

The preparation of 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 reporting period. Actual results could differ from those estimates and the differences may be material.

NOTE 2 – BUDGETARY DATA AND BUDGETARY COMPLIANCE

In accordance with the Home Rule Charter, the Town has formally established budgetary accounting control for its General Fund and the School Unrestricted Fund, which is a Special Revenue Fund.

The General Fund is subject to an annual operating budget adopted at the financial Town Meeting. The School Unrestricted Fund is subject to an annual operating budget approved by the School Committee and adopted at the financial Town meeting. 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. Appropriations which are not expended or encumbered lapse at year end.

The School Department has established formal budgetary accounting as a management control for all funds. Annual operating budgets are adopted each fiscal year through the passage of an annual budget. The School Department budgets its expenditures based upon its estimate of state aid and the funding provided by the Town. Federal and state grants, included in the restricted special revenue fund, are not part of the legally adopted Town or School Department budget since their receipt is uncertain at the time the budgeting process is completed.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – BUDGETARY DATA AND BUDGETARY COMPLIANCE (Continued)

The General Fund and Special Revenue - School Unrestricted Fund's annual operating budgets are in conformity with generally accepted accounting principles. The budget to actual presentation in the financial statements 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.

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 \$119,810,819 based on the December 31, 2007 assessment. As of June 30, 2009 the Town's debt is under the debt limit by \$96,570,819. See page 105 in the statistical section for computation of the legal debt margin.

In addition to the bonding authority granted under §45-12-2 of the RI General Laws, the Town of Coventry 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.

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

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

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

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – CASH AND INVESTMENTS (continued)

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, 2009, \$10,885,225 of the Town's bank balance of \$18,177,289 was uninsured and uncollateralized.

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 investments of the Town consist of the following at June 30, 2009

<i>Cash and Cash Equivalents</i>	
Deposits with financial institutions	\$ 16,694,280
<i>Investments</i>	
<i>Private Purpose Trust Funds:</i>	
Fixed Income Pool	1,579,138
Total Private Purpose Trust Funds	<u>1,579,138</u>
<i>Pension Trust Funds:</i>	
Fixed Income-government securities	3,063,342
Mutual Funds	1,173,445
Equities	4,409,872
Total Pension Trust Funds	<u>8,646,659</u>
<i>Internal Service Fund:</i>	
Certificates of Deposits & Annuities	1,514,615
Mutual Funds	667,375
Preferred Stock & Equities	59,920
Corporate Bonds	791,103
Total Internal Service	<u>3,033,013</u>
Total Cash and Investments	<u><u>\$ 29,953,090</u></u>

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

<i>Statement of Net Assets</i>	
Cash and cash equivalents	\$ 15,035,572
Investments	3,033,013
	<u>18,068,585</u>
<i>Fiduciary Funds</i>	
Cash	1,658,708
Investments	10,225,797
	<u>11,884,505</u>
Total Cash and Investments	<u><u>\$ 29,953,090</u></u>

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 4 – CASH AND INVESTMENTS (continued)

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

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Certificates of Deposit	\$ 1,272,364	\$ 196,460	\$ 784,042	\$ 241,872	\$ 49,990
Corporate Bonds	791,103	251,316	539,787	-	-
Total	<u>\$ 2,063,467</u>	<u>\$ 447,776</u>	<u>\$ 1,323,829</u>	<u>\$ 241,872</u>	<u>\$ 49,990</u>

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk exposure. Presented below is the minimum rating as required for each debt investment type.

<u>Average Rating</u>	<u>Corporate Bonds</u>
AA+	298,528
A	200,427
A-	50,634
BBB+	51,111
BBB-	190,403
	<u>\$ 791,103</u>

NOTE 5 - PROPERTY TAXES

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

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

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 6 – CAPITAL ASSETS

The Town defines capital assets as assets with an individual cost of more than \$5,000 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 fixed asset transactions and Proprietary Funds. As stated in note 17 the town transferred Governmental Fund expenditures for sewer lines and other infrastructure assets that were previously reported in a special revenue fund and a capital projects fund to a newly created Proprietary Sewer Enterprise Fund which will maintain Sewer Fund activity.

Capital asset activity for government funds for the fiscal year ended June 30, 2009 was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,640,090	\$ 153,073	\$ -	\$ 2,793,163
Construction in process	1,180,678	164,251	678,296	666,633
Total capital assets not being depreciated	3,820,768	317,324	678,296	3,459,796
Depreciable assets				
Infrastructure	33,005,324	-	-	33,005,324
Buildings & improvements	92,604,140	804,176	-	93,408,316
Machinery and equipment	903,470	39,950	-	943,420
Office equipment and furniture	6,585,265	30,850	7,042	6,609,073
Vehicles	5,773,598	274,351	33,411	6,014,538
Total other capital assets at historical cost	138,871,797	1,149,327	40,453	139,980,671
Less accumulated depreciation for:				
Infrastructure	32,222,277	42,116	-	32,264,393
Buildings & improvements	64,856,963	2,127,226	-	66,984,189
Machinery and equipment	813,199	44,413	-	857,612
Office equipment and furniture	6,257,080	110,915	755	6,367,240
Vehicles	4,462,738	441,032	30,145	4,873,625
Total accumulated depreciation	108,612,257	2,765,702	30,900	111,347,059
Net Depreciable Assets	30,259,540	(1,616,375)	9,553	28,633,612
Governmental activities capital assets, net	\$ 34,080,308	\$ (1,299,051)	\$ 687,849	\$ 32,093,408

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General Government	\$ 10,949
Public safety	156,317
Public Works	366,116
Health and Human Services	21,435
Education	2,051,602
Culture and Recreation	159,283
Total governmental activities depreciation expense	<u>\$ 2,765,702</u>

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 6 – CAPITAL ASSETS (continued)

Capital asset activity for business-type activity for the fiscal year ended June 30, 2009 was as follows:

	Primary Government		
	Beginning Balance	Increases	Decreases
			Ending Balance
Business-type activities:			
Capital assets not being depreciated:			
Land	\$ 141,600	\$ -	\$ -
Construction in progress	3,363,447	1,958,906	5,318,682
Total capital assets not being depreciated	3,505,047	1,958,906	5,318,682
Other capital assets:			
Buildings	158,400	-	-
Wastewater collection system	19,135,504	5,452,833	-
Total other capital assets at historical cost	19,293,904	5,452,833	-
Less accumulated depreciation for:			
Buildings	39,600	7,920	-
Wastewater collection system	1,110,036	443,708	-
Total accumulated depreciation	1,149,636	451,628	-
Business-type activities capital assets, net	\$ 21,649,315	\$ 6,960,111	\$ 5,318,682
			\$ 23,290,744

Depreciation expense was charged to functions as follows:

Business-type activities:	
Sewer	\$ 443,708
Internal Service Fund	7,920
Total business-type activities depreciation expense	\$ 451,628

TOWN OF COVENTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009
(CONTINUED)

NOTE 7 - DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS.

"Total fund balances" of the Town's governmental funds (\$7,422,397) differs from "net assets" of governmental activities (\$12,937,274) reported in the statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets. The effect of the differences is illustrated below.

Balance Sheet / Statement of Net Assets

	Total Governmental Funds	Long-term Assets/ Liabilities (1)	Reclassifications and Eliminations (2)	Statement Net Assets Totals
Assets				
Cash and cash equivalents	\$ 13,831,718	\$ -	\$ 838,763	\$ 14,670,481
Investments	-	-	3,033,013	3,033,013
Accounts receivable:				
Real estate & personal property taxes receivable	1,812,337	-	-	1,812,337
Due from federal and state governments	2,471,264	-	-	2,471,264
Other receivables	1,458,725	-	-	1,458,725
Due from other funds	7,456,104	-	(7,456,104)	-
Land	-	2,793,163	141,600	2,934,763
Construction in progress	-	666,633	-	666,633
Depreciable capital assets - net	-	28,633,612	110,880	28,744,492
Total assets	<u>27,030,148</u>	<u>32,093,408</u>	<u>(3,331,848)</u>	<u>55,791,708</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	6,371,683	89,927	-	6,461,610
Due to other funds	7,286,215	-	(8,253,576)	(967,361)
Deferred revenues	2,018,816	(1,579,770)	-	439,046
Other liabilities	3,931,037	-	797,472	4,728,509
Long-term liabilities				
Due within one year	-	2,075,000	-	2,075,000
Due in more than one year	-	55,992,178	-	55,992,178
Total liabilities	<u>19,607,751</u>	<u>56,577,335</u>	<u>(7,456,104)</u>	<u>68,728,982</u>
Fund Balances/Net Assets				
Total fund balances/net assets	7,422,397	(24,483,927)	4,124,256	(12,937,274)
Total liabilities and fund balances/net assets	<u>\$ 27,030,148</u>	<u>\$ 32,093,408</u>	<u>\$ (3,331,848)</u>	<u>\$ 55,791,708</u>

TOWN OF COVENTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009
(CONTINUED)

NOTE 7 - DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS.

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

Land	\$ 2,793,163
Construction in progress	666,633
Cost of capital assets	139,980,671
Accumulated depreciation	(111,347,059)
	<u>\$ 32,093,408</u>

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

Adjustment of deferred revenue	<u>\$ 1,579,770</u>
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Interest on long-term debt is accrued in the statement of net assets but is not accrued in governmental funds, rather it is recognized as an expenditure when due.

Adjustment of accrued interest expense	<u>\$ (89,927)</u>
--	--------------------

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

Bonds & notes payable	23,240,000
Accrued compensated absences	4,360,022
Net pension obligation	30,139,156
Net OPEB obligation	328,000
	<u>\$ 58,067,178</u>

- (2) The Internal Service Fund is used by management to charge the costs of Worker's Compensation claims. The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Government-Wide Statement of Net Assets.

\$ 4,124,256

The elimination of internal balances of governmental and business type activities.

\$ 8,253,576

The reclassification of monies owed to fiduciary funds

\$ (797,472)

TOWN OF COVENTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009
(continued)

NOTE 8 - DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES

The "net change in the fund balances" for governmental funds (\$885,680) differs from the "change in net assets" for governmental activities (\$5,764,087) reported in the statement of activities. The differences are primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences are illustrated below.

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

	Total Governmental Funds	Long-term Revenues/ Expenses & Reclassifications (1)	Capital- related Items (2)	Internal Service Fund (3)	Long-term Debt Transactions (4)	Statement of Activities Totals
Revenues						
Real estate and personal property taxes	\$ 58,405,116	\$ (2,905,521)	\$ -	\$ -	\$ -	\$ 55,499,595
Other taxes	720,539	-	-	-	-	720,539
Penalties and interest on taxes	500,263	-	-	-	-	500,263
Licenses, fees and permits	757,262	-	-	-	-	757,262
Investment income	306,866	-	-	195,135	-	502,001
Intergovernmental	29,770,329	-	-	-	-	29,770,329
Federal revenue - State Fiscal Stabilization Fund	1,166,987	-	-	-	-	1,166,987
Contributions and private grants	48,965	-	-	-	-	48,965
Charges for services	2,702,984	-	-	28,763	-	2,731,747
Miscellaneous	1,950,677	-	-	-	-	1,950,677
Total revenues	96,329,988	(2,905,521)	-	223,898	-	93,648,365
Expenditures						
Current:						
General government	3,971,366	-	(1,229)	506,815	2,038,364	6,515,316
Public safety	9,226,322	-	(141,762)	-	-	9,084,560
Education	70,437,038	-	1,931,287	-	-	72,368,325
Public works	6,356,249	-	226,414	-	-	6,582,663
Community and economic development	493,767	-	-	-	-	493,767
Health and human services	1,152,752	-	16,005	-	-	1,168,757
Culture and recreation	2,386,327	-	(53,368)	-	(200,000)	2,132,959
Debt service						
Principal payments	2,090,000	-	-	-	(2,090,000)	-
Interest and fiscal charges	1,061,847	(5,295)	-	-	-	1,056,552
Total expenditures	97,175,668	(5,295)	1,977,347	506,815	(251,636)	99,402,899
Other financing uses/changes in net assets						
Net transfers (to) from other funds	(40,000)	-	-	40,000	-	-
Loss on disposal of equipment	-	-	(9,553)	-	-	(9,553)
Total other financing uses	(40,000)	-	(9,553)	40,000	-	(9,553)
Net change for the year	\$ (885,680)	\$ (2,900,226)	\$ (1,986,900)	\$ (242,917)	\$ 251,636	\$ (5,764,087)

TOWN OF COVENTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009
(continued)

NOTE 8 - DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES

- (1) Because some property taxes and other receivables will not be collected for several months after fiscal year ends, they are not considered as "available" revenues in the governmental funds.

Deferred revenue property taxes	(2,905,521)
	<u>\$ (2,905,521)</u>

Interest expense in the statement of activities differs from the amount reported in governmental funds. Accrued interest was calculated for bonds and notes payable.

Accrued interest expenditure adjustment	\$ 5,295
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Total (1)	<u>\$ (2,900,226)</u>
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- (2) When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net assets decrease by the amount of depreciation expense charged for the year.

Capital outlay	788,355
Depreciation expense	(2,765,702)
Difference	<u>\$ (1,977,347)</u>

When a loss is realized for the disposal of capital assets the loss is not recognized on the governmental funds and is only recorded on the statement of activities.

Loss on disposal of equipment	\$ (9,553)
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Total (2)	<u>\$ (1,986,900)</u>
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- (3) Internal service funds are used by management to charge the cost of certain activities, such as workers compensation insurance coverage to individual funds. The adjustments for internal service funds "close" those funds by charging additional amounts or reducing expenditures to the governmental funds thus eliminating any surplus or deficit on the internal service fund.

	<u>\$ (242,917)</u>
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- (4) Other accrued expenditures are not recorded on the funds statement but are shown on the statement of activities in order to present the true financial position of the City on its long-term contracts.

Net increase in compensated absences	\$ (272,056)
Net increase in net pension obligation	(1,438,308)
Net increase in net OPEB obligation	(328,000)
Difference	<u>\$ (2,038,364)</u>

Repayment of bond and note principal is reported as an expenditure in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the town as a whole, however, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.

Bond principal payments	2,090,000
Note principal payments	200,000
Total principal payments made	<u>\$ 2,290,000</u>

Total (4)	<u>\$ 251,636</u>
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TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 9 –LONG-TERM LIABILITIES

Governmental long-term liabilities do not appear in the fund financial statements but rather are a reconciling item in the presentation of the government-wide financial statements and are included in the statement of net assets. Long-Term liabilities directly related to and intended to be paid from the Proprietary Fund Types are included in the accounts of such fund.

