
TOWN OF COVENTRY

***ANNUAL
FINANCIAL REPORT***

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2013***

***THEODORE J. PRZYBYLA
FINANCE DIRECTOR***

Prepared by: Finance Department

COVENTRY, RHODE ISLAND

**TOWN OF COVENTRY, RHODE ISLAND
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

List of Town Officials

TOWN OF COVENTRY, RHODE ISLAND

As of June 30, 2013

TOWN COUNCIL

Gary P. Cote – President
Kerry L. McGee – Vice President
Karen M. Carlson
Thaddeus Jendzejec
Gregory Laboissonniere

TOWN MANAGER

Thomas R. Hoover

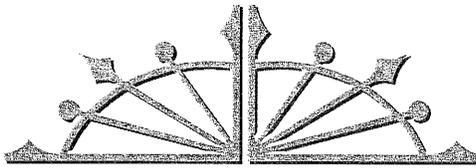
FINANCE DIRECTOR

Theodore J. Przybyla

FINANCIAL SECTION

This Section Contains the Following Subsections:

Independent Auditor's Report
Management's Discussion and Analysis
Basic Financial Statements
Required Supplementary Information
Supplementary Information



BAXTER DANSEREAU & ASSOCIATES, LLP
Accounting, Consulting & Tax Services

Partners
William J. Baxter, Jr., CPA
Paul L. Dansereau, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of Coventry, Rhode Island (Town) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 71-77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

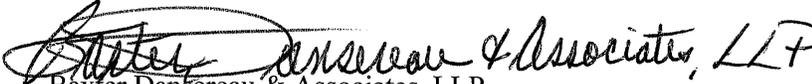
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Coventry, Rhode Island's basic financial statements. The introductory section, combining nonmajor fund financial statements, the combining fiduciary fund financial statements,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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2014, on our consideration of the Town of Coventry, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Coventry, Rhode Island's internal control over financial reporting and compliance.



Baxter Danfereau & Associates, LLP

Baxter Danfereau & Associates, LLP

West Warwick, Rhode Island

January 8, 2014

Management's Discussion and Analysis

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(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, 2013. Please read it in conjunction with the Town's financial statements that follow this section.

The Town has adopted the requirements of the Government Accounting Standards Board GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions*. Acceptance of this statement has changed the Town's presentation of the elements of fund balances, a key indicator of inter-period equity. See Note 1 Summary of Significant Accounting Policies in the Notes to the Financial Statements for a further explanation.

Financial Highlights

- ❖ The net position of the Town's primary government decreased \$2,023,894 as a result of current year's operations. 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 \$7,212,712. The net position of the Town's business activities increased by \$221,446 or 2.4%, while the net position of Governmental Activities decreased by \$2,245,340 or 15.0% in the current period.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$101,824,394 a .05% increase from the prior year, while revenues collected were \$99,800,500 a 0.43% decrease from the prior year.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$11,692,409. Over 63% of this amount, \$7,396,285 is unassigned and available for use within the Town's specific designations and fiscal policies or subject to outside restrictions.
- ❖ At the end of the current fiscal year, the general fund unassigned fund balance was \$9,381,133 or 13.96% of the total general fund expenditures for the fiscal year. The current fiscal year's revenues and transfers in exceeded expenditures and transfers out by \$23,809. On a budgetary basis revenues exceeded expenditures and transfers by \$1,258,809.

Debt Service

A \$9,000,000 refinancing bond for sewer extensions and improvements was approved by the Town Council in May 2013 that allowed the Town to retire old debt. In doing so, the Town was able to take advantage of long-term interest rates.

In November 2012, voters approved \$8,550,000 in RIHEBC bonds to fund school building improvements. These projects are eligible for a 50.0% reimbursement from the State of Rhode Island via State Housing Aid. This reimbursement will go towards funding the debt service for these bonds.

In November 2012, voters also approved a \$5,000,000 Energy Performance Bond for the purchase and installation of new energy-efficient equipment in municipal and school buildings. The energy savings

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

from the installation of the new equipment and the reimbursement on school-related projects from the State of Rhode Island's State Housing Aid of 50.0% plus an approximate 4% increase due to meeting energy savings requirements will be used to completely fund the debt service for these bonds.

The Town has issued \$2,400,000 in debt through the Rhode Island Clean Water Finance Authority to continue ongoing sewer expansion.

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.

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

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

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

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

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 14 through 15.

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

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

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

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

Proprietary Funds - The Town's proprietary 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 19 through 21.

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

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 22 and 23.

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 24 through 70.

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 71 through 78.

The combining statements referred to earlier in connection with non-major governmental funds, are presented on pages 79 through 119.

Government-wide Financial Analysis

Analysis of the Town of Coventry's Net Position

As noted earlier, the Town's net position may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The Town of Coventry, governmental activities liabilities exceeded assets by \$17,018,614 as of June 30, 2013. The cumulative deficit in the governmental activities net position was increased by \$2,245,340 from current year activity.

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

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

Town of Coventry
Net Assets

	<u>June 30, 2013</u>			<u>June 30, 2012</u>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Current and Other Assets	\$ 24,087,530	\$ 15,273,345	\$ 39,360,875	\$ 25,462,942	\$ 13,198,876	\$ 38,661,818
Capital assets	<u>32,056,853</u>	<u>23,603,247</u>	<u>55,660,100</u>	<u>33,489,473</u>	<u>23,844,046</u>	<u>57,333,519</u>
Total Assets	<u>56,144,383</u>	<u>38,876,592</u>	<u>95,020,975</u>	<u>58,952,415</u>	<u>37,042,922</u>	<u>95,995,337</u>
Other Liabilities	9,832,763	7,946,537	17,779,300	10,365,515	7,761,859	18,127,374
Long-Term Liabilities	<u>63,330,234</u>	<u>21,124,153</u>	<u>84,454,387</u>	<u>63,519,063</u>	<u>19,854,418</u>	<u>83,373,481</u>
Total Liabilities	<u>73,162,997</u>	<u>29,070,690</u>	<u>102,233,687</u>	<u>73,884,578</u>	<u>27,616,277</u>	<u>101,500,855</u>
Net Assets:						
Invested in Capital						
Net of Related Debt	11,106,853	6,494,512	17,601,365	11,039,473	4,009,437	15,048,910
Restricted for:						
Education programs	382,275	-	382,275	285,822	-	285,822
Public safety programs	133,407	-	133,407	97,918	-	97,918
Culture and recreation	139,177	-	139,177	59,441	-	59,441
Health & human services	75,073	-	75,073	38,256	-	38,256
Unrestricted	<u>(28,855,399)</u>	<u>3,311,390</u>	<u>(25,544,009)</u>	<u>(26,453,073)</u>	<u>5,417,208</u>	<u>(21,035,865)</u>
Total Net Assets	<u>\$ (17,018,614)</u>	<u>\$ 9,805,902</u>	<u>\$ (7,212,712)</u>	<u>\$ (14,932,163)</u>	<u>\$ 9,426,645</u>	<u>\$ (5,505,518)</u>

The largest portion of the Town's Governmental net position, \$11,106,853 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 the Town's unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors. The unrestricted net position for governmental activities reported a \$28,855,399 deficit while the business-type activities reported a \$3,311,390 positive balance.