Long-term liability activity for the fiscal year ended June 30, 2009 was as follows:

	Balance July 1, 2008	Additions	Retirements	Balance June 30, 2009	Amounts Due within One Year
Governmental Activities					
Bonds Payable	\$ 25,330,000	\$ -	\$ 2,090,000	\$ 23,240,000	\$ 2,075,000
Total bonds payable	<u>25,330,000</u>	<u>-</u>	<u>2,090,000</u>	<u>23,240,000</u>	<u>2,075,000</u>
Other liabilities:					
Accrued compensated absences	4,087,966	272,056	-	4,360,022	-
Net pension obligation	28,700,848	1,438,308	-	30,139,156	-
Net OPEB obligation	-	328,000	-	328,000	-
Notes Payable	200,000	-	200,000	-	-
Total other liabilities	<u>32,988,814</u>	<u>2,038,364</u>	<u>200,000</u>	<u>34,827,178</u>	<u>-</u>
Governmental Activities long-term liabilities	<u>\$ 58,318,814</u>	<u>\$ 2,038,364</u>	<u>\$ 2,290,000</u>	<u>\$ 58,067,178</u>	<u>\$ 2,075,000</u>
Business-Type Activities					
Sewer Department bonds payable	\$ 3,155,000	\$ -	\$ 135,000	\$ 3,020,000	\$ 140,000
Rhode Island Clean Water	3,205,000	-	135,000	3,070,000	137,000
Rhode Island Clean Water	5,000,000	-	-	5,000,000	208,000
Total bonds and notes payable	<u>11,360,000</u>	<u>-</u>	<u>270,000</u>	<u>11,090,000</u>	<u>485,000</u>
Other liabilities:					
GO Tax Anticipation Notes	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Total other liabilities	<u>5,500,000</u>	<u>5,500,000</u>	<u>5,500,000</u>	<u>5,500,000</u>	<u>5,500,000</u>
Total enterprise funds	<u>\$ 16,860,000</u>	<u>\$ 5,500,000</u>	<u>\$ 5,770,000</u>	<u>\$ 16,590,000</u>	<u>\$ 5,985,000</u>

The following schedule summarizes the Town's bonds and notes

	Interest Rates	Principal	Due Dates
Governmental bonds	2.00% - 5.00%	\$ 23,240,000	2010-2023
Enterprise Funds bonds and notes payable	.49% - 2.75%	16,590,000	2010-2028
Total All Funds		<u>\$ 39,830,000</u>	

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 9 –LONG-TERM LIABILITIES (continued)

The debt service through maturity for the above Governmental bonds are as follows:

Fiscal Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	2,075,000	984,952	3,059,952
2011	2,065,000	903,973	2,968,973
2012	1,700,000	829,711	2,529,711
2013	1,700,000	763,056	2,463,056
2014	1,700,000	690,181	2,390,181
2015	1,700,000	615,275	2,315,275
2016	1,700,000	472,650	2,172,650
Thereafter	10,600,000	1,697,300	12,297,300
TOTALS	<u>\$ 23,240,000</u>	<u>\$ 6,957,098</u>	<u>\$ 30,197,098</u>

The debt service through maturity for the above Enterprise bonds and BAN are as follows:

Fiscal Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	5,985,000	138,745	6,123,745
2011	495,000	133,355	628,355
2012	512,000	127,830	639,830
2013	523,000	122,130	645,130
2014	540,000	116,260	656,260
2015	556,000	110,202	666,202
2016	573,000	103,944	676,944
Thereafter	7,406,000	679,631	8,085,631
TOTALS	<u>\$ 16,590,000</u>	<u>\$ 1,532,097</u>	<u>\$ 18,122,097</u>

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 10 – FUND DEFICIT

The following individual funds had deficit fund equity balances as of June 30, 2009:

Governmental Funds

Special Revenue Funds

School Unrestricted	\$ 313,401	*
School Food Service	481,838	*
Anthony Village	200	**
Byrne Grant	1,910	**
DOE Serve America	1,085	**
Direct Reimbursement-688	4,029	*
Direct Reimbursement-689	<u>303</u>	*
Total	<u>\$ 845,239</u>	

* The deficit balance will require a future administration plan to fund this deficit.

** The deficit balance will be eliminated by future reimbursements from either the State or the Federal Government.

NOTE 11 – MORTGAGES RECEIVABLE

As of June 30, 2009, a balance of \$797,471 is due to the Town of Coventry from two mortgage promissory notes. These notes were issued by the Maple Root Corporation and Ramblewood Housing Cooperative Corporation. The original, amount of the notes were for \$560,912 and \$439,088 respectively, and were issued on February 3, 2004 with an interest rate of 3.5% per annum. The notes are to be paid with 240 monthly installments of \$3,523.06 and \$2,546.53 respectively, commencing March 1, 2004. The above receivables are secured by land.

NOTE 12 – 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, 2009.

	<u>Due from other funds</u>		<u>Due to other funds</u>	
General Fund		\$ 1,139,738		\$ 6,069,581
Special Revenue Funds:				
School Unrestricted	3,696,300		-	
School Restricted	608,174		1,044,258	
Town Restricted	<u>1,366,186</u>	5,670,660	<u>172,376</u>	1,216,634
Capital Projects:		645,706		
Trust Funds:				
Permanent Funds		797,472		-
Proprietary Funds				
Sewer Fund	-		967,361	
Internal Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>967,361</u>
Totals		<u>\$ 8,253,576</u>		<u>\$ 8,253,576</u>

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 13 - FUND EQUITY RESERVES

The following reserves are recorded in the financial statements at June 30, 2009:

Reserve for encumbrances - to reserve for purchase commitments, which have not lapsed at year-end, but do not constitute an expenditure or liability \$76,823.

Reserve for budgeted expenditures - to reserve cumulative surplus funds to pay for budgeted expenditures in the subsequent fiscal year. This amount has been legally adopted in the 2010 fiscal year end budget. This amount is \$159,138.

Reserve for other specific purposes - to reserve for school capital fund \$50,139.

NOTE 14 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. Litigation

The Town has been named as a responsible party in connection with the investigation and remediation of the former Coventry landfill owned and operated by the Town and located off Arnold Road in Coventry. The Town is one of a number of persons to whom a Letter of Responsibility was issued in June, 2003 by the Rhode Island Department of Environmental Management requiring such persons to conduct the investigation and remediation of the landfill under applicable state and federal law and regulations. Such an investigation is still ongoing and is subject to the supervision of the U.S. District Court for the District of Rhode Island.

The Town is being represented in a lawsuit in a case concerning a parcel of undeveloped real property that the plaintiff acquired from a private seller in 2000. The property surrounds the site of the former Town landfill on three sides. The plaintiffs contend that substantial portions of the property are affected by buried municipal waste that extends beyond the boundaries of the landfill, and that the presence of this waste on the property constitutes a "continuing trespass". The parties commenced a liability-only trial in June of 2009. The trial ultimately ended in a mistrial. The Town is now scheduled to move forward with a new trial on both liability and damages, on the sole count of continuing trespass, sometime in early 2010. Although the Town has never admitted liability, it is unclear whether the Town has any defenses to liability. It would appear that the municipal waste underneath the property originated from the town landfill. The Town is currently considering the prospect of retaining its own experts, and anticipates possible settlement discussions with plaintiffs prior to any new trial.

During the ordinary course of its operations, the Town is a party to various claims, other legal actions and complaints. These various legal actions include disputes in property valuations and torts for which the Town has been named as a defendant. In the opinion of the Town's management and legal counsel, other than the matters stated above they do not anticipate any of them to have a material financial impact or at this time their legal counsel has been unable to assess liability, if any, on the part of the Town.

B. Federally Assisted Programs - Compliance Audits

The Town participates in a number of federally assisted programs. The audits of these programs through the year ended June 30, 2009 were audited in connection with the accompanying financial statements under the Single Audit Concept and the auditor's reports thereon are presented in the Single Audit Report. Management believes that the amounts, if any, of expenditures, which may be disallowed, will not be material to the financial position of the Town.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 15 – COMMITMENTS

Sewer Project

The Sewer Enterprise Fund through the Town of Coventry entered into a long term bond agreement on December 12, 2007, with Rhode Island Clean Water Finance Agency for \$5,000,000. The proceeds from this bond will be used to finance the engineering and construction of a portion of the Town of Coventry's overall Sewer Construction Program, as well as, certain financing costs and to set up a debt service reserve fund. The bonds will require annual payment of principal and interest over 20 years at a varying rate of interest ranging from 3.75% to 5.08%. As of June 30 2009, construction related to this borrowing was not complete.

NOTE 16 - PENSION PLANS

Substantially all full-time employees of the Town of Coventry are covered by one of six separate pension plans, each one of which are discussed below.

1. Municipal Employees Retirement Plan (Town Plan)

Plan Description

The Town of Coventry contributes to the Town's Municipal Employee Retirement Plan, which is a single-employer public employee retirement system (PERS). This plan was established by the Town in accordance with the Town Charter and Federal and State Statues.

Substantially all employees of the Town, except police, school employees and administrators, and some Town administrators are covered under this defined benefit municipal plan. Participants who became active members of the plan after June 30, 1991, contribute specified percentages of their annual compensation to the plan.

As of July 1, 2008, employee membership data related to this plan was as follows:

Active Members	106
Inactive Members	47
Retired Members	<u>47</u>
TOTAL	<u>200</u>

Under the provisions of the plan, benefits vest after ten years of creditable service. An employee may retire at age 62 with ten years of creditable service for full benefits, or at age 55 with ten years of creditable services for reduced benefits. This pension plan also provides disability and death benefits. Benefits begin vesting after four years of service and become fully vested after ten years of service. An employee's annual pension is determined by multiplying 2% of his average monthly pay by a benefit service rate. The average monthly pay is determined using the five highest consecutive pay years out of the ten latest pay years which give the highest average. The benefit service rate is the sum of the total periods of service. Under the provisions of

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 16 - PENSION PLANS *(continued)*

the plan, employees who become active members on or after July 1, 1991 are required to contribute 7% of total pay.

In addition to pension benefits, this plan also provides disability and death benefits. In order to receive disability benefits an employee must have at least ten years of creditable service when he becomes disabled and the employee must be totally disabled. Monthly disability benefits equal 25% of the employee's average monthly pay. Payments continue for the duration of the disability or until the employee reaches his early or normal retirement date.

Death benefits are available to qualified employees. An employee is a qualified if he/she 1) dies before retirement benefits begin, 2) was married for the full year before his death, and 3) if becoming an active member on or after July 1, 1991, has an account, or if becoming an active member prior to July 1, 1991, has a vesting percentage greater than zero. The death benefit equals the survivor's benefit at 50% survivor form and is payable as of the earliest date the employee could have retired on or after the date of death.

Summary of Significant Accounting Policies

Basis of Accounting

The plan's policy is to prepare its financial statements on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Valuation of Investments

The pension plan's unallocated insurance contracts are valued at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to pay benefits or administrative expense charged by the Principal Life Insurance Company.

The pension's plan unallocated separate accounts are valued at fair value.

Contributions

Active members hired after July 1, 1991, are required to contribute 7% of compensation to the plan. Participants who became active members prior to July 1, 1991, are not required to contribute to the plan. Any remaining obligation with respect to the pension plan shall be paid by the employer. The Town makes annual contributions to the plan based on its legally adopted budget.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 16 - PENSION PLANS (continued)

Actuarial Cost Method

A variety of significant actuarial assumptions are used to determine the standardized measure of the pension benefit obligation. These assumptions are summarized below:

- The actuarial cost method used to determine liabilities and costs and to project future funding requirements is known as the Entry Age Normal – Frozen Initial Liability method. This method spreads the total cost of the projected pension benefits for each employee from the date he is first employed to the normal retirement date. If benefits are related to compensation, the cost is spread as a level percentage of compensation. If benefits are not related to compensation, the cost is spread as a level dollar amount each year. The total of annual amounts for all employees combined is called the **Normal Cost**. This Normal Cost may be shared by the employer and the employees in accordance with plan provisions. The employee's Entry Age is determined as if the plan had always been in existence. Thus, as of the plan effective date, there are some accumulated Normal Costs for past years that have not been paid. The value of these past Normal costs is called the **Frozen Initial**

Liability: In subsequent years the Frozen Initial Liability is reduced by the employer deposits to the plan in excess of employer Normal Cost and interest requirements. This reduced amount is known as the **Unfunded Frozen Initial Liability**.

Actuarial Assumptions

- Mortality is assumed to be in accordance with the Group Annuity Mortality Table for 1983, with ages set back six years for females.
- Investment return on current assets and future contributions is assumed to be at the rate of 8% per year, compounded annually. This return includes interest, dividends and realized and unrealized gains.
- The spouse of a male participant is assumed to be three years younger. The spouse of a female participant is assumed to be three years older.
- It is assumed that 75% of participants are married.
- Salaries are assumed to be in accordance with Table S-5 from the Actuary's Pension Handbook.
- Disabilities are assumed to be in accordance with the Commissioner's Group Disability Table for 1987, with a six month elimination period.
- Rates of turnover (terminations of employment before becoming eligible for retirement) are in accordance with Table V published in Pension Forum: Society of Actuaries, August 1992, multiplied by 0.90.
- Normal retirement age is 62 or age at the valuation date, if later then age 62.
- Actuarial value of assets is market value adjusted by spreading the expected value minus the actual value over 4 years.
- Plan expenses are assumed to be deducted from the fund according to expense scales provided in the service agreement. An estimated expense charge is included in Normal Cost.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 16 - PENSION PLANS (continued)

Concentrations

At June 30, 2009, the following are investments (other than U.S. Government and U.S. Government guaranteed obligations), in any one organization, that represent five percent or more of Net Assets available for benefits (\$2,976,421 x .05 = \$148,821):

Principal Financial Group	\$1,270,332
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Annual Pension Cost and Net Pension Obligation: Below are the required pension obligation presentations per GASB 25 and 27 for the period ending June 30, 2009. The beginning net pension obligation has been restated due to a prior period adjustment. See Note 20 for further information.

Annual required contribution	\$ 806,558
Interest on net pension obligation	631,314
Adjustment to annual required contribution	<u>(516,827)</u>
Annual pension cost	921,045
Contributions made	<u>718,302</u>
Increase in net pension obligation	<u>202,743</u>
Net pension obligation beginning of year-as restated	<u>7,891,428</u>
Net pension obligation end of year	<u><u>\$ 8,094,171</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

Trend Information Municipal Retirement Plan (Town Plan)

Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Net Pension Obligation	Actual Contribution
2009	806,558	89.06%	8,094,171	718,302
2008	1,361,081	57.63%	7,891,428	784,442
2007	1,567,266	60.28%	7,559,033	944,703
2006	1,443,927	12.88%	7,200,074	186,000
2005	1,363,517	13.93%	6,145,935	190,000
2004	1,143,540	8.10%	5,142,950	92,650

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 16 - PENSION PLANS (continued)

2. Police Pension Plan

Plan Description

The Retirement Income Plan for the Police Officers of the Town of Coventry Pension Plan is a single-employer defined benefit pension plan. The plan is governed by the Town of Coventry which may amend plan provisions, and which is responsible for the management of the assets. The Town of Coventry has delegated the authority to manage certain plan assets to Principal Life Insurance Company.

As of July 1, 2008, employee membership data related to this plan was as follows:

Active members	63
Inactive members	4
Retired members	<u>57</u>
	<u>124</u>

Under the provisions of the plan, benefits vest at various times depending on the date of hire. An employee may retire at age 55 with twenty years of creditable service if employed prior to January 1, 1994 or twenty-five years if employed on or after January 1, 1994. This plan also provides disability and death benefits. A participant's earned benefit is equal to 50% of earnings. A participant's earnings are the compensation received during the preceding twelve month period, including holiday pay, longevity, vacation time and overtime. In addition, participants employed prior to January 1, 1994, may be eligible for a cost-of-living adjustment.

Under the provisions of the plan, all officers who were members of the Police Department prior to July 1, 1989, shall contribute 7% of total annual compensation from all sources. All members appointed to the Police Department on or after July 1, 1989 and before January 1, 1994, shall be required to contribute 8% of total annual compensation from all sources. Any participant who received their appointment on or after January 1, 1994 shall contribute 9% of their compensation.

In addition to pension benefits, this plan also provides disability and death benefits. In order to receive disability benefits a participant must become disabled in the line of duty and that disability must be expected to last at least two years. In this situation the participant will receive a 66 2/3% disability retirement benefit on the earlier of the date of completion of ten years of service or the date at which the participant reaches his normal retirement date. If the disability is not in the line of duty, but it is expected that the participant will be unable to return to active duty and the participant has ten years of service with the Town of Coventry, the participant will be entitled to a 25% disability benefit for up to one year. If after one year, the participant is still unable to work, the participant will automatically be retired.

Death benefits are available to qualified employees. If a participant dies before his normal retirement date, his beneficiary will receive a single sum payment of the employee's account, accumulated with interest. If death occurs after the normal retirement date, but before actual retirement, the participants' surviving spouse will receive a monthly benefit equal to the retirement benefit that participant would have received if retired on the date of death. If death occurs after retirement date, a death benefit will be paid to the participant's surviving spouse, dependent child, or beneficiary.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 16 - PENSION PLANS (continued)

Summary of Significant Accounting Policies

Basis of Accounting

The plan's policy is to prepare its financial statements on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Valuation of Investments

The pension plan's unallocated insurance contracts are valued at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to pay benefits or administrative expense charged by the Principal Life Insurance Company.

The pension's plan unallocated separate accounts are valued at fair value.

Contributions

Active members hired before January 1, 1994, are required to contribute 8% of compensation to the plan. Active members hired after January 1, 1994 are required to contribute 9% of compensation. Any remaining obligation with respect to the pension plan shall be paid by the employer. The Town makes annual contributions to the plan based on its legally adopted budget.

Actuarial Cost Method

A variety of significant actuarial assumptions are used to determine the standardized measure of the pension benefit obligation. These assumptions are summarized below:

- The actuarial cost method used to determine liabilities and costs and to project future funding requirements is known as the Entry Age Normal – Frozen Initial Liability method. This method spreads the total cost of the projected pension benefits for each employee from the date he is first employed to his normal retirement date. If benefits are related to compensation, the cost is spread as a level percentage of compensation. If benefits are not related to compensation, the cost is spread as a level dollar amount each year. The total of annual amounts for all employees combined is called the **Normal Cost**. This Normal Cost may be shared by the employer and the employees in accordance with plan provisions. The employee's Entry Age is determined as if the plan had always been in existence. Thus, as of the plan effective date, there are some accumulated Normal Costs for past years that have not been paid. The value of these past Normal Costs is called the **Frozen Initial Liability**. In subsequent years the Frozen Initial Liability is reduced by the employer deposits to the plan in excess of employer Normal Cost and interest requirements. This reduced amount is known as the **Unfunded Frozen Initial Liability**.
- Mortality is assumed to be in accordance with the Group Annuity Mortality Table for 1983, with ages set back six years for females.
- Investment return on current assets and future contributions is assumed to be at the rate of 8% per year, compounded annually. This return includes interest, dividends and realized and unrealized gains.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 16 - PENSION PLANS (continued)

- The spouse of a male participant is assumed to be three years younger. The spouse of a female participant is assumed to be three years older.
- It is assumed that 75% of participants are married.
- Salaries are assumed to be in accordance with Table S-5 from the Actuary's Pension Handbook plus 3.5%.
- Disabilities are assumed to be in accordance with the Commissioner's Group Disability Table for 1987, with a six month elimination period.
- Rates of turnover (terminations of employment before becoming eligible for retirement) are in accordance with Table V published in Pension Forum: Society of Actuaries, August 1992, multiplied by 0.20.
- Normal retirement age is 55 or age at the valuation date, if later then age 55.
- Actuarial value of assets is market value.
- Plan expenses are assumed to be deducted from the fund according to expense scales provided in the service agreement. An estimated expense charge is included in Normal Cost.

Concentrations

At June 30, 2009, the following are investments (other than U.S. Government and U.S. Government guaranteed obligations), in any one organization, that represent five percent or more of net assets available for benefits (\$5,902,243 x .05= \$295,112):

Principal Financial Group	\$2,383,579
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Annual Pension Cost and Net Pension Obligation: Below are the required pension obligation presentations per GASB 25 and 27 for the period ending June 30, 2009. The beginning net pension obligation has been restated due to a prior period adjustment. See Note 20 for further information.

Annual required contribution	\$ 3,084,953
Interest on net pension obligation	1,697,425
Adjustment to annual required contribution	(1,389,691)
Annual pension cost	3,392,687
Contributions made	2,565,509
Increase in net pension obligation	827,178
Net pension obligation beginning of year-as restated	21,217,807
Net pension obligation end of year	\$ 22,044,985

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 16 - PENSION PLANS (continued)

REQUIRED SUPPLEMENTARY INFORMATION

Trend Information Police Pension Plan

Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Net Pension Obligation	Actual Contribution
2009	3,084,953	83.16%	22,044,985	2,565,509
2008	4,071,928	68.03%	21,217,807	2,769,961
2007	4,921,572	88.38%	21,141,815	4,349,466
2006	5,479,790	28.29%	22,001,005	1,550,000
2005	4,870,087	27.72%	19,328,658	1,350,000
2004	4,765,194	14.69%	16,774,239	700,000

3. Coventry School Employees Pension Plan

The Town of Coventry contributes to the Coventry School Employee Pension Plan. This plan, originally established in April 1977, was restated as of January 1, 1991, by the School Committee of the Town of Coventry and the CTA/SRP Local 1075 (the "Union") in accordance with Federal and State Statutes. The Employer retains the right to amend the Plan.

Each school employee which, is a member of the Union or pays an agency fee shall be a participant of the plan. Participants who became active members of the plan after April 1, 1996, contribute specified percentages of their annual compensation to the plan. For the year ended June 30, 2009, the percentage was 9.5%. The Town makes annual contributions to the plan, such amount as is set forth under the relevant terms of the collective bargaining agreement between the Employer and the Union as in effect for such period and, for the year ended June 30, 2009, was equal to 11.89% of the regular payroll of employees subject to the plan.

As of September 1, 2008, employee membership data related to this plan was as follows:

Active members	221
Vested members	18
Retired members	121
	<u>360</u>

Under the provisions of the plan, benefits vest after ten years of creditable service. A participant may retire at age 58 with ten years of creditable service or upon completion of thirty years of creditable service, regardless of age, for full benefits, or age 60 with fifteen years of creditable service for reduced benefits. This plan also provides disability and death benefits. Benefits fully vest after ten years of service. An employee's annual pension is determined by multiplying specified percentage to the average compensation and the number of years of service. A participant's average compensation is computed using the three highest consecutive plan years that produce the highest average prior to the earlier of either the termination of service or termination of

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 16 - PENSION PLANS (continued)

the plan. In the event a participant has completed less than thirty-six consecutive months of compensation, the average compensation shall be determined based upon all completed calendar months of employment.

In addition to pension benefits, this plan also provides disability and death benefits. A participant is entitled to receive disability benefits determined at the date of disability retirement, in an amount equal to the actuarial equivalent of accrued benefit the employee must be separates from service by reason of total and permanent disability. The condition must have existed for a period of at least three months and must prevent the participant from engaging in substantial gainful activity.

Death benefits are available to qualified employees. A participant's beneficiary shall be entitled to death benefits equal to the actuarial equivalent of the participant's accrued benefit, determined as of the date of death. Qualified pre-retirement survivor annuity benefits provide a monthly pension benefit equal to the amount which the spouse would have received if the participant had retired on the day before death and elected a joint and 50% surviving spouse annuity which was the actuarial equivalent of the vested accrued benefit.

Contribution amounts are not actuarially determined but contractually committed.

Required Contributions:

Fiscal Year Ended June 30,	Annual Required Pension Cost Town	Annual Required Pension Cost Employees	Percent Contributed Both Plans
2009	688,538	432,023	100%
2008	689,046	432,343	100%
2007	679,520	426,365	100%

4. Employee's Retirement System of the State of Rhode Island (ERS)

Town of Coventry certified school personnel participate in the Employees' Retirement System of the State of Rhode Island ("System"), a cost-sharing multiple-employer defined benefit plan. The System issues a publicly available financial report that includes financial statements and required supplementary information for the Town. The financial report may be obtained by writing to Employees Retirement System of Rhode Island, 40 Fountain Street, Providence, Rhode Island, 02903-1854 or by calling (401) 222-2203.

Plan Description

All Town certified school personnel are eligible to participate in the System if the Board of Regents certifies them, are engaged in teaching as principal occupation and are regularly employed on at least a half time basis. Employees who retire at or after age 60 with 10 years of credited service, or after 28 years of credited service regardless of age are entitled to a retirement benefit. The retirement benefit is equal to 1.7% of their final-average salary for each year of credited service up to 10 years, plus 1.9% of their final average salary in excess of 10 years through 20 years, plus 3% of their final average salary in excess of 20 years up to the 34th year of service, plus 2% of their final average salary for the 35th year, up to a maximum benefit of 80% of their final average salary. Final average salary is the three highest consecutive years of earned salary exclusive of overtime, bonuses, or severance pay. Employees are vested in their retirement benefits on completion of 10 years of service. Retirees' benefits are adjusted annually by 3% compounded, to allow for

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 16 - PENSION PLANS (continued)

increases in cost of living. Cost of living adjustments begin on the January 1st following the third anniversary of an employee's retirement. There were no changes in the method and assumptions in the June 30, 2004 actuarial valuation to determine plan cost. The system also provides death and disability benefits.

Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the System are prepared on the accrual basis of accounting. Under this method revenues are recorded when earned and expenses are recorded when incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the each plan. Dividend income is recorded on the ex-dividend date. The Governmental Accounting Standards Board (GASB) has the responsibility for establishing generally accepted accounting principles for fiduciary type activities.

Method Used to Value Investments

Investments are recorded in the financial statements at fair value. Fair value is the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller that is, other than a forced liquidation sale. The fair value of fixed income and domestic and international stocks are generally based on published market prices and quotations from national security exchanges and securities pricing services. Real estate is primarily valued on appraisals by independent appraisers or as adjusted by the general partner. Other securities and investments, which are not traded on a national security exchange, are valued by the respective fund manager. Short-term investments are stated at fair value. Investment transactions are recorded on a trade date basis.

Contributions and Reserves

There were no long-term contracts for contributions to the plan or amounts outstanding as of the reporting date.

Concentrations

There are no investments in any one organization that represents more than 5% of the plan net assets.

Required Contributions:

Fiscal Yr Ended June 30	Annual Required Pension Cost	Percentage Contributed
2009	4,346,179	100%
2008	4,586,088	100%
2007	4,016,824	100%

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 16 - PENSION PLANS (continued)

Funding Policy

Rhode Island general laws set the contribution rates for participating State employees at 9.5% of salary. Annual contributions by both employers and the State on behalf of those employees are determined by actuaries and assessed as percentage of participants' payroll. The Town was required to contribute 11.89%, 13.04%, and 11.62%, for all full-time employees for fiscal years 2009, 2008, and 2007, respectively. The 2009 contribution rates are based on the State of Rhode Island's FY 2009 Pension Reform Reconciliation. The required contributions include (a) normal costs; (b) payments to amortize the unfunded frozen actuarial accrued liability as of July 1, 1985 over 30 years; and (c) interest on the unfunded frozen actuarial liability. Normal cost is determined using the entry age normal cost method with frozen initial liability. Both employers and employees contribute 1% of the first \$9,600 of salary for survivor benefits. A variety of significant actuarial assumptions are used and these assumptions are summarized below:

- **Mortality** – 1994 Group Annuity Mortality Tables.
- **Investment return** – 8.25 percent, compounded annually.
- **Salary increase** - Salaries will increase at a rate of 4.5-13.25 percent, compounded annually.
- **Retirement age** - Teachers are assumed to retire at the later of age 60 with 10 years of service credit or any age with at least 28 years' service credit.
- **Cost of living adjustments** – 3.0 percent compounded annually beginning on the January 1st following a participant's third anniversary of retirement.

As prescribed by Rhode Island general law, the State pays the entire portion of the annual required contribution attributable to the costs of contributions deferred by the State in prior years plus 40% of contributions assessed to employers on payroll not reimbursable through Federal programs. This resulted in contribution rates paid by the State on behalf of the School Department of 10.17% of non-federally reimbursable payrolls totaling \$2,657,469 for the fiscal year ended June 30, 2009. The School Department does not have any investments or related party investment with the State Plan.

5. School Administration Pension Plan

The Town of Coventry contributes to the School Administration Pension Plan. This plan is a defined contribution plan that covers certain school administrators who do not qualify for other school pension plans. The plan was established by the Town in accordance with the Town Charter and Federal and State Statutes.

The Town makes contributions to this plan based on the Town's contribution requirements for the Certified School Employees Pension Plan. In addition, participants may contribute a percentage of their annual salary to the plan based on applicable tax law. Under the provisions of the plan, benefits vest in the Town's contributions after three years of creditable service. This pension plan also provides disability and death benefits.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 16 - PENSION PLANS (continued)

As of June 30, 2009, employee membership data related to this plan was as follows:

Active members	5
Inactive members	<u>2</u>
Total	7

Required Contributions:

Fiscal Yr Ended June 30,	Annual Required Pension Cost	Percentage Contributed
2009	55,484	100%
2008	42,093	100%
2007	40,263	100%

6. Town Administration Pension Plan

The Town of Coventry contributes to the Town Administration Plan, which is an agent multiple-employer retirement plan. This plan is a defined contribution plan which covers certain Town administrators who have chosen not to participate in other Town pension plans. The plan was established by the Town in accordance with the Town Charter and Federal and State Statues.

Covered payroll for the Town Administration Pension Plan for the year ended June 30, 2009 was approximately \$89,286. The Town's total payroll for all employees was approximately \$54,869,221 for the same period. Covered payroll refers to all compensation paid by the Town to active employees of this pension plan on which contributions to this plan are based.

Normal retirement age is 62, unless the participant has elected an alternate normal retirement age by written instrument delivered to the Administrator prior to separation of service. Participants may contribute the lesser of 100% of gross compensation or \$15,500 per year. The Town matches this contribution up to 4% of the participant's annual salary. Participants vest in the Town's contributions after three years of credible service. In addition to retirement benefits, the plan also provides for pre and post-retirement death benefits.

Required Contributions:

Fiscal Yr Ended June 30,	Annual Required Pension Cost	Percentage Contributed
2009	3,571	100%
2008	6,699	100%
2007	1,604	100%

7. Other Post-Employment Benefits

Plan Description

In addition to the pension benefits described above, 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. Retiree medical coverage is only to age 65, while dental continues post-65.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 16 - PENSION PLANS (continued)

Town Hall Employees

Members of this group are eligible to receive medical and dental benefits for themselves and their spouse at the earlier of age 62 or age 55 with 10 years of service. The cost of benefits is 100% retiree-paid.

Police Employees

Members of this group are eligible to receive medical and dental benefits for themselves and their spouse at the earlier of:

1. Schedule A (hired prior to 1/1/94): 20 years of service
2. Schedule B (hired after 1/1/94): 23 years of service

The cost of benefits is 100% retiree-paid.

School Teachers and Administrators

Members of this group who have retired under the Employees' Retirement System of Rhode Island, with a minimum of 15 years of service with the Coventry School District are eligible to receive medical and dental benefits for themselves and their spouse at the earlier of:

1. Schedule A (vested prior to 7/1/05)
 - a. 28 years of service
 - b. Age 60 with 10 years of service
2. Schedule B (vested after 7/1/05)
 - a. Age 65 with 10 years of service
 - b. Age 59 with 29 years of service

The cost of benefits is as follows:

1. Pre-65: The District pays an annual health premium not to exceed \$1,200 for members and their spouses from their date of retirement through age 64.
2. Post-65: The District pays an annual health premium not to exceed \$1,000 for members and their spouses.

School Others

Members who have retired from the Coventry School District shall be eligible to receive medical and dental benefits for themselves and their spouse at the earlier of 30 years of service or age 58 with 10 years of service. The cost of benefits for other school employees is limited. For a period of six years following the member's retirement date, the School District pays an annual health premium not to exceed \$1,200. There are no OPEB benefits beyond the initial six years after retirement.

Membership

At July 1, 2009, membership consisted of:	
Active employees (Town, Police & School)	753
Retired members (Town, Police & School)	230
Spouses of retirees	<u>126</u>
Total	<u>1,109</u>

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 16 - PENSION PLANS (continued)

Funding Policy

The Town pays for the other post-employment benefits on a pay-as-you-go basis. The annual medical & dental benefits premium cost for fiscal year ended June 30, 2009 was \$0 for Town employees and \$296,995 for School employees.

Annual OPEB Cost and Net OPEB Obligation

The following chart projects the "Actuarial Required Contribution ("ARC"), Pay-As-You-Go, Annual OPEB cost and the Net OPEB Obligation for the next five years under an unfunded (pay-as-you-go) scenario.