As of June 30, 2013 the Town of Coventry reports positive balances in the net investment in capital assets 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, 2013. 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 position by \$2,245,340 for the current period accounting for a 15.0% decrease

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

in the Town's governmental net position, while business-type activities increased the Town's net position by \$221,446 for the current period. Overall the Town's decrease in net position was \$2,023,894 for current year activity.

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

<i>Town of Coventry</i>						
<i>Changes in Net Assets</i>						
	June 30, 2013			June 30, 2012		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
<i>Revenues</i>						
<i>Program revenues</i>						
Charges for services	\$ 4,288,367	\$ 2,218,555	\$ 6,506,922	\$ 4,431,093	\$ 3,499,946	\$ 7,931,039
Federal/State grants	29,034,419	-	29,034,419	28,686,153	-	28,686,153
<i>General Revenues</i>						
Property taxes	63,091,672	-	63,091,672	62,522,392	-	62,522,392
Investment earnings	558,212	20	558,232	234,881	-	234,881
Miscellaneous	609,255	-	609,255	851,655	-	851,655
Total revenues	97,581,925	2,218,575	99,800,500	96,726,174	3,499,946	100,226,120
<i>Expenses</i>						
General government	6,710,502	-	6,710,502	7,299,478	-	7,299,478
Public safety	10,143,290	-	10,143,290	8,841,054	-	8,841,054
Education	72,693,588	-	72,693,588	72,829,217	-	72,829,217
Public works	6,067,181	-	6,067,181	6,198,819	-	6,198,819
Community and economic development	317,791	-	317,791	336,705	-	336,705
Health and human services	1,124,362	-	1,124,362	1,125,816	-	1,125,816
Culture and recreation	2,103,553	-	2,103,553	2,141,346	-	2,141,346
Interest on long-term debt	666,998	-	666,998	1,037,491	-	1,037,491
Sewer Fund Expenses	-	1,997,129	1,997,129	-	1,963,692	1,963,692
Total expenses	99,827,265	1,997,129	101,824,394	99,809,926	1,963,692	101,773,618
Change in net assets	(2,245,340)	221,446	(2,023,894)	(3,083,752)	1,536,254	(1,547,498)
Net assets - beginning	(14,932,163)	9,426,645	(5,505,518)	(13,059,603)	8,695,266	(4,364,337)
Prior period adjustments	158,889	157,811	316,700	1,211,192	(804,875)	406,317
Net assets - beginning -restated	(14,773,274)	9,584,456	(5,188,818)	(11,848,411)	7,890,391	(3,958,020)
Net assets - ending	\$ (17,018,614)	\$ 9,805,902	\$ (7,212,712)	\$ (14,932,163)	\$ 9,426,645	\$ (5,505,518)

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

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.

As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$11,692,409. Over 63% of this amount, \$7,396,285 is unassigned and available for use within the Town's specific designations and fiscal policies.

TOWN OF COVENTRY, RHODE ISLAND
Fund Balance Categories

<i>Restricted for:</i>	
Educational programs	\$ 382,275
Public safety programs	133,407
Culture and recreation	139,177
Health & human services	75,073
<i>Committed for:</i>	
Public works programs	351,554
Use of budgeted surplus 2014	1,900,000
2014 educational budget	176,343
Culture and recreation	1,138,295
<i>Unassigned:</i>	7,396,285
Total fund balances	<u><u>\$ 11,692,409</u></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 Sewer Fund were \$3,311,390.

General Fund Budgetary Highlights

Revenues:

General Property Taxes – were over budget by \$241,416 due to a higher collection rate.

Interest on Investments – was over budget by \$227,409 due to favorable market conditions.

Miscellaneous Receipts – were over budget by \$197,788 due to unanticipated revenue.

Recording Fees – were \$126,383 over budget due to higher than anticipated activity.

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

General Fund Budgetary Highlights – (continued)

Expenses:

Legislative, judicial & general administration – was over budget by \$24,259 due to the unanticipated cost of collective bargaining arbitration.

Public Safety – was under budget by \$428,592 due to open positions mainly from military call ups, lower than anticipated medical insurance costs, and delay in filling positions.

General Government – was over budget by \$156,088 due to the net effect of being under budget in the Town's contingency fund account, being over budget in the Town's Insurance account, and under budget in other miscellaneous accounts.

Public Works – was under budget by \$261,040 due to aggressive budget monitoring, cost containment, and delay in filling positions.

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 \$55,660,100 net of accumulated depreciation at June 30, 2013. 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, 2013			June 30, 2012		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Land	9,051,904	-	9,051,904	9,051,904	-	9,051,904
Construction in progress	1,174,813	201,795	1,376,608	326,311	2,304,162	2,630,473
Infrastructure	572,467	-	572,467	614,583	-	614,583
Buildings & Improvements	19,886,600	-	19,886,600	21,790,712	-	21,790,712
Machinery and equipment	148,196	-	148,196	316,210	-	316,210
Office equipment and furniture	154,814	-	154,814	132,618	-	132,618
Vehicles	1,068,059	-	1,068,059	1,257,135	-	1,257,135
Wastewater collection system	-	23,401,452	23,401,452	-	21,539,884	21,539,884
Total	32,056,853	23,603,247	55,660,100	33,489,473	23,844,046	57,333,519

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2013
(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 \$20,950,000. 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

	<u>June 30, 2013</u>			<u>June 30, 2012</u>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
General Obligation Bonds	20,950,000	2,420,000	23,370,000	22,450,000	2,580,000	25,030,000
Notes Payable	23,808	16,304,153	16,327,961	46,484	17,274,418	17,320,902
Totals	<u>20,973,808</u>	<u>18,724,153</u>	<u>39,697,961</u>	<u>22,496,484</u>	<u>19,854,418</u>	<u>42,350,902</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 122 and 123.

Economic Factors and Next Year's Budgets and Rates

The Town of Coventry's total budget for fiscal year 2014 amounts to \$93,204,553, which reflects an increase of \$3,491,687 over fiscal 2013 budget of \$89,712,866. Of the Town's 2014 budget, \$67,871,060, or 72.8% is budgeted for educational purposes, \$20,985,942 or 22.5% for municipal government, \$3,165,501 or 3.4% for debt service and \$1,182,050 or 1.3% for capital improvements and library resource sharing.