Actuarial Valuation Date July 1,	Actuarial Value of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	-	12,835,000	12,835,000	-	N/A	N/A

Actuarial Methods and Assumptions

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

Valuation Date:	July 1, 2008
Actuarial Cost Method:	Projected Unit Credit Cost Method
Asset Valuation Method:	Plan is currently unfunded
Payroll Growth Rate:	4.00%
Amortization Method:	Level dollar 25 year open amortization basis
Remaining Amortization Period:	25 years

Annual OPEB Cost and Net OPEB Obligation: Below are the required OPEB obligation presentations per GASB 45 for the period ending June 30, 2009:

Annual Required Contribution	\$ 1,200,000
Interest on OPEB	-
Annual OPEB Cost	1,200,000
Contributions made	872,000
Increase (decrease) in Net Pension Obligation	328,000
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	<u>\$ 328,000</u>

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 17 - RISK MANAGEMENT

The Town of Coventry is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town participates in a non-profit, public entity risk pool (Rhode Island Inter-local Risk Management Trust, Inc.) that provides coverage for property/liability claims and workers' compensation claims. Upon joining the Trust, the Town signed a participation agreement that outlines the rights and responsibilities of both the Trust and the Town. The agreement states that for premiums paid by the Town, the Trust will assume financial responsibility for the Town's losses up to the maximum amount of insurance purchased, minus the Town's deductible amounts. The policy is not retrospectively rated, but rather, premiums are based on the ultimate cost of the groups experience to date. The pool is allowed to make additional assessments for claims that are reasonably possible and estimable.

The Trust provides this insurance coverage through a pooled, self-insurance mechanism, which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust, retains internally for payment from the pooled contributions of its Members. Under the participation agreement, the Town is insured for a maximum of \$5,000,000 per occurrence. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past three fiscal years. And it is not anticipated that the risks will exceed the trust coverage in the current year. There were no reductions in the insurance coverage during the fiscal year up and through the report date.

The town insures the entire risk arising from employee related health issues through the purchase of standard health insurance policies for all employees. Policy costs are charged in full to insurance expense in the general, special revenue and enterprise funds on a monthly basis. There are no retrospective adjustments to the monthly premiums charged to the town. The carrier, in advance of the new policy year and to account for the town's historical costs, adjusts the premiums annually.

NOTE 18 – SUBSEQUENT EVENT

The Town has authorized the issuance of a General Obligation Tax Anticipation Note for \$5,500,000, which is reported in the Town's Sewer Enterprise Fund. The new \$5,500,000 General Obligation Tax Anticipation Note is dated July 30, 2009, payable July 29, 2010 with an interest rate of 3.5%.

The Town entered into agreement with the Rhode Island Clean Water Finance Agency for additional bonds to fund the ongoing sewer projects in September 2009 in the amount of \$2,896,000.

NOTE 19 – STATE FISCAL STABILIZATION FUNDS

State education aid to school districts was reduced for fiscal year 2009 as part of a State budget crisis. To offset this reduction in state aid, an equal amount of State Fiscal Stabilization Funds (SFSF) were allocated to each school district. The fiscal impact to school district operations aid was intended to be neutral. These Stabilization Funds were part of the American Recovery and Reinvestment Act of 2009 (ARRA) and under guidance provided by Rhode Island General Law R.I.G.L. 45-12-22.2, school districts were required to account for Stabilization Funds in a separate restricted fund, however for financial statement purposes districts are required to include expenditures covered by the Stabilization Funds as part of the School Unrestricted (General) Fund. For fiscal year 2009, the Coventry School Department was awarded and received \$1,166,987 in Stabilization Funding.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 20 – PRIOR PERIOD ADJUSTMENT

The June 30, 2008 Financial Statements did not include the increase in the Net Pension Obligation because the actuarial reports were not updated for the Town and Police pension plans. During fiscal year 2009 the actuarial report was updated for both the fiscal year 2008 and 2009 increase in the Net Pension Obligation for the Town and Police pension plans. These corrections increased the net pension obligation by \$408,387; including \$332,395 in the Town plan and \$75,992 in the Police plan. See below for restated calculations of the net pension obligations for the Police and Town plans as of June 30, 2008. See Note 16 for the Net Pension Obligation for both Municipal and Police pension plans as of June 30, 2009.

Municipal Employees Retirement plan calculation including prior period adjustment:

Annual required contribution	\$ 1,361,081
Interest on net pension obligation	604,723
Adjustment to annual required contribution	<u>(848,967)</u>
Annual pension cost	1,116,837
Contributions made	<u>784,442</u>
Increase in net pension obligation	<u>332,395</u>
Net pension obligation beginning of year 7/1/07	<u>7,559,033</u>
Net pension obligation end of year 6/30/08	<u><u>\$ 7,891,428</u></u>

Police Employees Retirement plan calculation including prior period adjustment:

Annual required contribution	\$ 4,071,928
Interest on net pension obligation	1,691,345
Adjustment to annual required contribution	<u>(2,917,320)</u>
Annual pension cost	2,845,953
Contributions made	<u>2,769,961</u>
Increase in net pension obligation	<u>75,992</u>
Net pension obligation beginning of year 7/1/07	<u>21,141,815</u>
Net pension obligation end of year 6/30/08	<u><u>\$ 21,217,807</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Budgetary Comparison Schedule-General Fund
Schedule of Revenues and Expenditures (Budgetary Basis and Actual)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budgeted</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
General property taxes	\$ 58,524,472	\$ 58,524,472	\$ 58,405,116	\$ (119,356)
Other taxes	680,000	680,000	720,539	40,539
Intergovernmental revenue	5,385,887	5,385,887	5,015,182	(370,705)
Federal Revenue - State Fiscal Stabilization	-	-	1,166,987	1,166,987
Licenses, fees and permits	893,525	893,525	757,262	(136,263)
Fines and interest on late payments	200,000	200,000	500,263	300,263
Interest on investments	400,000	400,000	293,052	(106,948)
Other revenue	630,000	630,000	741,958	111,958
Total revenues	<u>66,713,884</u>	<u>66,713,884</u>	<u>67,600,359</u>	<u>886,475</u>
Expenditures:				
Legislative, judicial and general administrative	1,245,364	1,245,364	1,325,111	(79,747)
Financial administrative	787,147	787,147	799,040	(11,893)
Public safety	9,302,068	9,302,068	8,833,167	468,901
Public works	5,743,089	5,743,089	6,139,893	(396,804)
Parks & Recreation	2,076,173	2,076,173	1,998,823	77,350
Human resources	768,806	768,806	754,257	14,549
Planning & Development	376,198	376,198	355,024	21,174
General government	1,605,729	1,605,729	1,581,815	23,914
Debt service:				
Principal payments	2,090,000	2,090,000	2,090,000	-
Interest and fiscal charges	1,061,847	1,061,847	1,061,847	-
Total expenditures	<u>25,056,421</u>	<u>25,056,421</u>	<u>24,938,977</u>	<u>117,444</u>
Excess/(deficiency) of revenues over expenditures	<u>41,657,463</u>	<u>41,657,463</u>	<u>42,661,382</u>	<u>1,003,919</u>
Other financing sources/(uses):				
Transfers from other funds	20,000	20,000	477,081	457,081
Transfers (to) other funds	(636,419)	(636,419)	(667,761)	(31,342)
School appropriation	(41,580,728)	(41,580,728)	(41,580,728)	-
Additional school appropriation	(225,000)	(225,000)	(225,000)	-
Transfer out to others - Federal SFSF	-	-	(1,166,987)	(1,166,987)
Appropriated fund balance	764,684	764,684	764,684	-
Total other financing sources	<u>(41,657,463)</u>	<u>(41,657,463)</u>	<u>(42,398,711)</u>	<u>(741,248)</u>
Excess/(deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 262,671</u>	<u>\$ 262,671</u>

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	Original Budget Revenues	Revised Budget Revenues	Actual Revenues	Variance
General property taxes				
Real Estate Taxes - current	\$ 53,685,511	\$ 53,685,511	\$ 53,533,963	\$ (151,548)
Real Estate Taxes - prior	600,000	600,000	570,525	(29,475)
Real Estate Taxes - debt service	1,638,961	1,638,961	1,638,961	-
Motor Vehicle Excise Tax	2,600,000	2,600,000	2,661,667	61,667
Inventory Excise Tax	-	-	-	-
Total general property taxes	58,524,472	58,524,472	58,405,116	(119,356)
Other Taxes				
Telephone Tax	300,000	300,000	327,405	27,405
Hotel Tax	60,000	60,000	66,859	6,859
Meal and Beverage Tax	320,000	320,000	326,275	6,275
Total other taxes	680,000	680,000	720,539	40,539
Intergovernmental Revenue				
State Aid School Housing	1,512,887	1,512,887	1,512,887	-
Payment in Lieu of Taxes	56,000	56,000	75,924	19,924
General State Aid	847,000	847,000	389,992	(457,008)
State Aid to Libraries	70,000	70,000	84,074	14,074
State Reimbursement Auto Tax	2,900,000	2,900,000	2,952,305	52,305
Federal Grant	-	-	-	-
Total Intergovernmental Revenue	5,385,887	5,385,887	5,015,182	(370,705)
Licenses and Permits				
Building Permits	200,000	200,000	95,799	(104,201)
Plumbing and Heating	25,000	25,000	15,951	(9,049)
Electrical Permits	20,000	20,000	15,682	(4,318)
Recording Fees	400,000	400,000	340,564	(59,436)
Probate Fees	40,000	40,000	44,471	4,471
Marriage Licenses	1,500	1,500	1,312	(188)
Dog Licenses	20,000	20,000	19,465	(535)
Animal Rescue Fees	10,000	10,000	14,382	4,382
Realty Fees	40,000	40,000	64,868	24,868
Alcoholic Beverage Licenses	25,000	25,000	25,354	354
Hunting and Fishing Licenses	25	25	21	(4)
Library Fees	22,000	22,000	26,752	4,752
Planning Commission Fees	25,000	25,000	10,230	(14,770)
Planning Commission Inspection Fees	-	-	-	-
Planning Commission Steno Fees	5,000	5,000	5,064	64
Tiogue Fire District	-	-	-	-
Miscellaneous Fees	60,000	60,000	77,347	17,347
Total Licenses and Permits	893,525	893,525	757,262	(136,263)

(continued)

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended June 30, 2009
(continued)

	Original Budget Revenues	Revised Budget Revenues	Actual Revenues	Variance
Fines and Interest on Late Payments				
Interest and Penalties	200,000	200,000	500,263	300,263
Total Fines and Interest on Late Payments	<u>200,000</u>	<u>200,000</u>	<u>500,263</u>	<u>300,263</u>
Interest on Investments				
Interest Earnings	400,000	400,000	293,052	(106,948)
Total Interest on Investments	<u>400,000</u>	<u>400,000</u>	<u>293,052</u>	<u>(106,948)</u>
Other Revenue				
Police Car Rental	30,000	30,000	125,640	95,640
Municipal Court	100,000	100,000	98,884	(1,116)
Land Trust Fees	250,000	250,000	230,061	(19,939)
Landfill Recyclable Sales	-	-	-	-
Miscellaneous Receipts	100,000	100,000	247,899	147,899
Lease buy out	150,000	150,000	39,474	(110,526)
Total Other Revenue	<u>630,000</u>	<u>630,000</u>	<u>741,958</u>	<u>111,958</u>
Special Item				
Federal Revenue - State Fiscal Stabilization	-	-	1,166,987	1,166,987
Total Special Items	<u>-</u>	<u>-</u>	<u>1,166,987</u>	<u>1,166,987</u>
Total Revenue	<u>66,713,884</u>	<u>66,713,884</u>	<u>67,600,359</u>	<u>886,475</u>
Other Financing Sources				
Capital Non-Recurring Fund	20,000	20,000	20,072	72
Transfer in from other funds	-	-	457,009	457,009
Use of Priors Years Surplus	764,684	764,684	764,684	-
Total Other Financing Sources	<u>784,684</u>	<u>784,684</u>	<u>1,241,765</u>	<u>457,081</u>
Total Town Revenue	<u>\$ 67,498,568</u>	<u>\$ 67,498,568</u>	<u>\$ 68,842,124</u>	<u>\$ 1,343,556</u>

(concluded)

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Legislative, judicial and general administrative				
Town Council	\$ 33,321	\$ 33,321	\$ 26,940	\$ 6,381
Town Manager	287,364	287,364	150,604	136,760
Information technology	245,319	245,319	239,839	5,480
Town Clerk	331,160	331,160	339,987	(8,827)
Town Solicitor	172,871	172,871	389,004	(216,133)
Board of Canvassers	104,326	104,326	112,622	(8,296)
Probate Court	23,147	23,147	18,859	4,288
Municipal Court	47,856	47,856	47,256	600
Total Legislative, Judicial and General Administrative	<u>1,245,364</u>	<u>1,245,364</u>	<u>1,325,111</u>	<u>(79,747)</u>
Financial Administration				
Treasurer	301,555	301,555	311,052	(9,497)
Board of Assessment Review	5,052	5,052	3,283	1,769
Tax Assessor	226,055	226,055	233,315	(7,260)
Tax Collector	254,485	254,485	251,390	3,095
Total Financial Administration	<u>787,147</u>	<u>787,147</u>	<u>799,040</u>	<u>(11,893)</u>
Public Safety				
Police	9,035,421	9,035,421	8,584,624	450,797
Animal Control	213,116	213,116	205,235	7,881
Emergency Management	9,500	9,500	622	8,878
Town Sergeant	2,910	2,910	3,071	(161)
Crossing Guards	41,121	41,121	39,615	1,506
Total Public Safety	<u>9,302,068</u>	<u>9,302,068</u>	<u>8,833,167</u>	<u>468,901</u>
Public Works				
Engineering	100,450	100,450	178,152	(77,702)
Inspection and Permits	216,590	216,590	210,064	6,526
Roads and Bridges	2,078,448	2,078,448	2,114,893	(36,445)
Snow Removal	240,590	240,590	373,483	(132,893)
Building Maintenance	407,669	407,669	504,676	(97,007)
Refuse Collection	755,943	755,943	747,092	8,851
Refuse Disposal	797,287	797,287	768,607	28,680
Vehicle Maintenance	1,146,112	1,146,112	1,242,926	(96,814)
Total Public Works	<u>5,743,089</u>	<u>5,743,089</u>	<u>6,139,893</u>	<u>(396,804)</u>

(continued)

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Expenditures - Budget and Actual (Budgetary Basis)
For the Fiscal Year Ended June 30, 2009
Continued

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Human Resources				
Human Services	768,806	768,806	754,257	14,549
Total Human Resources	<u>768,806</u>	<u>768,806</u>	<u>754,257</u>	<u>14,549</u>
Parks and Recreation				
Public Libraries	825,364	825,364	822,981	2,383
Recreation	1,250,809	1,250,809	1,175,842	74,967
Total Parks and Recreation	<u>2,076,173</u>	<u>2,076,173</u>	<u>1,998,823</u>	<u>77,350</u>
Planning and Development				
Planning Commission	18,992	18,992	14,702	4,290
Planning Department	330,351	330,351	325,410	4,941
Zoning Board	14,255	14,255	10,453	3,802
Conservation Commission	2,090	2,090	1,515	575
Industrial Development Commission	1,942	1,942	215	1,727
Economic Development	4,515	4,515	-	4,515
Coventry Housing Authority	4,053	4,053	2,729	1,324
Total Planning and Development	<u>376,198</u>	<u>376,198</u>	<u>355,024</u>	<u>21,174</u>
General Government				
Town General	1,528,454	1,528,454	1,506,040	22,414
Town General Contribution	77,275	77,275	75,775	1,500
Total General Government	<u>1,605,729</u>	<u>1,605,729</u>	<u>1,581,815</u>	<u>23,914</u>
Debt Service				
Principal	2,090,000	2,090,000	2,090,000	-
Interest	1,061,847	1,061,847	1,061,847	-
Total Debt Service	<u>3,151,847</u>	<u>3,151,847</u>	<u>3,151,847</u>	<u>-</u>
Other Financing Uses				
Transfers to School Unrestricted	41,580,728	41,580,728	41,580,728	-
Additional appropriation to School	225,000	225,000	225,000	-
Transfers to School Unrestricted - SFSI	-	-	1,166,987	(1,166,987)
Transfers to School capital	150,000	150,000	150,000	-
Transfers to other funds	138,500	138,500	169,842	(31,342)
Transfers to capital improvement fund	347,919	347,919	347,919	-
Total Other Uses	<u>42,442,147</u>	<u>42,442,147</u>	<u>43,640,476</u>	<u>(1,198,329)</u>
Total Expenditures and Other Financing Uses	<u>\$ 67,498,568</u>	<u>\$ 67,498,568</u>	<u>\$ 68,579,453</u>	<u>\$ (1,080,885)</u>