The State of Rhode Island is budgeted to contribute \$20,429,797 toward the Town's educational expenses for the fiscal year 2014. This is an increase of \$811,099 over the \$19,618,698 contributed by the State in the fiscal year 2013.

The Town's residential and commercial property tax rates for fiscal 2014 are \$18.66 and \$22.492, respectively, with 72.0% allocated for education, 26.0% for municipal government, 2.0% for debt service and capital improvements & library resource sharing. For fiscal 2013 the Town's residential and commercial property tax rates were \$18.061 and \$21.76, respectively, with 72.0% allocated for education, 26.0% for municipal government, 2.0% for debt service, capital improvements and library resource sharing.

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

Robert Thibeault
Finance Director/Treasurer

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

TOWN OF COVENTRY
Statement of Net Position
June 30, 2013

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 12,814,339	\$ 361,721	\$ 13,176,060
Investments	4,280,920	-	4,280,920
Real estate and personal property tax receivable, net	2,500,021	-	2,500,021
Water and sewer use fees receivable, net	-	487,060	487,060
Due from federal and state government	1,394,512	4,217,213	5,611,725
Prepaid expenses	831,820	-	831,820
Other receivables, net	2,265,918	-	2,265,918
Total current assets	<u>24,087,530</u>	<u>5,065,994</u>	<u>29,153,524</u>
Noncurrent assets:			
Sewer assessments receivable	-	8,839,512	8,839,512
Capital assets:			
Land	9,051,904	-	9,051,904
Construction in progress	1,174,813	201,795	1,376,608
Property, plant & equipment - net	21,830,136	23,401,452	45,231,588
Capital assets, net	<u>32,056,853</u>	<u>23,603,247</u>	<u>55,660,100</u>
Other assets, net	-	1,367,839	1,367,839
Total noncurrent assets	<u>32,056,853</u>	<u>33,810,598</u>	<u>65,867,451</u>
Total assets	<u>56,144,383</u>	<u>38,876,592</u>	<u>95,020,975</u>
Liabilities:			
Accounts payable and accrued liabilities	7,656,023	209,938	7,865,961
Internal balances	1,104,854	(1,104,854)	-
Unearned revenues	402,599	8,841,453	9,244,052
Other	669,287	-	669,287
Total current liabilities	<u>9,832,763</u>	<u>7,946,537</u>	<u>17,779,300</u>
Long-term liabilities:			
Due within one year	2,167,676	5,650,035	7,817,711
Due in more than one year	61,162,558	15,474,118	76,636,676
Total noncurrent liabilities	<u>63,330,234</u>	<u>21,124,153</u>	<u>84,454,387</u>
Total liabilities	<u>73,162,997</u>	<u>29,070,690</u>	<u>102,233,687</u>
Net Position:			
Net investment in capital assets	11,106,853	6,494,512	17,601,365
Restricted for:			
Education programs	382,275	-	382,275
Public safety programs	133,407	-	133,407
Culture and recreation	139,177	-	139,177
Health & human services	75,073	-	75,073
Unrestricted	(28,855,399)	3,311,390	(25,544,009)
Total net position	<u>\$ (17,018,614)</u>	<u>\$ 9,805,902</u>	<u>\$ (7,212,712)</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, 2013

	Program revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
Functions/ Programs						
Governmental Activities:						
Governmental activities:						
General government	\$ 6,710,502	\$ 759,590	\$ 2,178,556	\$ (3,772,356)		\$ (3,772,356)
Public safety	10,143,290	106,990	-	(10,036,300)		(10,036,300)
Education	72,693,588	2,322,948	26,762,547	(43,608,093)		(43,608,093)
Public works	6,067,181	129,046	-	(5,938,135)		(5,938,135)
Community and economic development	317,791	859,977	-	542,186		542,186
Health and human services	1,124,362	-	-	(1,124,362)		(1,124,362)
Culture and recreation	2,103,553	109,816	93,316	(1,900,421)		(1,900,421)
Interest on long-term debt	666,998	-	-	(666,998)		(666,998)
Total governmental activities	99,827,265	4,288,367	29,034,419	(66,504,479)		(66,504,479)
Business type activities:						
Sewer Fund	1,997,129	2,218,555	-	-	\$ 221,426	221,426
Total business-type activities	1,997,129	2,218,555	-	-	221,426	221,426
Total	\$ 101,824,394	\$ 6,506,922	\$ 29,034,419	(66,504,479)	221,426	(66,283,053)
General revenues:						
Real estate and personal property taxes				63,091,672	-	63,091,672
Interest on property taxes				101,532	-	101,532
Investment earnings				558,212	20	558,232
Miscellaneous				507,723	-	507,723
Total general revenues				64,259,139	20	64,259,159
Change in net position				(2,245,340)	221,446	(2,023,894)
<i>Net position-beginning</i>				(14,932,163)	9,426,645	(5,505,518)
<i>Prior period adjustment see note 19</i>				158,889	157,811	316,700
<i>Net position-beginning - restated</i>				(14,773,274)	9,584,456	(5,188,818)
Net position-ending				\$ (17,018,614)	\$ 9,805,902	\$ (7,212,712)

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, 2013

	<i>General Fund</i>	<i>School Unrestricted Fund</i>	<i>Coventry Landfill Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
ASSETS					
Cash and cash equivalents	\$ 11,668,233	\$ 423,688	\$ -	\$ 722,418	\$ 12,814,339
Accounts receivable:					
Real estate and personal property taxes	2,500,021	-	-	-	2,500,021
Due from federal and state governments	-	16,361	-	1,378,151	1,394,512
Other receivables	1,463,131	776,090	-	26,697	2,265,918
Due from other funds	5,762,616	5,046,149	-	2,352,552	13,161,317
Prepays	-	451,014	-	-	451,014
Total assets	\$ 21,394,001	\$ 6,713,302	\$ -	\$ 4,479,818	\$ 32,587,121
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued expenditures	\$ 511,576	\$ 5,910,523	\$ 252	\$ 1,135,384	\$ 7,557,735
Due to other funds	6,514,190	566,621	486,454	2,455,367	10,022,632
Unearned revenues	2,436,032	-	-	227,243	2,663,275
Other liabilities	651,070	-	-	-	651,070
Total liabilities	10,112,868	6,477,144	486,706	3,817,994	20,894,712
Fund balances:					
Restricted for:					
Educational programs	-	59,815	-	322,460	382,275
Public safety programs	-	-	-	133,407	133,407
Culture and recreation	-	-	-	139,177	139,177
Health & human services	-	-	-	75,073	75,073
Committed for:					
Public works programs	-	-	-	351,554	351,554
Use of budgeted surplus 2014	1,900,000	-	-	-	1,900,000
2014 educational budget	-	176,343	-	-	176,343
Culture and recreation	-	-	-	1,138,295	1,138,295
Unassigned:	9,381,133	-	(486,706)	(1,498,142)	7,396,285
Total fund balances	11,281,133	236,158	(486,706)	661,824	11,692,409
Total liabilities and fund balances	\$ 21,394,001	\$ 6,713,302	\$ -	\$ 4,479,818	