(concluded)

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Schedule of Revenues and Expenditures
Budget (Budgetary Basis) and Actual
Special Revenue Funds - School Unrestricted
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
State Aid	\$ 19,567,550	\$ 19,567,550	\$ 17,025,769	\$ (2,541,781)
Federal Aid	375,000	450,000	450,804	804
Charges for Service	727,000	778,659	727,481	(51,178)
Miscellaneous	115,000	315,000	418,602	103,602
Total revenues	<u>20,784,550</u>	<u>21,111,209</u>	<u>18,622,656</u>	<u>(2,488,553)</u>
Expenditures				
Salaries	40,177,403	40,719,524	40,880,966	(161,442)
Employee benefits	14,322,097	14,264,806	13,100,862	1,163,944
Purchased services	6,647,132	7,081,901	6,514,454	567,447
Supplies and materials	1,255,679	1,261,793	1,274,239	(12,446)
Capital outlay	248,225	253,292	247,063	6,229
Other	114,742	110,621	88,298	22,323
Total expenditures	<u>62,765,278</u>	<u>63,691,937</u>	<u>62,105,882</u>	<u>(1,586,055)</u>
	-			
Excess of revenues over (under) expenditures before other financing sources	(41,980,728)	(42,580,728)	(43,483,226)	(902,498)
Other financing sources (uses)				
Operating transfers - Town appropriation	41,580,728	41,580,728	41,580,728	-
Operating transfers - State fiscal stabilization	-	-	1,166,987	1,166,987
Other transfers	175,000	775,000	339,257	(435,743)
Additional Town appropriation	225,000	225,000	225,000	-
Total other financing sources/(uses)	<u>41,980,728</u>	<u>42,580,728</u>	<u>43,311,972</u>	<u>731,244</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (171,254)</u>	<u>\$ (171,254)</u>

Town of Coventry, Rhode Island
Notes to Required Supplementary Information
June 30, 2009

BUDGETARY - GAAP REPORTING RECONCILIATION

The accompanying Required Supplementary Information Statements of Revenues, Expenditures/Expenses (GAAP or Non-GAAP Basis) presents comparisons of the legally adopted budget (more fully described in Note 2) 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 sources of financial resources over expenditures/expenses and other uses of financial resources for the year ended June 30, 2009 is presented below:

	General <u>Fund</u>	School <u>Unrestricted</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ 262,671	\$ (171,254)
To adjust for appropriated fund balance	(764,684)	-
To adjust for change in encumbrances	(12,845)	-
To adjust for non-budgeted capital fund	-	30,018
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ (514,858)</u>	<u>\$ (141,236)</u>

Town of Coventry, Rhode Island
Notes to Required Supplementary Information
June 30, 2009

Pension Plan – Schedule of Funding Progress (1)
“Unaudited”

Municipal Employees’ Retirement System (Town Plan)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
7/1/08	\$ 3,720,455	\$ 12,588,606	\$ 8,868,151	30%	\$ 5,191,786	171%
1/1/07	3,288,650	12,543,674	9,255,024	26%	4,355,527	212%
1/1/06	2,491,657	13,834,699	11,343,042	18%	4,058,723	279%
1/1/05	2,442,517	12,900,836	10,458,319	19%	3,858,776	271%
1/1/04	2,405,827	12,387,854	9,982,027	19%	3,830,237	261%
1/1/03	2,469,792	10,616,718	8,146,926	23%	3,412,762	239%
1/1/02	2,523,268	9,881,083	7,357,815	26%	3,237,816	227%

Coventry Police Retirement System

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
7/1/08	\$ 7,691,937	\$ 44,312,196	\$ 36,620,259	17%	\$ 3,598,498	1018%
1/1/07	7,174,758	44,184,262	37,009,504	16%	3,771,588	981%
1/1/06	3,875,285	49,041,156	45,165,871	8%	3,088,620	1462%
1/1/05	3,249,711	47,344,123	44,094,412	7%	3,050,300	1446%
1/1/04	2,778,794	44,252,827	41,474,033	6%	2,914,639	1423%
1/1/03	2,955,215	41,038,101	38,082,886	7%	2,385,704	1596%
1/1/02	2,539,708	38,741,525	36,201,817	7%	2,113,735	1713%

OTHER SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2009

	Special Revenue Restricted Town	Special Revenue Restricted School	School Food Service	Capital Projects Funds	Totals
ASSETS					
Cash	\$ 546,633	\$ -	\$ 3,329	\$ -	\$ 549,962
Intergovernmental receivables	173,175	1,341,201	45,990	-	1,560,366
Due from other funds	1,366,186	608,174	-	645,706	2,620,066
Total assets	\$ 2,085,994	\$ 1,949,375	\$ 49,319	\$ 645,706	\$ 4,730,394
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ 200,911	\$ 531,157	\$ -	\$ 732,068
Due to other funds	172,376	1,044,258	-	-	1,216,634
Deferred revenue	-	439,046	-	-	439,046
Accrued salaries	-	151,090	-	-	151,090
Total liabilities	172,376	1,835,305	531,157	-	2,538,838
Fund balances (deficits)					
Unreserved	1,913,618	114,070	(481,838)	645,706	2,191,556
Fund balances (deficits)	1,913,618	114,070	(481,838)	645,706	2,191,556
Total liabilities and fund balances	\$ 2,085,994	\$ 1,949,375	\$ 49,319	\$ 645,706	\$ 4,730,394

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance - Non-Major Governmental Funds
For the fiscal year ended June 30, 2009

	Special Revenue Restricted Town	Special Revenue Restricted School	School Food Service	Capital Projects Funds	Totals
REVENUES					
Intergovernmental	\$ 796,189	\$ 3,348,037	\$ 476,879	\$ -	\$ 4,621,105
Charges for service	1,045,801	-	929,702	-	1,975,503
Investment income	13,362	-	157	295	13,814
Contributions and private grants	48,965	-	-	-	48,965
Other	-	790,117	-	-	790,117
Total Revenues	1,904,317	4,138,154	1,406,738	295	7,449,504
EXPENDITURES					
Executive and administration	230,961	-	-	-	230,961
Public safety	376,819	-	-	16,336	393,155
Public works	40,630	-	-	165,497	206,127
Community and economic development	138,743	-	-	-	138,743
Health and human services	430,318	-	-	-	430,318
Culture & recreation	365,654	-	-	21,850	387,504
Education	-	3,971,377	1,576,084	6,244	5,553,705
Total Expenditures	1,583,125	3,971,377	1,576,084	209,927	7,340,513
Excess of revenues over (under) Expenditu	321,192	166,777	(169,346)	(209,632)	108,991
Other Financing Sources (uses)					
Operating transfers in	639,561	800	-	347,919	988,280
Operating transfers out	(1,066,727)	(240,057)	-	(20,073)	(1,326,857)
Total other financing sources	(427,166)	(239,257)	-	327,846	(338,577)
Excess of revenues and other sources over (under) expenditures and other uses	(105,974)	(72,480)	(169,346)	118,214	(229,586)
FUND BALANCE - July 1, 2008	2,019,592	186,550	(312,492)	527,492	2,421,142
FUND BALANCE - June 30, 2009	\$ 1,913,618	\$ 114,070	\$ (481,838)	\$ 645,706	\$ 2,191,556

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2009

	104	144	146	147	203	204	205	206
	Town Gym	Land Trust	Cell Phone Tower Fund	Inspection Services	DEA Grant	Cup Grant	Legislative Grant Raptakis	Senior Center Operations
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	-	-	-
Due from other funds	5,455	711,853	163,670	74,574	-	-	4,972	721
Total assets	\$ 5,455	\$ 711,853	\$ 163,670	\$ 74,574	\$ -	\$ -	\$ 4,972	\$ 721
LIABILITIES AND FUND BALANCES								
Liabilities								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-	-	-	-
Fund balances (deficits)								
Unreserved	5,455	711,853	163,670	74,574	-	-	4,972	721
Total fund balances (deficits)	5,455	711,853	163,670	74,574	-	-	4,972	721
Total liabilities and fund balances	\$ 5,455	\$ 711,853	\$ 163,670	\$ 74,574	\$ -	\$ -	\$ 4,972	\$ 721

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2009

	207	208	209	211	212	225	227
	Cosis	JJDP	Legislative	Project	Vocational	Anthony	Resource
	Grant	Project	Grant	Friends	Rehabilitation	Village	Sharing
		Interconnect	Sullivan				09/10
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	84,606	579
Due from other funds	-	-	10,000	132,362	-	-	-
Total assets	\$ -	\$ -	\$ 10,000	\$ 132,362	\$ -	\$ 84,606	\$ 579
LIABILITIES AND FUND BALANCES							
Liabilities							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	84,806	579
Total liabilities	-	-	-	-	-	84,806	579
Fund balances (deficits)							
Unreserved	-	-	10,000	132,362	-	(200)	-
Total fund balances (deficits)	-	-	10,000	132,362	-	(200)	-
Total liabilities and fund balances	\$ -	\$ -	\$ 10,000	\$ 132,362	\$ -	\$ 84,606	\$ 579

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2009

	230	234	236	237	240	242	244	246
	Bramley Grant	Resource Sharing-2007	Trails Improvement Grant	RIEMA I	RIEMA III	Resource Sharing 08	Legislative Grant Moffitt	Mapleroot Cemetery
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	2,790	-	-	10,597	-	-	-	-
Due from other funds	-	-	-	-	2,449	10,246	2,110	1,500
Total assets	\$ 2,790	\$ -	\$ -	\$ 10,597	\$ 2,449	\$ 10,246	\$ 2,110	\$ 1,500
LIABILITIES AND FUND BALANCES								
Liabilities								
Due to other funds	\$ 191	\$ -	\$ -	\$ 10,597	\$ -	\$ -	\$ -	\$ -
Total liabilities	191	-	-	10,597	-	-	-	-
Fund balances (deficits)								
Unreserved	2,599	-	-	-	2,449	10,246	2,110	1,500
Total fund balances (deficits)	2,599	-	-	-	2,449	10,246	2,110	1,500
Total liabilities and fund balances	\$ 2,790	\$ -	\$ -	\$ 10,597	\$ 2,449	\$ 10,246	\$ 2,110	\$ 1,500

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2009

	252	255	262	263	265	266	267	272
	Nursing	Document	Drug	Police	Teen	Rec.	Byrne	Redevelopment
	Home	Preservation	Seizure	Byrne	Center	Receptacle	Grant	Rice
	w/o Walls		Fund	Grant	Operations	Grant		Field
ASSETS								
Cash	\$ -	\$ -	\$ 63,508	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	-	3,145	-
Due from other funds	-	127,395	-	-	9,638	3,000	-	-
Total assets	\$ -	\$ 127,395	\$ 63,508	\$ -	\$ 9,638	\$ 3,000	\$ 3,145	\$ -
LIABILITIES AND FUND BALANCES								
Liabilities								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5,055	\$ -
Total liabilities	-	-	-	-	-	-	5,055	-
Fund balances (deficits)								
Unreserved	-	127,395	63,508	-	9,638	3,000	(1,910)	-
Total fund balances (deficits)	-	127,395	63,508	-	9,638	3,000	(1,910)	-
Total liabilities and fund balances	\$ -	\$ 127,395	\$ 63,508	\$ -	\$ 9,638	\$ 3,000	\$ 3,145	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2009

	303	305	306	400	404	408	420	553
	Bulletproof Vests	JAG Grant	DUI/Speed Click it or Ticket	Food Bank	Fire District EMA	Coventry Cares	Impact Fees	Regis-Forcier Fund
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 483,125	\$ -
Intergovernmental receivables	-	-	3,255	-	-	-	-	-
Due from other funds	511	-	-	70,954	18,878	15,898	-	-
Total assets	\$ 511	\$ -	\$ 3,255	\$ 70,954	\$ 18,878	\$ 15,898	\$ 483,125	\$ -
LIABILITIES AND FUND BALANCES								
Liabilities								
Due to other funds	\$ -	\$ -	\$ 2,945	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	2,945	-	-	-	-	-
Fund balances (deficits)								
Unreserved	511	-	310	70,954	18,878	15,898	483,125	-
Total fund balances (deficits)	511	-	310	70,954	18,878	15,898	483,125	-
Total liabilities and fund balances	\$ 511	\$ -	\$ 3,255	\$ 70,954	\$ 18,878	\$ 15,898	\$ 483,125	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2009

	15112	229	239	249	259	269	270		TOTAL Special Revenue Restricted Town
	RIEMA Radios	2008-2009 CDBG	2003-2004 CDBG	2004-2005 CDBG	2005-2006 CDBG	2007-2008 CDBG	2006-2007 CDBG		
ASSETS									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	546,633
Intergovernmental receivables	-	4,000	11,517	22,920	9,478	10,725	9,563		173,175
Due from other funds	-	-	-	-	-	-	-		1,366,186
Total assets	-	4,000	11,517	22,920	9,478	10,725	9,563	\$	2,085,994
LIABILITIES AND FUND BALANCES									
Liabilities									
Due to other funds	-	4,000	11,517	22,920	\$ 9,478	\$ 10,725	\$ 9,563	\$	172,376
Total liabilities	-	4,000	11,517	22,920	9,478	10,725	9,563		172,376
Fund balances (deficits)									
Unreserved	-	-	-	-	-	-	-		1,913,618
Total fund balances (deficits)	-	-	-	-	-	-	-		1,913,618
Total liabilities and fund balances	-	4,000	11,517	22,920	9,478	10,725	9,563	\$	2,085,994

(concluded)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal year ended June 30, 2009

	104	144	146	147	203	204	205	206
	Town Gym	Land Trust	Cell Phone Tower Fund	Inspection Services	DEA Grant	Cup Grant	Legislative Grant Raptakis	Senior Center Operations
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 9,234
Charges for services	2,138	-	795,822	21,292	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenues	2,138	-	795,822	21,292	-	-	3,000	9,234
EXPENDITURES								
Executive and administration	-	-	-	-	-	-	-	-
Public safety	-	-	151,430	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	1,270	9,046
Culture & recreation	1,033	240,000	-	-	-	-	-	-
Total Expenditures	1,033	240,000	151,430	-	-	-	1,270	9,046
Excess of revenues over (under) Expenditures	1,105	(240,000)	644,392	21,292	-	-	1,730	188
Other Financing Sources (uses)								
Operating transfers in	-	147,464	-	-	4,621	-	-	-
Operating transfers out	-	-	(902,628)	-	-	(2,468)	-	-
Total other financing sources	-	147,464	(902,628)	-	4,621	(2,468)	-	-
Excess of revenues and other sources over (under) expenditures and other uses	1,105	(92,536)	(258,236)	21,292	4,621	(2,468)	1,730	188
FUND BALANCE - July 1, 2008	4,350	804,389	421,906	53,282	(4,621)	2,468	3,242	533
FUND BALANCE - June 30, 2009	\$ 5,455	\$ 711,853	\$ 163,670	\$ 74,574	\$ -	\$ -	\$ 4,972	\$ 721