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)	31,836,053
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Note 7)	2,337,744
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Note 7)	(63,124,784)
Internal service fund equity balance (Note 7)	239,964
Net assets of governmental activities	\$ (17,018,614)

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, 2013

	<i>General Fund</i>	<i>School Unrestricted Fund</i>	<i>Coventry Landfill Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues					
Real estate and personal property taxes	\$ 62,048,044	\$ -	\$ -	\$ -	\$ 62,048,044
Other taxes	849,377	-	-	-	849,377
Penalties and interest on taxes	101,532	-	-	-	101,532
Licenses, fees and permits	809,983	-	-	-	809,983
Investment income	427,409	-	-	1,453	428,862
Intergovernmental	1,383,931	22,948,625	-	5,449,734	29,782,290
Contributions and private grants	-	-	-	85,337	85,337
Charges for services	-	870,306	-	992,326	1,862,632
Miscellaneous	683,691	130,167	-	361,592	1,175,450
Total revenues	<u>66,303,967</u>	<u>23,949,098</u>	<u>-</u>	<u>6,890,442</u>	<u>97,143,507</u>
Expenditures					
Current:					
General government	4,751,413	-	371,734	156,444	5,279,591
Public safety	9,895,675	-	-	111,846	10,007,521
Education	-	66,400,867	-	4,519,112	70,919,979
Public works	5,001,288	-	-	778,528	5,779,816
Community and economic development	297,996	-	-	19,795	317,791
Health and human services	759,907	-	-	347,834	1,107,741
Culture and recreation	1,898,336	-	-	31,056	1,929,392
Capital outlay	-	-	-	1,007,096	1,007,096
Debt service	-	-	-	-	-
Principal payments	1,500,000	-	-	-	1,500,000
Interest and fiscal charges	669,452	-	-	-	669,452
Total expenditures	<u>24,774,067</u>	<u>66,400,867</u>	<u>371,734</u>	<u>6,971,711</u>	<u>98,518,379</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>41,529,900</u>	<u>(42,451,769)</u>	<u>(371,734)</u>	<u>(81,269)</u>	<u>(1,374,872)</u>
Other financing sources (uses)					
Transfers from other funds	907,966	42,511,584	-	327,183	43,746,733
Transfers to other funds	(42,414,057)	(156,533)	-	(314,169)	(42,884,759)
Total other financing sources (uses)	<u>(41,506,091)</u>	<u>42,355,051</u>	<u>-</u>	<u>13,014</u>	<u>861,974</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>23,809</u>	<u>(96,718)</u>	<u>(371,734)</u>	<u>(68,255)</u>	<u>(512,898)</u>
Fund balances - beginning	<u>11,098,435</u>	<u>332,876</u>	<u>(114,972)</u>	<u>730,079</u>	<u>12,046,418</u>
Prior period adjustment see Note 19	158,889	-	-	-	158,889
Fund balances - ending	<u>\$ 11,281,133</u>	<u>\$ 236,158</u>	<u>\$ (486,706)</u>	<u>\$ 661,824</u>	<u>\$ 11,692,409</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, 2013

Net change in fund balances-total governmental funds \$ (512,898)

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. Also, other various capital activity is not recognized in the governmental funds but is recognized in the Statement of Activities.

Capital Outlays	1,182,767
Depreciation expense	<u>(2,607,467)</u>
Change to Net Position	<u>(1,424,700)</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 194,251

Interest expenses in the statement of activities includes accrued interest calculated for bonds payable 2,454

Repayment of debt principal, leases and other debt related activity is an expenditure in the governmental funds, but the repayments and other expenses reduces long-term liabilities in the statement of net position. This is the net amount by which these activities affected the Town's net position. 1,496,642

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. (667,242)

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. (1,333,847)

Change in net position of governmental activities. \$ (2,245,340)

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, 2013

	Enterprise Fund	Internal Service
	Sewer	Fund
	Fund	Self Insurance
		Reserve
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 361,721	\$ -
Investments	-	4,280,920
Accounts receivable, net:		
Water and sewer use fees	487,060	-
Due from RI clean water	4,217,213	-
Due from other funds	1,104,854	-
Total current assets	6,170,848	4,280,920
Non-current assets:		
Capital assets		
Land	-	141,600
Construction in progress	201,795	-
Depreciable assets - net	23,401,452	79,200
Sewer assessments	8,839,512	-
Other assets, net	1,367,839	-
Total noncurrent assets	33,810,598	220,800
Total assets	39,981,446	4,501,720
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	209,938	-
Due to other funds	-	4,261,756
Current portion of long term debt	5,650,035	-
Total current liabilities	5,859,973	4,261,756
Non-current liabilities:		
Unearned revenue	8,841,453	-
Bonds and loans payable	15,474,118	-
Total noncurrent liabilities	24,315,571	-
Total liabilities	30,175,544	4,261,756
NET ASSETS		
Invested in Capital assets, net of related debt	6,494,512	220,800
Unrestricted	3,311,390	19,164
Total net assets	\$ 9,805,902	\$ 239,964

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, 2013

	Enterprise Funds	Internal Service
	Sewer	Fund
	Fund	Self Insurance
		Reserve
<i>Operating revenues</i>		
Assessments and user fees	\$ 2,189,020	\$ -
Other revenues	29,535	98,853
<i>Total operating revenues</i>	2,218,555	98,853
<i>Operating expenses</i>		
Contract services	52,171	-
Operations & Maintenance	1,125,193	-
Depreciation and amortization	545,013	7,920
Claims Paid	-	25,551
<i>Total operating expenses</i>	1,722,377	33,471
<i>Operating income (loss)</i>	496,178	65,382
<i>Non-operating revenues (expenses)</i>		
Interest and dividend income	20	129,350
Interest expense	(274,752)	-
<i>Total non-operating revenues (expenses)</i>	(274,732)	129,350
Income (loss) before transfers	221,446	194,732
Transfers		
Transfers out	-	(861,974)
<i>Total transfers</i>	-	(861,974)
Change in Net Assets	221,446	(667,242)
Total Net Assets - Beginning	9,426,645	907,206
Prior Period Adjustment - See Note 19	157,811	-
Total Net Assets - Ending	\$ 9,805,902	\$ 239,964