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal year ended June 30, 2009

	207 Comsis Grant	208 JJDP Project Interconnect	209 Legislative Grant Sullivan	211 Project Friends	212 Vocational Rehabilitation	225 Anthony Village	227 Resource Sharing 09/10
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ 272,549	\$ -	\$ 82,650	\$ 579
Charges for services	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Revenues	-	-	-	272,549	-	82,650	579
EXPENDITURES							
Executive and administration	-	-	-	-	-	82,650	579
Public safety	-	-	-	-	-	-	-
Public works	1,000	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	-	-	370,926	-	-	-
Culture & recreation	-	-	-	-	-	-	-
Total Expenditures	1,000	-	-	370,926	-	82,650	579
Excess of revenues over (under) Expenditures	(1,000)	-	-	(98,377)	-	-	-
Other Financing Sources (uses)							
Operating transfers in	-	-	-	15,089	-	-	-
Operating transfers out	-	(99)	-	(4,621)	(15,089)	-	-
Total other financing sources	-	(99)	-	10,468	(15,089)	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(1,000)	(99)	-	(87,909)	(15,089)	-	-
FUND BALANCE - July 1, 2008	1,000	99	10,000	220,271	15,089	(200)	-
FUND BALANCE - June 30, 2009	\$ -	\$ -	\$ 10,000	\$ 132,362	\$ -	\$ (200)	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal year ended June 30, 2009

	230	234	236	237	240	242	244	246
	Bramley Grant	Resource Sharing-2007	Trails Improvement Grant	RIEMA I	RIEMA III	Resource Sharing 08	Legislative Grant Moffitt	Mapleroot Cemetery
REVENUES								
Intergovernmental	\$ 33,485	\$ -	\$ -	\$ 10,597	\$ -	\$ 102,757	\$ -	\$ 1,500
Charges for services	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenues	33,485	-	-	10,597	-	102,757	-	1,500
EXPENDITURES								
Executive and administration	-	8,172	-	-	-	92,511	1,050	-
Public safety	35,303	-	-	10,597	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-	-
Total Expenditures	35,303	8,172	-	10,597	-	92,511	1,050	-
Excess of revenues over (under) Expenditures	(1,818)	(8,172)	-	-	-	10,246	(1,050)	1,500
Other Financing Sources (uses)								
Operating transfers in	1,500	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Total other financing sources	1,500	-	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(318)	(8,172)	-	-	-	10,246	(1,050)	1,500
FUND BALANCE - July 1, 2008	2,917	8,172	-	-	2,449	-	3,160	-
FUND BALANCE - June 30, 2009	\$ 2,599	\$ -	\$ -	\$ -	\$ 2,449	\$ 10,246	\$ 2,110	\$ 1,500

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal year ended June 30, 2009

	252 Nursing Home w/o Walls	255 Document Prevention	262 Drug Seizure Fund	263 Police Byrne Grant	265 Teen Center Operations	266 Rec. Recepticle Grant	267 Byrne Grant	272 Redevelopment Rice Field
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	37,745	-	-	-	-	-	-
Investment income	-	-	8,679	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenues	-	37,745	8,679	-	-	-	-	-
EXPENDITURES								
Executive and administration	-	45,999	-	-	-	-	-	-
Public safety	-	-	13,815	8,666	-	-	1,910	-
Public works	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-	124,621
Total Expenditures	-	45,999	13,815	8,666	-	-	1,910	124,621
Excess of revenues over (under) Expenditures	-	(8,254)	(5,136)	(8,666)	-	-	(1,910)	(124,621)
Other Financing Sources (uses)								
Operating transfers in	-	-	-	-	-	-	-	347,278
Operating transfers out	(1,822)	-	-	-	-	-	-	-
Total other financing sources	(1,822)	-	-	-	-	-	-	347,278
Excess of revenues and other sources over (under) expenditures and other uses	(1,822)	(8,254)	(5,136)	(8,666)	-	-	(1,910)	222,657
FUND BALANCE - July 1, 2008	1,822	135,649	68,644	8,666	9,638	3,000	-	(222,657)
FUND BALANCE - June 30, 2009	\$ -	\$ 127,395	\$ 63,508	\$ -	\$ 9,638	\$ 3,000	\$ (1,910)	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal year ended June 30, 2009

	303	305	306	400	404	408	420	553
	Bulletproof Vests	JAG Grant	DUI/Speed Click it or Ticket	Food Bank	Fire District EMA	Coventry Cares	Impact Fees	Regis-Forcier Fund
REVENUES								
Intergovernmental	\$ 2,085	\$ 13,379	\$ 24,137	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	10,000	-	178,804	-
Investment income	-	-	-	-	-	-	4,683	-
Contributions and private grants	-	-	-	48,965	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenues	2,085	13,379	24,137	48,965	10,000	-	183,487	-
EXPENDITURES								
Executive and administration	-	-	-	-	-	-	-	-
Public safety	-	13,379	20,856	-	-	-	-	-
Public works	-	-	-	-	-	-	-	39,630
Community and economic development	-	-	-	-	-	-	-	-
Health and human services	-	-	-	35,356	-	13,720	-	-
Culture & recreation	-	-	-	-	-	-	-	-
Total Expenditures	-	13,379	20,856	35,356	-	13,720	-	39,630
Excess of revenues over (under) Expenditures	2,085	-	3,281	13,609	10,000	(13,720)	183,487	(39,630)
Other Financing Sources (uses)								
Operating transfers in	-	-	-	-	8,878	16,389	-	98,342
Operating transfers out	-	-	-	-	-	-	(140,000)	-
Total other financing sources	-	-	-	-	8,878	16,389	(140,000)	98,342
Excess of revenues and other sources over (under) expenditures and other uses	2,085	-	3,281	13,609	18,878	2,669	43,487	58,712
FUND BALANCE - July 1, 2008	(1,574)	-	(2,971)	57,345	-	13,229	439,638	(58,712)
FUND BALANCE - June 30, 2009	\$ 511	\$ -	\$ 310	\$ 70,954	\$ 18,878	\$ 15,898	\$ 483,125	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal year ended June 30, 2009

	15112	229	239	249	259	269	270	TOTAL Special Revenue Restricted Town
	RIEMA Radios	2008-2009 CDBG	2003-2004 CDBG	2004-2005 CDBG	2005-2006 CDBG	2007-2008 CDBG	2006-2007 CDBG	
REVENUES								
Intergovernmental	\$ 120,863	\$ 4,000	\$ -	\$ 26,672	\$ -	\$ 45,679	\$ 43,023	\$ 796,189
Charges for services	-	-	-	-	-	-	-	1,045,801
Investment income	-	-	-	-	-	-	-	13,362
Contributions and private grants	-	-	-	-	-	-	-	48,965
Other	-	-	-	-	-	-	-	-
Total Revenues	120,863	4,000	-	26,672	-	45,679	43,023	1,904,317
EXPENDITURES								
Executive and administration	-	-	-	-	-	-	-	230,961
Public safety	120,863	-	-	-	-	-	-	376,819
Public works	-	-	-	-	-	-	-	40,630
Community and economic development	-	4,000	-	26,872	19,169	45,679	43,023	138,743
Health and human services	-	-	-	-	-	-	-	430,318
Culture & recreation	-	-	-	-	-	-	-	365,654
Total Expenditures	120,863	4,000	-	26,872	19,169	45,679	43,023	1,583,125
Excess of revenues over (under) Expenditures	-	-	-	(200)	(19,169)	-	-	321,192
Other Financing Sources (uses)								
Operating transfers in	-	-	-	-	-	-	-	639,561
Operating transfers out	-	-	-	-	-	-	-	(1,066,727)
Total other financing sources	-	-	-	-	-	-	-	(427,166)
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	(200)	(19,169)	-	-	(105,974)
FUND BALANCE - July 1, 2008	-	-	-	200	19,169	-	-	2,019,592
FUND BALANCE - June 30, 2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,913,618

(concluded)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2009

	169 DOE Perm Fund	179 Athletic Fund	189 DOE GL Support	199 Athletic Field fund	209 Title I	214 Kiducation Fund
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables		-	9,436	-	267,737	-
Due from other funds	-	-	-	5,490	-	33
Total assets	\$ -	\$ -	\$ 9,436	\$ 5,490	\$ 267,737	\$ 33
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	1,057	\$ -	15,810	\$ -
Due to other funds	-	-	8,379	-	210,959	-
Accrued salaries	-	-	-	-	40,968	-
Deferred Revenues	-	-	-	-	-	33
Total liabilities	-	-	9,436	-	267,737	33
Fund balances (deficits)						
Unreserved	-	-	-	5,490	-	-
Total fund balances (deficits)	-	-	-	5,490	-	-
Total liabilities and fund balances	\$ -	\$ -	\$ 9,436	\$ 5,490	\$ 267,737	\$ 33

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2009

	229 Annex Student Fund	239 DOE Volunteers	259 DOE Achieve Algebra	267 DOE HS Reform	287 RI Arts	289 RI Arts Talk
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	1,131	12,327	64,756	-	-
Due from other funds	2,047	-	-	-	700	150
Total assets	\$ 2,047	\$ 1,131	\$ 12,327	\$ 64,756	\$ 700	\$ 150
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 64,756	\$ -	\$ -
Due to other funds	-	1,131	12,327	-	-	-
Accrued salaries	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	700	150
Total liabilities	-	1,131	12,327	64,756	700	150
Fund balances (deficits)						
Unreserved	2,047	-	-	-	-	-
Total fund balances (deficits)	2,047	-	-	-	-	-
Total liabilities and fund balances	\$ 2,047	\$ 1,131	\$ 12,327	\$ 64,756	\$ 700	\$ 150

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2009

	297	299	319	329	349	369
	Feinstein	Feinstein Comm Support	Perkins	VTA	AMGEN Science	Adult Ed
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	2,000	-	70,152	24,102	-	39,016
Due from other funds	486,099	17,500	-	-	4,101	-
Total assets	\$ 488,099	\$ 17,500	\$ 70,152	\$ 24,102	\$ 4,101	\$ 39,016
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ -	\$ -	\$ 3,066	\$ -	\$ -	\$ -
Due to other funds	-	-	65,297	24,102	-	39,016
Accrued salaries	600	-	1,789	-	-	-
Deferred Revenue	411,387	-	-	-	-	-
Total liabilities	411,987	-	70,152	24,102	-	39,016
Fund balances (deficits)						
Unreserved	76,112	17,500	-	-	4,101	-
Total fund balances (deficits)	76,112	17,500	-	-	4,101	-
Total liabilities and fund balances	\$ 488,099	\$ 17,500	\$ 70,152	\$ 24,102	\$ 4,101	\$ 39,016

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2009

	379	419	437	438	439	489
	Title II	Idea Part B	RI Literacy	RI Literacy	RIDPA Literacy	Title IV
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	195,428	438,327	-	-	-	14,166
Due from other funds	-	-	25,413	1,301	65,278	-
Total assets	\$ 195,428	\$ 438,327	\$ 25,413	\$ 1,301	\$ 65,278	\$ 14,166
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 6,595	\$ 38,460	\$ -	\$ -	\$ 13,180	\$ 387
Due to other funds	168,528	363,023	-	-	-	13,004
Accrued salaries	20,305	36,844	-	-	37,861	775
Deferred Revenue	-	-	25,413	1,301	-	-
Total liabilities	195,428	438,327	25,413	1,301	51,041	14,166
Fund balances (deficits)						
Unreserved	-	-	-	-	14,237	-
Total fund balances (deficits)	-	-	-	-	14,237	-
Total liabilities and fund balances	\$ 195,428	\$ 438,327	\$ 25,413	\$ 1,301	\$ 65,278	\$ 14,166

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2009

	509	539	627	628	629	659
	IDEA Sec 619	DOE E2T2	Kids Can 2007	Kids Can 2008	Kids Can 2009	DOE Serve America
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	15,559	-	-	-	5,617	9,798
Due from other funds	-	-	62	-	-	-
Total assets	\$ 15,559	\$ -	\$ 62	\$ -	\$ 5,617	\$ 9,798
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 1,319	\$ -	\$ -	\$ -	\$ 355	\$ -
Due to other funds	10,324	-	-	-	5,262	6,389
Accrued salaries	3,916	-	-	-	-	4,494
Deferred Revenue	-	-	62	-	-	-
Total liabilities	15,559	-	62	-	5,617	10,883
Fund balances (deficits)						
Unreserved	-	-	-	-	-	(1,085)
Total fund balances (deficits)	-	-	-	-	-	(1,085)
Total liabilities and fund balances	\$ 15,559	\$ -	\$ 62	\$ -	\$ 5,617	\$ 9,798

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2009

	687 Direct Reimbursement	688 Direct Reimbursement	689 Direct Reimbursement	318 Perkins	Total Spec Revenue Restricted Sch.
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	43,460	60,586	67,603	-	1,341,201
Due from other funds	-	-	-	-	608,174
Total assets	\$ 43,460	\$ 60,586	\$ 67,603	\$ -	\$ 1,949,375
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 1,122	\$ 28,536	\$ 26,268	\$ -	\$ 200,911
Due to other funds	42,338	36,079	38,100	-	1,044,258
Accrued salaries	-	-	3,538	-	151,090
Deferred Revenue	-	-	-	-	439,046
Total liabilities	43,460	64,615	67,906	-	1,835,305
Fund balances (deficits)					
Unreserved	-	(4,029)	(303)	-	114,070
Total fund balances (deficits)	-	(4,029)	(303)	-	114,070
Total liabilities and fund balances	\$ 43,460	\$ 60,586	\$ 67,603	\$ -	\$ 1,949,375

(concluded)

**SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal year ended June 30, 2009**

	169 DOE Perm Fund	179 Athletic Fund	189 DOE GL Support	199 Athletic Field Fund	209 Title I	214 Kiducation Fund
REVENUES						
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ 563,403	\$ -
State Grants	217,005	-	9,436	-	-	-
Other	-	20,000	-	5,490	-	1,348
Total revenues	217,005	20,000	9,436	5,490	563,403	1,348
EXPENDITURES						
Salaries	-	-	-	-	368,894	-
Employee benefits	-	-	-	-	141,108	-
Purchased services	-	20,000	9,436	-	45,472	1,348
Supplies and materials	-	-	-	-	7,929	-
Capital outlay	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Total expenditures	-	20,000	9,436	-	563,403	1,348
Excess (deficiency) of revenues over (under) expenditures	217,005	-	-	5,490	-	-
Other Financing Sources (uses)						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(217,005)	-	-	-	-	-
Total other financing sources	(217,005)	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	5,490	-	-
FUND BALANCE - JULY 1, 2008	-	-	-	-	-	-
FUND BALANCE - JUNE 30, 2009	\$ -	\$ -	\$ -	\$ 5,490	\$ -	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal year ended June 30, 2009

	229	239	259	267	287	289
	Annex	DOE	DOE	DOE HS	RI Arts	RI Arts
	Student Fund	Volunteers	Achieve Algebra	Reform		Talk
REVENUES						
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Grants	-	1,131	12,327	105,000	-	355
Other	2,047	-	-	-	-	-
Total revenues	2,047	1,131	12,327	105,000	-	355
EXPENDITURES						
Salaries	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Purchased services	-	1,131	12,327	105,000	-	355
Supplies and materials	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other objects	-	-	-	-	-	-
Total expenditures	-	1,131	12,327	105,000	-	355
Excess (deficiency) of revenues over (under) expenditures	2,047	-	-	-	-	-
Other Financing Sources (uses)						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	2,047	-	-	-	-	-
FUND BALANCE - JULY 1, 2008	-	-	-	-	-	-
FUND BALANCE - JUNE 30, 2009	\$ 2,047	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

**SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal year ended June 30, 2009**

	297	299	319	329	349	369
	Feinstein	Feinstein Comm Support	Perkins	MTA	AMGEN Science	Adult Ed
REVENUES						
Federal Grants	\$ -	\$ -	\$ 164,378	\$ 42,727	\$ -	\$ -
State Grants	-	-	-	-	-	69,453
Other	-	20,000	-	-	10,000	-
Total revenues	-	20,000	164,378	42,727	10,000	69,453
EXPENDITURES						
Salaries	54,263	-	-	22,439	-	38,533
Employee benefits	16,192	-	24,070	756	-	899
Purchased services	-	2,500	19,186	3,667	-	25,011
Supplies and materials	3,561	-	112,962	15,865	5,899	3,300
Capital outlay	13,370	-	8,160	-	-	1,710
Other objects	-	-	-	-	-	-
Total expenditures	87,386	2,500	164,378	42,727	5,899	69,453
Excess (deficiency) of revenues over (under) expenditures	(87,386)	17,500	-	-	4,101	-
Other Financing Sources (uses)						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(23,052)	-	-	-	-	-
Total other financing sources	(23,052)	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(110,438)	17,500	-	-	4,101	-
FUND BALANCE - JULY 1, 2008	186,550	-	-	-	-	-
FUND BALANCE - JUNE 30, 2009	\$ 76,112	\$ 17,500	\$ -	\$ -	\$ 4,101	\$ -

(continued)

**SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal year ended June 30, 2009**

	379	419	437	438	439	489
	Title II	Idea Part B	RI Literacy	RI Literacy	RIDPA Literacy	Title IV
REVENUES						
Federal Grants	\$ 312,954	\$ 1,171,880	\$ -	\$ -	\$ -	\$ 27,618
State Grants	-	-	-	348	507,532	-
Other	-	-	-	-	-	-
Total revenues	312,954	1,171,880	-	348	507,532	27,618
EXPENDITURES						
Salaries	235,097	722,469	-	348	376,220	17,284
Employee benefits	43,348	339,600	-	-	117,075	1,018
Purchased services	30,782	62,726	-	-	-	1,470
Supplies and materials	3,727	3,249	-	-	-	7,458
Capital outlay	-	43,836	-	-	-	-
Other objects	-	-	-	-	-	388
Total expenditures	312,954	1,171,880	-	348	493,295	27,618
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	14,237	-
Other Financing Sources (uses)						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-	14,237	-
FUND BALANCE - JULY 1, 2008	-	-	-	-	-	-
FUND BALANCE - JUNE 30, 2009	\$ -	\$ -	\$ -	\$ -	\$ 14,237	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal year ended June 30, 2009

	509	539	627	628	629	659
	IDEA Sec 619	DOE E2T2	Kids Can 2007	Kids Can 2008	Kids Can 2009	DOE Serve America
REVENUES						
Federal Grants	\$ 35,259	\$ 69,904	\$ -	\$ -	\$ -	\$ 21,067
State Grants	-	-	2,091	-	-	-
Other	-	-	-	-	8,223	-
Total revenues	35,259	69,904	2,091	-	8,223	21,067
EXPENDITURES						
Salaries	25,454	-	-	-	-	-
Employee benefits	9,805	-	-	-	-	-
Purchased services	-	-	-	800	1,189	21,485
Supplies and materials	-	-	-	-	7,034	667
Capital outlay	-	69,904	2,091	-	-	-
Other objects	-	-	-	-	-	-
Total expenditures	35,259	69,904	2,091	800	8,223	22,152
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(800)	-	(1,085)
Other Financing Sources (uses)						
Operating transfers in	-	-	-	800	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources	-	-	-	800	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-	-	(1,085)
FUND BALANCE - JULY 1, 2008	-	-	-	-	-	-
FUND BALANCE - JUNE 30, 2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,085)

(continued)

**SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal year ended June 30, 2009**

	687 Direct Reimbursement	688 Direct Reimbursement	689 Direct Reimbursement	318 Perkins	Total Spec Revenue Restricted Sch.
REVENUES					
Federal Grants	\$ -	\$ -	\$ -	\$ 14,169	\$ 2,423,359
State Grants	-	-	-	-	924,678
Other	199,787	347,941	175,281	-	790,117
Total revenues	199,787	347,941	175,281	14,169	4,138,154
EXPENDITURES					
Salaries	160,398	216,550	104,076	373	2,342,398
Employee benefits	39,389	79,134	30,726	2,442	845,562
Purchased services	-	3,494	33,200	11,354	411,933
Supplies and materials	-	51,987	7,582	-	231,220
Capital outlay	-	805	-	-	139,876
Other objects	-	-	-	-	388
Total expenditures	199,787	351,970	175,584	14,169	3,971,377
Excess (deficiency) of revenues over (under) expenditures	-	(4,029)	(303)	-	166,777
Other Financing Sources (uses)					
Operating transfers in	-	-	-	-	800
Operating transfers out	-	-	-	-	(240,057)
Total other financing sources	-	-	-	-	(239,257)
Excess of revenues and other sources over (under) expenditures and other uses	-	(4,029)	(303)	-	(72,480)
FUND BALANCE - JULY 1, 2008	-	-	-	-	186,550
FUND BALANCE - JUNE 30, 2009	\$ -	\$ (4,029)	\$ (303)	\$ -	\$ 114,070

(concluded)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Capital Project Funds
Combining Balance Sheet
June 30, 2009

	Capital Improvement Fund	School Renovation Fund	Capital Non-Recurring Fund	TOTAL Capital Projects
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Due from other funds	645,706	-	-	645,706
Total assets	\$ 645,706	\$ -	\$ -	\$ 645,706
Fund balances (deficits)				
Unreserved	\$ 645,706	\$ -	\$ -	\$ 645,706
Total fund balances (deficits)	645,706	-	-	645,706
Total liabilities and fund balances	\$ 645,706	\$ -	\$ -	\$ 645,706

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Capital Project Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal year ended June 30, 2009

	116-120 Capital Improvement Fund	140 School Renovation Fund	603 Capital Non-Recurring Fund	TOTAL Capital Projects
REVENUES				
Investment income	\$ -	\$ -	\$ 295	\$ 295
Total revenues	-	-	295	295
EXPENDITURES				
Non- capital	29,810	6,244	-	36,054
Capital	173,873	-	-	173,873
Total expenditures	203,683	6,244	-	209,927
Excess of revenues over (under) Expenditures	(203,683)	(6,244)	295	(209,632)
Other Financing Sources (uses)				
Transfer from general fund	347,919	-	-	347,919
Transfer to general fund	-	-	(20,073)	(20,073)
Total other financing sources	347,919	-	(20,073)	327,846
Excess of revenues and other sources over (under) expenditures and other uses	144,236	(6,244)	(19,778)	118,214
FUND BALANCE - July 1, 2008	501,470	6,244	19,778	527,492
FUND BALANCE - June 30, 2009	\$ 645,706	\$ -	\$ -	\$ 645,706

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Permanent Funds
Combining Balance Sheet
June 30, 2009

	Waterman Fund	Fiske Fund	Cemetery Fund	Total
ASSETS				
Cash	\$ 27,677	\$ 304	\$ 22,163	\$ 50,144
Investments	1,364,992	172,364	41,782	1,579,138
Other receivables	-	-	-	-
Due from other funds	797,472	-	-	797,472
Total assets	\$ 2,190,141	\$ 172,668	\$ 63,945	\$ 2,426,754
LIABILITIES				
Accounts payable	\$ 11,800	\$ 671	\$ -	\$ 12,471
Total liabilities	\$ 11,800	\$ 671	\$ -	\$ 12,471
FUND BALANCES				
Reserve for non-expendable bequest	\$ 54,282	\$ 25,000	\$ -	\$ 79,282
Unreserved	2,124,059	146,997	63,945	2,335,001
Total fund balances (deficits)	2,178,341	171,997	63,945	2,414,283
Total liabilities and fund balances	\$ 2,190,141	\$ 172,668	\$ 63,945	\$ 2,426,754

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Permanent Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal year ended June 30, 2009

	600 Waterman Fund	601 Fiske Fund	602 Cemetery Fund	Total
REVENUES				
Investment income	\$ 37,773	\$ 1,129	\$ 4,926	\$ 43,828
Total Revenues	37,773	1,129	4,926	43,828
EXPENDITURES				
Social services	73,787	5,936	34,302	114,025
Loss on investments	-	-	25,007	25,007
Total Expenditures	73,787	5,936	59,309	139,032
Excess of revenues over (under) Expenditures	(36,014)	(4,807)	(54,383)	(95,204)
FUND BALANCE - July 1, 2008	2,214,355	176,804	118,328	2,509,487
FUND BALANCE - June 30, 2009	\$ 2,178,341	\$ 171,997	\$ 63,945	\$ 2,414,283

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
PARKS & RECREATION				
Assets				
Cash	54,640	156,170	154,526	56,284
Total assets	<u>\$ 54,640</u>	<u>\$ 156,170</u>	<u>\$ 154,526</u>	<u>\$ 56,284</u>
Liabilities				
Deposits held in custody for others	\$ 54,640	\$ 156,170	\$ 154,526	\$ 56,284
Total liabilities	<u>\$ 54,640</u>	<u>\$ 156,170</u>	<u>\$ 154,526</u>	<u>\$ 56,284</u>
 PERFORMANCE BONDS				
Assets				
Cash	\$ 928,967	\$ 238,845	\$ 234,821	\$ 932,991
Total assets	<u>\$ 928,967</u>	<u>\$ 238,845</u>	<u>\$ 234,821</u>	<u>\$ 932,991</u>
Liabilities				
Deposits held in custody for others	\$ 928,967	\$ 238,845	\$ 234,821	\$ 932,991
Total liabilities	<u>\$ 928,967</u>	<u>\$ 238,845</u>	<u>\$ 234,821</u>	<u>\$ 932,991</u>
 TOTAL				
Assets				
Cash	\$ 983,607	\$ 395,015	\$ 389,347	\$ 989,275
Total assets	<u>\$ 983,607</u>	<u>\$ 395,015</u>	<u>\$ 389,347</u>	<u>\$ 989,275</u>
Liabilities				
Deposits held in custody for others	\$ 983,607	\$ 395,015	\$ 389,347	\$ 989,275
Total liabilities	<u>\$ 983,607</u>	<u>\$ 395,015</u>	<u>\$ 389,347</u>	<u>\$ 989,275</u>

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
COVENTRY HIGH SCHOOL				
Assets				
Cash	\$ 255,103	\$ 940,562	\$ 995,070	\$ 200,595
Total assets	<u>\$ 255,103</u>	<u>\$ 940,562</u>	<u>\$ 995,070</u>	<u>\$ 200,595</u>
Liabilities				
Deposits held in custody for others	\$ 255,103	\$ 940,562	\$ 995,070	\$ 200,595
Total liabilities	<u>\$ 255,103</u>	<u>\$ 940,562</u>	<u>\$ 995,070</u>	<u>\$ 200,595</u>
FEINSTEIN MIDDLE SCHOOL				
Assets				
Cash	\$ 77,903	\$ 569,447	\$ 579,187	\$ 68,163
Total assets	<u>\$ 77,903</u>	<u>\$ 569,447</u>	<u>\$ 579,187</u>	<u>\$ 68,163</u>
Liabilities				
Deposits held in custody for others	\$ 77,903	\$ 569,447	\$ 579,187	\$ 68,163
Total liabilities	<u>\$ 77,903</u>	<u>\$ 569,447</u>	<u>\$ 579,187</u>	<u>\$ 68,163</u>
WASHINGTON ANNEX				
Assets				
Cash	\$ 15,173	\$ 2,984	\$ 18,157	\$ -
Total assets	<u>\$ 15,173</u>	<u>\$ 2,984</u>	<u>\$ 18,157</u>	<u>\$ -</u>
Liabilities				
Deposits held in custody for others	\$ 15,173	\$ 2,984	\$ 18,157	\$ -
Total liabilities	<u>\$ 15,173</u>	<u>\$ 2,984</u>	<u>\$ 18,157</u>	<u>\$ -</u>
HOPKINS HILL				
Assets				
Cash	\$ 17,016	\$ 90,033	\$ 86,868	\$ 20,181
Total assets	<u>\$ 17,016</u>	<u>\$ 90,033</u>	<u>\$ 86,868</u>	<u>\$ 20,181</u>
Liabilities				
Deposits held in custody for others	\$ 17,016	\$ 90,033	\$ 86,868	\$ 20,181
Total liabilities	<u>\$ 17,016</u>	<u>\$ 90,033</u>	<u>\$ 86,868</u>	<u>\$ 20,181</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
BLACK ROCK				
Assets				
Cash	\$ 20,912	\$ 24,047	\$ 23,808	\$ 21,151
Total assets	<u>\$ 20,912</u>	<u>\$ 24,047</u>	<u>\$ 23,808</u>	<u>\$ 21,151</u>
Liabilities				
Deposits held in custody for others	\$ 20,912	\$ 24,047	\$ 23,808	\$ 21,151
Total liabilities	<u>\$ 20,912</u>	<u>\$ 24,047</u>	<u>\$ 23,808</u>	<u>\$ 21,151</u>
OAK HAVEN				
Assets				
Cash	\$ 13,022	\$ 20,085	\$ 29,885	\$ 3,222
Total assets	<u>\$ 13,022</u>	<u>\$ 20,085</u>	<u>\$ 29,885</u>	<u>\$ 3,222</u>
Liabilities				
Deposits held in custody for others	\$ 13,022	\$ 20,085	\$ 29,885	\$ 3,222
Total liabilities	<u>\$ 13,022</u>	<u>\$ 20,085</u>	<u>\$ 29,885</u>	<u>\$ 3,222</u>
REGIONAL CAREER & TECH CTR				
Assets				
Cash	\$ 21,011	\$ 99,104	\$ 84,937	\$ 35,178
Total assets	<u>\$ 21,011</u>	<u>\$ 99,104</u>	<u>\$ 84,937</u>	<u>\$ 35,178</u>
Liabilities				
Deposits held in custody for others	\$ 21,011	\$ 99,104	\$ 84,937	\$ 35,178
Total liabilities	<u>\$ 21,011</u>	<u>\$ 99,104</u>	<u>\$ 84,937</u>	<u>\$ 35,178</u>
TIOGUE SCHOOL				
Assets				
Cash	\$ 4,565	\$ 24,218	\$ 19,898	\$ 8,885
Total assets	<u>\$ 4,565</u>	<u>\$ 24,218</u>	<u>\$ 19,898</u>	<u>\$ 8,885</u>
Liabilities				
Deposits held in custody for others	\$ 4,565	\$ 24,218	\$ 19,898	\$ 8,885
Total liabilities	<u>\$ 4,565</u>	<u>\$ 24,218</u>	<u>\$ 19,898</u>	<u>\$ 8,885</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
WESTERN COVENTRY				
Assets				
Cash	\$ 10,420	\$ 33,501	\$ 39,941	\$ 3,980
Total assets	<u>\$ 10,420</u>	<u>\$ 33,501</u>	<u>\$ 39,941</u>	<u>\$ 3,980</u>
Liabilities				
Deposits held in custody for others	\$ 10,420	\$ 33,501	\$ 39,941	\$ 3,980
Total liabilities	<u>\$ 10,420</u>	<u>\$ 33,501</u>	<u>\$ 39,941</u>	<u>\$ 3,980</u>
WASHINGTON OAK SCHOOL				
Assets				
Cash	\$ 24,920	\$ 49,898	\$ 49,787	\$ 25,031
Total assets	<u>\$ 24,920</u>	<u>\$ 49,898</u>	<u>\$ 49,787</u>	<u>\$ 25,031</u>
Liabilities				
Deposits held in custody for others	\$ 24,920	\$ 49,898	\$ 49,787	\$ 25,031
Total liabilities	<u>\$ 24,920</u>	<u>\$ 49,898</u>	<u>\$ 49,787</u>	<u>\$ 25,031</u>
PHYSICAL PLANT				
Assets				
Cash	\$ 975	\$ 323	\$ 389	\$ 909
Total assets	<u>\$ 975</u>	<u>\$ 323</u>	<u>\$ 389</u>	<u>\$ 909</u>
Liabilities				
Deposits held in custody for others	\$ 975	\$ 323	\$ 389	\$ 909
Total liabilities	<u>\$ 975</u>	<u>\$ 323</u>	<u>\$ 389</u>	<u>\$ 909</u>
TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 461,020	\$ 1,854,202	\$ 1,927,927	\$ 387,295
Total assets	<u>\$ 461,020</u>	<u>\$ 1,854,202</u>	<u>\$ 1,927,927</u>	<u>\$ 387,295</u>
Liabilities				
Deposits held in custody for others	\$ 461,020	\$ 1,854,202	\$ 1,927,927	\$ 387,295
Total liabilities	<u>\$ 461,020</u>	<u>\$ 1,854,202</u>	<u>\$ 1,927,927</u>	<u>\$ 387,295</u>