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, 2013

	<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	\$ 2,165,206	\$ -
Cash payments to suppliers for goods and services	(1,158,388)	(25,551)
Other operating receipts	29,535	98,853
Net cash provided by (used for) operating activities	<u>1,036,353</u>	<u>73,302</u>
Cash flows from non-capital financing activities		
Interfund loans	246,594	4,261,756
Transfers to other funds	-	(861,974)
Net cash provided by (used for) non-capital financing activities	<u>246,594</u>	<u>3,399,782</u>
Cash flows from capital and related financing activities		
Additions to capital assets	(281,701)	-
Principal paid on bonds, notes and loans	(6,130,265)	-
Note proceeds	5,687,057	-
Capitalized bond cost	(181,623)	-
Interest paid on notes	(331,428)	-
Net cash provided (used for) capital and related financing activities	<u>(1,237,960)</u>	<u>-</u>
Cash flows from investing activities		
Interest and dividends on investment	20	129,350
Change in market value	-	342,108
Transfer between investment accounts	-	(4,083,998)
Net cash provided by (used for) investing activities	<u>20</u>	<u>(3,612,540)</u>
Net increase (decrease) in cash and cash equivalents	45,007	(139,456)
Cash and cash equivalents at beginning of year	316,714	139,456
Cash and cash equivalents at end of year	<u>\$ 361,721</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income (Loss)	\$ 496,178	\$ 65,382
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	545,013	7,920
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(23,814)	-
Increase (decrease) in accounts payable	18,976	-
Total adjustments	<u>540,175</u>	<u>7,920</u>
Net cash provided by operating activities	<u>\$ 1,036,353</u>	<u>\$ 73,302</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, 2013

	<u>Police Pension Fund</u>	<u>Municipal Pension Fund</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS				
Cash	\$ 1,393,221	\$ 943,471	\$ 305,438	\$ 2,291,846
Receivables:				
Internal balances	-	-	516,947	-
Total receivables	-	-	516,947	-
Investments, at fair value:				
Fixed income	1,177,604	743,875	1,947,100	-
Mutual funds	2,469,048	2,070,276	-	-
Equities	1,938,912	1,644,910	-	-
Total investments	5,585,564	4,459,061	1,947,100	-
Total Assets	<u>6,978,785</u>	<u>5,402,532</u>	<u>2,769,485</u>	<u>2,291,846</u>
LIABILITIES				
Internal balances	-	-	76,000	422,730
Deposits held in custody for others	-	-	-	1,869,116
Total liabilities	-	-	76,000	<u>\$ 2,291,846</u>
NET ASSETS				
Held in trust for other purposes	<u>\$ 6,978,785</u>	<u>\$ 5,402,532</u>	<u>\$ 2,693,485</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, 2013

	<u>Police Pension Fund</u>	<u>Municipal Pension Fund</u>	<u>Private Purpose Trust Funds</u>
Additions			
Contributions			
Employer contributions	\$ 3,260,756	\$ 773,054	\$ -
Plan members contributions	293,661	384,143	-
Other contributions	-	-	101,046
Total contributions	<u>3,554,417</u>	<u>1,157,197</u>	<u>101,046</u>
Investment earnings			
Interest and dividends	90,134	94,810	63,494
Net increase (decrease) in fair value of investments	317,620	341,622	17,779
Total investment earnings	<u>407,754</u>	<u>436,432</u>	<u>81,273</u>
Total additions	<u>3,962,171</u>	<u>1,593,629</u>	<u>182,319</u>
Deductions			
Benefits paid	3,294,340	670,648	-
Operating expenses	35,378	35,400	142,364
Total deductions	<u>3,329,718</u>	<u>706,048</u>	<u>142,364</u>
Change in net assets	632,453	887,581	39,955
Net assets - beginning of year	6,346,332	4,514,951	2,653,530
Net assets - end of year	<u>\$ 6,978,785</u>	<u>\$ 5,402,532</u>	<u>\$ 2,693,485</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, 2013

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, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The following entity was considered for classification as component units for fiscal year 2013:

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

Fund Financial Statements

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

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

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, 2013

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 restricted or committed revenues that comprise a substantial portion of the *inflows* of a fund.

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.

Pension Trust Funds - is established to provide pension benefits to various employees of the Town. The principal revenue source for this fund is employer and employee contributions and investment income.

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

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

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the government also are recognized as revenue. Fines, 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 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, 2013

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.

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, 2013.

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, 2013

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.

Equity Classifications

Government-Wide Statements - Equity is classified as Net Position and displayed in three components:

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds – Equity is classified into five categories:

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

- **Non-spendable** – are balances that are permanently precluded from conversion to cash such as permanent funds and inventories.
- **Restricted** – requires that inflows and outflows of resources and balances be constrained to a specific purpose of enabling legislation, external parties or constitutional provisions.
- **Committed** – are balances with constraints imposed by the government using the highest level of decision-making authority. These constraints can only be removed or changed by the same decision making authority taking the same type of action.
- **Assigned** – are balances intended for a specific purpose by the government's management and are also appropriations of existing fund balances.
- **Unassigned** – are balances available for any purpose. They are not precluded by a management decision, law constitutional provision in the general fund.

The Town has set classification policies and procedures for the above noted level of fund balance reporting.

- a) For committed fund balances: the Town Council is the highest level of decision making authority and a meeting of the Town Council is required to establish, modify or rescind a fund balance commitment.
- b) For assigned fund balance: The Town's Finance Director and the School Department's Director of Administration are authorized to assign amounts to a purpose and with authorization given by the Town Council and the School Committee.
- c) The Town considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and considers committed amounts to have been spent when and expenditure is incurred for purposes for which amounts in any other unrestricted fund balance could be used.

Revenues, Expenditures and Expenses

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

Program Revenues and Expenses

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Taxes

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 98.29% of the total December 31, 2011 levy.

The Town's fiscal 2013 property taxes were levied in July of 2012 on assessed valuation as of December 31, 2011. Upon levy, taxes are billed quarterly and are due on 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 140 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. Upon retirement eligible School Department employees are entitled to receive one half of their accumulated sick leave after 15 years of service.

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 Position of the Government-Wide Financial Statements.

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 inter-fund transactions (sources and uses) were eliminated except for those with fiduciary funds.

The Town utilizes the inter-fund 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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 \$102,549,430 based on the December 31, 2012 assessment. As of June 30, 2013 the Town's debt is under the debt limit by \$81,599,430.

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.

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

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.

Custodial Credit Risk

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2013, \$9,901,234 of the Town's bank balance of \$18,500,751 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.

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

NOTE 4 – CASH AND INVESTMENTS (continued)

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

Cash and Cash Equivalents

Deposits with financial institutions	\$	18,110,036
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Investments

Private Purpose Trust Funds:

Fixed Income Pool		1,947,100
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Total Private Purpose Trust Funds		1,947,100
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Pension Trust Funds:

Fixed Income		1,654,035
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Corporate Bonds		267,444
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Mutual Funds		4,539,324
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Equities		3,583,822
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Total Pension Trust Funds		10,044,625
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Internal Service Fund:

Cash and equivalents		2,797,657
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Certificates of Deposits		101,602
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Mutual Funds		315,547
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Stocks, Options & ETFs		853,500
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Corporate Bonds		176,503
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Government Bonds		36,111
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Total Internal Service		4,280,920
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Total Cash and Investments	\$	34,382,681
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Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Assets

Cash and cash equivalents	\$	13,176,060
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Investments		4,280,920
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		17,456,980
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Fiduciary Funds

Cash		4,933,976
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Investments		11,991,725
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		16,925,701
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Total Cash and Investments	\$	34,382,681
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Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the town's debt type investments to this risk using the segment time distribution model is as follows:

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

NOTE 4 – CASH AND INVESTMENTS (continued)

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Certificates of Deposit	\$ 101,604	\$ 50,410	\$ 51,194	\$ -	\$ -
Corporate Bonds	443,947	-	115,205	215,899	112,843
Total	<u>\$ 545,551</u>	<u>\$ 50,410</u>	<u>\$ 166,399</u>	<u>\$ 215,899</u>	<u>\$ 112,843</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>
Aa3	\$ 26,514
A3	85,722
A2	105,454
A1	48,596
Baa2	144,241
WR	33,420
	<u>\$ 443,947</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, 2013

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, 2013 was as follows:

	Primary Government				Ending Balance
	Beginning Balance	Adjustments	Increases	Decreases	
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 8,910,304	\$ -	\$ -	\$ -	\$ 8,910,304
Construction in Progress	326,311	-	848,502	-	1,174,813
Total capital assets not being depreciated	<u>9,236,615</u>	<u>-</u>	<u>848,502</u>	<u>-</u>	<u>10,085,117</u>
Depreciable assets					
Infrastructure	33,005,324	-	-	-	33,005,324
Buildings & improvements	95,041,489	71,834	145,388	-	95,258,711
Machinery and equipment	1,288,149	(113,848)	-	-	1,174,301
Office equipment and furniture	6,657,302	42,014	28,417	-	6,727,733
Vehicles	7,218,931	-	160,460	-	7,379,391
Total other capital assets at historical cost	<u>143,211,195</u>	<u>-</u>	<u>334,265</u>	<u>-</u>	<u>143,545,460</u>
Less accumulated depreciation for:					
Infrastructure	32,390,741	-	42,116	-	32,432,857
Buildings & improvements	73,337,897	-	2,113,414	-	75,451,311
Machinery and equipment	971,939	-	54,166	-	1,026,105
Office equipment and furniture	6,524,684	-	48,235	-	6,572,919
Vehicles	5,961,796	-	349,536	-	6,311,332
Total accumulated depreciation	<u>119,187,057</u>	<u>-</u>	<u>2,607,467</u>	<u>-</u>	<u>121,794,524</u>
Net Depreciable Assets	<u>24,024,138</u>	<u>-</u>	<u>(2,273,202)</u>	<u>-</u>	<u>21,750,936</u>
Governmental activities capital assets, net	<u>\$ 33,260,753</u>	<u>\$ -</u>	<u>\$ (1,424,700)</u>	<u>\$ -</u>	<u>\$ 31,836,053</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General Government	\$ 21,595
Public safety	135,769
Public Works	317,648
Health and Human Services	16,621
Education	1,918,997
Culture and Recreation	196,837
Total governmental activities depreciation expense	<u>\$ 2,607,467</u>

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

NOTE 6 – CAPITAL ASSETS (continued)

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

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 141,600	\$ -	\$ -	\$ 141,600
Construction in progress	<u>2,304,162</u>	<u>281,701</u>	<u>2,384,068</u>	<u>201,795</u>
Total capital assets not being depreciated	<u>2,445,762</u>	<u>281,701</u>	<u>2,384,068</u>	<u>343,395</u>
Other capital assets:				
Buildings	158,400	-	-	158,400
Wastewater collection system	<u>24,588,337</u>	<u>2,384,068</u>	-	<u>26,972,405</u>
Total other capital assets at historical cost	<u>24,746,737</u>	<u>2,384,068</u>	-	<u>27,130,805</u>
Less accumulated depreciation for:				
Buildings	71,280	7,920	-	79,200
Wastewater collection system	<u>3,048,453</u>	<u>522,500</u>	-	<u>3,570,953</u>
Total accumulated depreciation	<u>3,119,733</u>	<u>530,420</u>	-	<u>3,650,153</u>
Business-type activities capital assets, net	<u>\$ 24,072,766</u>	<u>\$ 2,135,349</u>	<u>\$ 2,384,068</u>	<u>\$ 23,824,047</u>

Depreciation expense was charged to functions as follows:

Business-type activities:	
Sewer	\$ 522,500
Internal Service Fund	<u>7,920</u>
Total business-type activities depreciation expense	<u>\$ 530,420</u>

TOWN OF COVENTRY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013
(CONTINUED)

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

"Total fund balances" of the Town's governmental funds of \$11,692,409 differs from the "net position" of governmental activities of \$(17,018,614) reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position 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 Position

	Total Governmental Funds	Long-term Assets/ Liabilities (1)	Reclassifications and Eliminations (2)	Statement Net Position Totals
Assets				
Cash and cash equivalents	\$ 12,814,339	\$ -	\$ -	\$ 12,814,339
Investments	-	-	4,280,920	4,280,920
Accounts receivable:				
Real estate & personal property taxes receivable	2,500,021	-	-	2,500,021
Due from federal and state governments	1,394,512	-	-	1,394,512
Other receivables	2,265,918	-	-	2,265,918
Due from other funds	13,161,317	-	(13,161,317)	-
Prepaid expenses	451,014	380,806	-	831,820
Land	-	8,910,304	141,600	9,051,904
Construction in progress	-	1,174,813	-	1,174,813
Depreciable capital assets - net	-	21,750,936	79,200	21,830,136
Total assets	<u>32,587,121</u>	<u>32,216,859</u>	<u>(8,659,597)</u>	<u>56,144,383</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	7,557,735	98,288	-	7,656,023
Due to other funds	10,022,632	-	(8,917,778)	1,104,854
Unearned revenues	2,663,275	(2,260,676)	-	402,599
Other liabilities	651,070	-	18,217	669,287
Long-term liabilities				
Due within one year	-	2,167,676	-	2,167,676
Due in more than one year	-	61,162,558	-	61,162,558
Total liabilities	<u>20,894,712</u>	<u>61,167,846</u>	<u>(8,899,561)</u>	<u>73,162,997</u>
Fund Balances/Net Position				
Total fund balances/net position	11,692,409	(28,950,987)	239,964	(17,018,614)
Total liabilities and fund balances/net position	<u>\$ 32,587,121</u>	<u>\$ 32,216,859</u>	<u>\$ (8,659,597)</u>	<u>\$ 56,144,383</u>

TOWN OF COVENTRY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013
(CONTINUED)

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

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

Land	\$ 8,910,304
Construction in progress	1,174,813
Cost of capital assets	143,545,460
Accumulated depreciation	(121,794,524)
	<u>\$ 31,836,053</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 unearned revenue	\$ 2,436,032
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Interest on long-term debt is accrued in the statement of net position but is not accrued in governmental funds, rather it is recognized as an expenditure when due.