(concluded)

STATISTICAL SECTION

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

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Tax Collections
For the Fiscal Year Ended June 30, 2009

Real Estate and Property Tax Assessment of	Total Balance Uncollected 7/1/2008	Assessment	Additions Adjustments	Abatements	Refunds and Adjustments	Total Available for Collection	Collections	(a) Balance Uncollected 6/30/2009
2008	\$ -	\$ 56,350,234	\$ 314,328	\$ (808,310)	\$ 64,950	\$ 55,921,202	\$ 55,323,927	\$ 597,275
2007	683,466	-	4,027	(31,046)	705	657,152	527,859	129,293
2006	117,758	-	3,028	(3,507)	6,577	123,856	30,791	93,065
2005	75,123	-	1,017	(21)	-	76,119	4,403	71,716
2004	74,653	-	477	(36)	-	75,094	1,231	73,863
2003	65,243	-	-	(35)	-	65,208	743	64,465
2002	54,388	-	-	-	-	54,388	1,497	52,891
2001	73,722	-	-	-	-	73,722	1,499	72,223
2000	68,735	-	-	-	(986)	67,749	952	66,797
1999	67,188	-	-	-	(1,822)	65,366	285	65,081
1998	36,474	-	-	-	(1,095)	35,379	58	35,321
1997	15,833	-	-	-	(144)	15,689	-	15,689
1996	4,722	-	-	-	-	4,722	-	4,722
Prior years	1,592	-	-	-	-	1,592	-	1,592
TOTAL PROPERTY	\$ 1,338,897	\$ 56,350,234	\$ 322,877	\$ (842,955)	\$ 68,185	\$ 57,237,238	\$ 55,893,245	\$ 1,343,993

Auto Excise Tax Assessment of	Total Balance Uncollected 7/1/2008	Assessment	Additions Adjustments	Abatements	Authorized Transfers and Adjustments	Total Available for Collection	Collections	Balance Uncollected 6/30/2009
2008	\$ -	\$ 2,756,369	\$ 2,286	\$ (58,267)	\$ 4,846	\$ 2,705,234	\$ 2,545,726	\$ 159,508
2007	161,925	-	48	(512)	261	161,722	89,312	72,410
2006	72,646	-	-	(325)	-	72,321	15,211	57,110
2005	50,610	-	-	(218)	-	50,392	4,332	46,060
2004	31,739	-	-	(308)	-	31,431	1,908	29,523
2003	20,668	-	-	-	-	20,668	154	20,514
2002	15,033	-	-	-	-	15,033	538	14,495
2001	22,828	-	-	-	-	22,828	379	22,449
2000	23,419	-	-	(15)	-	23,404	386	23,018
1999	23,489	-	-	(152)	-	23,337	293	23,044
1998	127	-	-	279	-	406	240	166
1997	-	-	-	298	-	298	251	47
Prior years	127	-	-	352	-	479	479	-
TOTAL AUTO	\$ 422,611	\$ 2,756,369	\$ 2,334	\$ (58,868)	\$ 5,107	\$ 3,127,553	\$ 2,659,209	\$ 468,344

**TOTAL PROPERTY
TAX AND AUTO
EXCISE TAX**

\$ 1,761,508	\$ 59,106,603	\$ 325,211	\$ (901,823)	\$ 73,292	\$ 60,364,791	\$ 58,552,454	\$ 1,812,337
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TOWN OF COVENTRY , RHODE ISLAND
Supplementary Information
Schedule of Assessed Property Valuations, Exemptions and Tax Levy
For the Year Ended June 30, 2009

	<u>December 31, 2007</u>	<u>December 31, 2006</u>	<u>December 31, 2005</u>	<u>December 31, 2004</u>	<u>December 31, 2003</u>	<u>December 31, 2002</u>
Assessed Property Valuations:						
Real Property	\$ 3,661,025,184	\$ 3,315,487,502	\$3,281,103,269	\$3,228,273,210	\$1,818,154,563	\$1,784,855,091
Tangibles	116,558,916	27,615,172	21,656,098	22,042,993	18,508,304	16,852,588
Motor Vehicles	283,134,618	271,963,528	271,118,304	241,805,645	214,780,443	212,372,489
	<u>4,060,718,718</u>	<u>3,615,066,202</u>	<u>3,573,877,671</u>	<u>3,492,121,848</u>	<u>2,051,443,310</u>	<u>2,014,080,168</u>
Less Exemptions:						
Blindness	392,830	409,330	343,330	304,430	254,930	94,820
Elderly and Disabled	19,472,580	18,779,111	18,857,004	18,811,924	18,629,004	18,380,900
Gold Star Mothers	18,000	15,000	15,000	12,000	12,000	9,000
Rectories and Parsonages	453,400	480,150	1,326,130	744,910	703,350	703,350
State Veterans	130,795	127,661	156,177	161,943	161,090	149,927
Veterans	19,750,880	20,087,370	20,613,470	20,597,110	21,095,110	21,681,480
POW's	30,000	30,000	30,000	45,000	45,000	60,000
100% Disabled	129,400	125,400	132,400	116,400	113,400	31,000
Specially Adapted Housing	30,300	30,300	32,638	20,000	30,000	30,000
4% Relief Program	26,616,550	26,196,724	31,068,368	31,686,258	33,413,808	34,261,492
Motor Vehicle Phase-out						
Total Exemptions	<u>67,024,735</u>	<u>66,281,046</u>	<u>72,574,517</u>	<u>72,499,975</u>	<u>74,457,692</u>	<u>75,401,969</u>
NET TAXABLE ASSESSED PROPERTY VALUATIONS	<u><u>\$ 3,993,693,983</u></u>	<u><u>\$ 3,548,785,156</u></u>	<u><u>\$3,501,303,154</u></u>	<u><u>\$3,419,621,873</u></u>	<u><u>\$1,976,985,618</u></u>	<u><u>\$1,938,678,199</u></u>
Tax Levy:						
Real and personal property and tangible tax	\$ 56,350,234	\$ 53,733,335	\$51,033,500	\$45,861,014	\$43,491,250	\$41,183,057
Motor vehicle tax	<u>2,756,369</u>	<u>2,558,668</u>	<u>2,581,006</u>	<u>2,330,573</u>	<u>2,348,012</u>	<u>2,094,363</u>
TOTAL TAXES ASSESSED, NET OF EXEMPTIONS	<u><u>\$ 59,106,603</u></u>	<u><u>\$ 56,292,003</u></u>	<u><u>\$53,614,506</u></u>	<u><u>\$48,191,587</u></u>	<u><u>\$45,839,262</u></u>	<u><u>\$43,277,420</u></u>

TOWN OF COVENTRY, RHODE ISLAND
Schedule of long-term liabilities - Primary Government
For the fiscal year ended June 30, 2009

	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding July 1, 2008	Additions	Maturities During Year	Outstanding June 30, 2009	Interest Paid
General Obligation Bonds Payable									
Bond Refinancing School	02/25/99	3.4% - 4.15%	11/01/10	\$ 5,095,000	\$ 1,130,000	\$ -	\$ 390,000	\$ 740,000	\$ 38,321
School Construction Financing	06/15/02	3.50% to 5.00%	06/15/22	15,000,000	10,500,000	-	750,000	9,750,000	475,688
School Project Financing	12/01/01	3.50% to 5.00%	11/01/21	11,000,000	7,700,000	-	550,000	7,150,000	344,438
School bond	12/15/03	2.00% to 4.00%	6/15/23	8,000,000	6,000,000	-	400,000	5,600,000	203,400
Total general obligation bonds payable				39,095,000	25,330,000	-	2,090,000	23,240,000	1,061,847
Notes Payable									
Phillips Hill Farm note payable	2/28/2007	5.00%	2/1/09	400,000	200,000	-	200,000	-	10,000
Total notes payable				400,000	200,000	-	200,000	-	10,000
Subtotal governmental funds long term debt payable				39,495,000	25,530,000	-	2,290,000	23,240,000	1,071,847
Sewer Bonds Payable									
Economic Development Revenue Bonds	09/01/03	0.49% - 1.49%	9/1/23	3,400,000	3,155,000	-	135,000	3,020,000	51,952
GO Tax Anticipation Notes	1/29/2008	3.85%	7/30/08	5,500,000	5,500,000	-	5,500,000	-	106,463
GO Tax Anticipation Notes	7/30/2008	3.50%	7/29/09	5,500,000	-	5,500,000	-	5,500,000	-
RI Clean Water	12/6/2006	1.33%	9/1/27	3,205,000	3,205,000	-	135,000	3,070,000	41,625
RI Clean Water	12/12/2007	3.75% to 5.08%	9/1/28	5,000,000	5,000,000	-	-	5,000,000	58,532
Total Sewer bonds payable				22,605,000	16,860,000	5,500,000	5,770,000	16,590,000	258,572
Total bonds and notes				\$ 62,100,000	42,390,000	5,500,000	8,060,000	39,830,000	1,330,419
Accrued expenses									
Compensated absences					4,087,966	272,056	-	4,360,022	n/a
Net pension Obligation - See prior period adjustment - Note 20					28,700,848	1,438,308	-	30,139,156	n/a
Net OPEB obligation					-	328,000	-	328,000	
Total accrued expenses					32,788,814	2,038,364	-	34,827,178	
Total long-term liabilities					\$ 75,178,814	\$ 7,538,364	\$ 8,060,000	\$ 74,657,178	

TOWN OF COVENTRY, RHODE ISLAND
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2009

Grossed assessed value	\$ 4,060,718,718
Less: exemptions and adjustments	(67,024,735)
Total taxable assessed value	\$ 3,993,693,983

Debt Limit - 3 percent of total assessed value	\$ 119,810,819
Amount of debt applicable to debt limit:	
Total bonded debt-governmental bonds pay	23,240,000
Legal debt margin	\$ 96,570,819

TOWN OF COVENTRY, RHODE ISLAND

SINGLE AUDIT SECTION

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Coventry, Rhode Island as of and for the year fiscal ended June 30, 2009, which collectively comprise the Town of Coventry, Rhode Island's basic financial statements and have issued our report thereon dated January 8, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Coventry's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Coventry's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Coventry's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Coventry's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town of Coventry's financial statements that is more than inconsequential will not be prevented or detected by the Town of Coventry's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town of Coventry's internal control.

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

Compliance and Other Matter

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

We noted certain matters that we reported to the management of the Town of Coventry in a separate letter dated January 8, 2010.

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



Parmelee, Poirier & Associates, LLP
January 8, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Town of Coventry, Rhode Island, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Town of Coventry's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Town of Coventry's management. Our responsibility is to express an opinion on the Town of Coventry's compliance based on our audit

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Coventry's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town of Coventry's compliance with those requirements.

In our opinion, the Town of Coventry, Rhode Island, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Town of Coventry is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Coventry's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Coventry's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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



Parmelee, Poirier & Associates, LLP

January 8, 2010

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture:			
<i>Passed through State of Rhode Island Department of Education:</i>			
<i>Child Nutrition Cluster:</i>			
School Breakfast Program	10.553	N/A	\$ 63,025
National School Lunch Program	10.555	N/A	388,907
Special School Milk Program for Children	10.556	N/A	5,062
Food Donation - See Note 4	10.550	N/A	128,844
Total U.S. Department of Agriculture			<u>\$ 585,838</u>
U.S. Department of Commerce			
<i>Pass-Through State of Rhode Island Department of Emergency Management</i>			
Public Safety Interoperable Communications Grant Program	11.555	N/A	\$ 120,863
Total U.S. Department of Commerce			<u>\$ 120,863</u>
U.S. Department of Housing and Urban Development:			
<i>Pass-Through State of Rhode Island Division of Planning,</i>			
<i>Office of Housing and Community Development</i>			
Community Development Block Grant	14.228	N/A	\$ 138,743
Total U.S. Department of Housing and Urban Development			<u>\$ 138,743</u>
U.S. Department of Justice:			
<i>Pass-Through State of Rhode Island</i>			
<i>Governor's Justice Commission</i>			
Edward Byrne Memorial State & Local Enforcement Assistance			
Discretionary Grants Program	16.580	N/A	\$ 10,576
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	13,379
Total U.S. Department of Justice			<u>\$ 23,955</u>
U.S. Department of Transportation			
<i>Pass-through State of Rhode Department of Transportation</i>			
<i>Highway Safety Cluster:</i>			
State and Community Highway Safety	20.600		\$ 6,522
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		14,334
Total U.S. Department of Transportation			<u>\$ 20,856</u>
U.S. Department of Education:			
<i>Passed through State of Rhode Island Department of Education:</i>			
ARRA - State Fiscal Stabilization Funds - Education State Grants	84.394	4572-10502-901	\$ 1,166,987
Title I Grants to Local Education Agencies	84.010A	1420-51600-801	563,403
Career & Technical Education - Basic Grants to States	84.048A	9-1440-53200-0601	221,274
Improving Teacher Quality State Grants	84.367A	1420-54000-801	312,954
Safe and Drug-Free Schools and Communities - State Grants	84.186A	1420-52900-801	27,618
Education Technology	84.318X	1420-53600-730	69,904
<i>Special Education Cluster:</i>			
Special Education Grants to States	84.027A	1430-50500-801	1,171,880
Special Education Preschool Grants	84.173A	1430-50800-801	35,259
Total U.S. Department of Education			<u>\$ 3,569,279</u>

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2009
(continued)

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
Corporation for National and Community Service			
<i>Passed through State of Rhode Island Department of Education:</i>			
Learn & Serve America School & Community Based Programs	94.004	1420-50700-701	\$ 22,152
Total Corporation for National and Community Service			<u>\$ 22,152</u>
U.S. Department of Homeland Security			
<i>Pass-through State of Rhode Island Emergency Management Agency:</i>			
State Domestic Preparedness Equipment Support Program	97.004	N/A	\$ 10,597
Total U.S. Department of Homeland Security			<u>\$ 10,597</u>
 Total Expenditures of Federal Awards			 <u><u>\$ 4,492,283</u></u>

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2009

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness (es) identified? yes X no

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

Non-compliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness (es) identified? yes X no

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

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

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
	<i>Child Nutrition Cluster:</i>
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special School Milk Program for Children
84.010A	Title I Grants to Local Education Agencies
84.367A	Improving Teacher Quality State Grants
84.394	ARRA-State Fiscal Stabilization Funds – Education State Grants, Recovery Act

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 300,000

Auditee qualified as low risk auditee? yes X no

SECTION II – FINANCIAL STATEMENT FINDINGS yes X none

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

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2009
(Continued)

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

A. Significant Deficiency in Internal Control

None Reported.

B. Compliance

None Reported.

SECTION III – FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2009

PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

TOWN OF COVENTRY, RHODE ISLAND
Notes to Schedule of Expenditures of Federal Awards
June 30, 2009

1. **General** - The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of the Town of Coventry, Rhode Island.
2. **Basis of Accounting** - The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.
3. **Determination of Type A, Type B and Major Programs** - The determination of Type A and Type B federal programs was based upon the expenditures for all federal programs for the Town of Coventry, Rhode Island. As such, the threshold for determining Type A vs. Type B programs is determined at the entity level. For the fiscal year-ended June 30, 2009, grants with expenditures exceeding \$300,000 were determined to be Type A programs and all other grants were considered Type B programs. The following programs were considered major programs:

CFDA #	Program Name
	<i>Child Nutrition Cluster:</i>
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special School Milk Program
84.010A	Title I Grants to Local Education Agencies
84.367A	Improving Teacher Quality State Grants
84.394	ARRA-State Fiscal Stabilization Fund – Education State Grants, Recovery Act

4. **Non-Cash Assistance**

U.S.D.A. Contributions: The United States Department of Agriculture makes available commodities for donations to schools. The amount of \$128,844 represents the market value of such commodities used during the period.