Adjustment of accrued interest expense	\$ (98,288)
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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 position.

Bonds & notes payable	20,973,808
Cost of issuance	(380,806)
Bond premium	175,356
Accrued compensated absences	3,154,450
Net pension obligation	37,404,840
Net OPEB obligation	1,797,136
	<u>\$ 63,124,784</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 Position.

	\$ 239,964
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The elimination of internal balances of governmental and business type activities.

	\$ 8,917,778
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The reclassification of monies owed to and from fiduciary funds

	\$ 18,217
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TOWN OF COVENTRY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013
(continued)

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

The "net change in the fund balances" for governmental funds (\$512,898) differs from the "change in net position" for governmental activities (\$2,245,340) 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	\$ 62,048,044	\$ 194,251	\$ -	\$ -	\$ -	\$ 62,242,295
Other taxes	849,377	-	-	-	-	849,377
Penalties and interest on taxes	101,532	-	-	-	-	101,532
Licenses, fees and permits	809,983	-	-	-	-	809,983
Investment income	428,862	-	-	129,350	-	558,212
Intergovernmental	29,782,290	-	-	-	-	29,782,290
Contributions and private grants	85,337	-	-	-	-	85,337
Charges for services	1,862,632	-	-	98,853	-	1,961,485
Miscellaneous	1,175,450	-	-	-	15,964	1,191,414
Total revenues	<u>97,143,507</u>	<u>194,251</u>	<u>-</u>	<u>228,203</u>	<u>15,964</u>	<u>97,581,925</u>
Expenditures						
Current:						
General government	5,279,591	-	21,595	33,471	1,375,845	6,710,502
Public safety	10,007,521	-	135,769	-	-	10,143,290
Education	70,919,979	-	1,773,609	-	-	72,693,588
Public works	5,779,816	-	287,365	-	-	6,067,181
Community and economic development	317,791	-	-	-	-	317,791
Health and human services	1,107,741	-	16,621	-	-	1,124,362
Culture and recreation	1,929,392	-	196,837	-	(22,676)	2,103,553
Capital outlay	1,007,096	-	(1,007,096)	-	-	-
Debt service						
Principal payments	1,500,000	-	-	-	(1,500,000)	-
Interest and fiscal charges	669,452	(2,454)	-	-	-	666,998
Total expenditures	<u>98,518,379</u>	<u>(2,454)</u>	<u>1,424,700</u>	<u>33,471</u>	<u>(146,831)</u>	<u>99,827,265</u>
Other financing uses/changes in net position						
Net transfers (to) from other funds	861,974	-	-	(861,974)	-	-
Total other financing uses	<u>861,974</u>	<u>-</u>	<u>-</u>	<u>(861,974)</u>	<u>-</u>	<u>-</u>
Net change for the year	<u>\$ (512,898)</u>	<u>\$ 196,705</u>	<u>\$ (1,424,700)</u>	<u>\$ (667,242)</u>	<u>\$ 162,795</u>	<u>\$ (2,245,340)</u>

TOWN OF COVENTRY
NOTES TO FINANCIAL STATEMENTS
June 30, 2013
(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	194,251
	\$ 194,251

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	\$ 2,454
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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 position decrease by the amount of depreciation expense charged for the year.

Capital outlay	1,182,767
Depreciation expense	(2,607,467)
Difference	\$ (1,424,700)

- (3) Internal service funds are use by management to charge the cost of certain activates, 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.

	\$ (667,242)
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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 decrease in compensated absences	\$ 376,362
Net increase in net pension obligation	(1,376,953)
Net increase in net OPEB obligation	(333,256)
Difference	\$ (1,333,847)

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 position an do not result in an expense in the statement of activities.

Bond principal payments	1,500,000
Bond cost of issuance amotization	(41,998)
Bond premium amortization	15,964
Note principal payments	22,676
Total principal payments made	\$ 1,496,642

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

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 Position. Long-Term liabilities directly related to and intended to be paid from the Proprietary Fund Types are included in the accounts of such fund.

Long-term liability activity for the fiscal year ended June 30, 2013 was as follows:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2013</u>	<u>Amounts Due within One Year</u>
Governmental Activities					
Bonds Payable	\$ 22,450,000	\$ -	\$ 1,500,000	\$ 20,950,000	\$ 2,145,000
Total bonds payable	<u>22,450,000</u>	<u>-</u>	<u>1,500,000</u>	<u>20,950,000</u>	<u>2,145,000</u>
Other liabilities:					
Notes payable	46,484	-	22,676	23,808	22,676
Accrued compensated absences	3,530,812	-	376,362	3,154,450	-
Net pension obligation	36,027,887	1,376,953	-	37,404,840	-
Net OPEB obligation	1,463,880	333,256	-	1,797,136	-
Total other liabilities	<u>41,069,063</u>	<u>1,710,209</u>	<u>399,038</u>	<u>42,380,234</u>	<u>22,676</u>
Governmental Activities long-term liabilities	<u>\$ 63,519,063</u>	<u>\$ 1,710,209</u>	<u>\$ 1,899,038</u>	<u>\$ 63,330,234</u>	<u>\$ 2,167,676</u>
Business-Type Activities					
Sewer Department bonds payable	\$ 2,580,000	\$ -	\$ 160,000	\$ 2,420,000	\$ 170,000
Rhode Island Clean Water	2,652,000	-	144,000	2,508,000	147,000
Rhode Island Clean Water	4,366,000	-	219,000	4,147,000	223,000
Rhode Island Clean Water	2,356,418	-	106,265	2,250,153	108,035
Rhode Island Clean Water	-	2,400,000	-	2,400,000	1,000
Rhode Island Clean Water	2,400,000	-	1,000	2,399,000	1,000
Total bonds and notes payable	<u>14,354,418</u>	<u>2,400,000</u>	<u>630,265</u>	<u>16,124,153</u>	<u>650,035</u>
Other liabilities:					
GO Tax Anticipation Notes	5,500,000	5,000,000	5,500,000	5,000,000	5,000,000
Total other liabilities	<u>5,500,000</u>	<u>5,000,000</u>	<u>5,500,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Total enterprise funds	<u>\$ 19,854,418</u>	<u>\$ 7,400,000</u>	<u>\$ 6,130,265</u>	<u>\$ 21,124,153</u>	<u>\$ 5,650,035</u>

The following schedule summarizes the Town's bonds and notes

	Interest Rates	Principal	Due Dates
Governmental bonds	2.00% - 4.00%	\$ 20,950,000	2014-2027
Enterprise Funds bonds and notes payable	.47% - 5.08%	21,124,153	2014-2035
Total All Funds		<u>\$ 42,074,153</u>	

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

NOTE 9 –LONG-TERM LIABILITIES (continued)

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

Fiscal Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	2,145,000	634,920	2,779,920
2015	2,125,000	582,320	2,707,320
2016	2,110,000	522,595	2,632,595
2017	2,095,000	459,876	2,554,876
2018	2,085,000	397,107	2,482,107
2019	2,070,000	332,457	2,402,457
2020	2,060,000	267,657	2,327,657
Thereafter	6,260,000	559,518	6,819,518
TOTALS	<u>\$ 20,950,000</u>	<u>\$ 3,756,450</u>	<u>\$ 24,706,450</u>

The debt service through maturity for the Enterprise fund bonds and TAN are as follows:

Fiscal Year Ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	5,650,035	405,750	6,055,785
2015	667,807	340,185	1,007,992
2016	890,463	339,785	1,230,248
2017	908,120	323,124	1,231,244
2018	931,777	305,403	1,237,180
2019	960,433	286,416	1,246,849
2020	985,090	266,117	1,251,207
Thereafter	10,130,428	1,508,705	11,639,133
TOTALS	<u>\$ 21,124,153</u>	<u>\$ 3,775,485</u>	<u>\$ 24,899,638</u>

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

NOTE 10 – FUND DEFICIT

The following individual funds had deficit fund equity balances as of June 30, 2013:

Governmental Funds

Special Revenue Funds

School Food Service	\$ 144,889	*
School Capital Fund	17,685	*
Anthony Village	66,924	**
E-Citation Grant	21	**
Anthony Village Green Project	13,146	**
Beaudoin Property Aquisition	4,292	**
RIEMA Maple Valley & Franklin	16,393	**
RIEMA Industrial Drive	8,030	**
RIEMA Hammet Ave	6,462	**
RIEMA Johnson Blvd	35,476	**
2011/2012 Resource Sharing	163	**
CDBG Funds	7,960	**
Calea ETC Grant	40	**
Bullet Proof Grant	5,100	**
Click it or Click it	8,645	**
Laurel Ave/Anthony Mill River	286	**
East Shore Drive Stormwater	48,328	**
Federal Energy Grant 2	13,088	**
March Flood Disater	106,075	**
RIDOT Leap Road	157,063	**
Sandy Bottom River Bank	9,350	**
EDA Flat River Road	584,873	**
Blizzard Nemo	97,913	**
Western After School Academy	3	*
Direct Reimbursement	27,231	**
<i>Capital Project Funds</i>		
Capital Improvement Fund	153,706	**
Coventry Landfill	486,706	*

* 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 – NOTES RECEIVABLE

As of June 30, 2013, a balance of \$618,791 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.

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

NOTE 11 – NOTES RECEIVABLE (continued)

In April of 2013 the Town of Coventry loaned the Central Coventry Fire District \$300,000. As of June 30, 2013, the entire balance of a \$300,000 loan is due to the Town from the Central Coventry Fire District. The Central Coventry Fire District is completely autonomous from the Town. It is a stand-alone entity that was created via an Act of the Rhode Island State Legislature. The Act also allows the District to levy a fire tax to fund the services that the District provides to the public. The Central Coventry Fire District has been in receivership since October 2012.

On April 9, 2013 the Coventry Town Council approved the loan, pending Superior Court approval. The loan was made by the Town Council for the purpose of temporarily keeping the Central Coventry Fire District operational in order to allow for the opportunity for a long-term plan to be devised to allow the District to continue to provide fire and emergency service to residents of the fire district.

On April 10, 2013, the Superior Court approved the loan. The loan was issued interest-free and is to be repaid with taxes collected by the Fire District. The court order also states that the Town is acting in the capacity of lender only and shall not be liable for any of the Central Coventry Fire District's prior debt as a result of making the Loan. The court order also indicates that, as a result of the Loan, the Town has not participated in the provision of fire services or created a municipal fire department.

The Attorneys for the Town will file Motions with the Superior Court for repayment of the loan in the Fiscal Year ending June 30, 2014.

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, 2013.

	<u>Due from other funds</u>		<u>Due to other funds</u>	
General Fund		\$ 5,762,616		\$ 6,514,190
Special Revenue Funds:				
School Unrestricted	5,046,149		566,621	
School Restricted	566,621		902,248	
School Food Service	-		-	
Town Restricted	1,303,319		1,131,728	
Coventry Landfill Fund	<u>-</u>	6,916,089	<u>486,454</u>	3,087,051
Capital Projects:				
School Improvement	285,000		267,685	
Town Capital Improvement	<u>197,612</u>	482,612	<u>153,706</u>	421,391
Fiduciary Funds:				
Permanent Funds	516,947		76,000	
Agency Funds	<u>-</u>	516,947	<u>422,730</u>	498,730
Proprietary Funds				
Sewer Fund	1,104,854		-	
Internal Service	<u>-</u>	<u>1,104,854</u>	<u>4,261,756</u>	<u>4,261,756</u>
Totals		<u><u>\$ 14,783,118</u></u>		<u><u>\$ 14,783,118</u></u>

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

NOTE 13 - FUND EQUITY

The following fund balance category reservations are recorded in the financial statements at June 30, 2013:

- *Non-spendable* – are balances that are permanently precluded from conversion to cash such as permanent funds and inventories. \$-0-
- *Restricted* – requires that inflows and outflows of resources and balances be constrained to a specific purpose of enabling legislation, external parties or constitutional provisions. \$729,932
- *Committed* – are balances with constraints imposed by the government using the highest level of decision-making authority. These constraints can only be removed or changed by the same decision making authority taking the same type of action. \$3,566,192
- *Assigned* – are balances intended for a specific purpose by the government's management and are also appropriations of existing fund balances. \$-0-
- *Unassigned* – are balances available for any purpose. They are not precluded by a management decision, law constitutional provision in the general fund. \$7,396,285

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. The Town is one of a number of such persons who executed and delivered that certain Partial Consent Decree in 2005 in the case of State of Rhode Island, Department of Environmental Management v. Town of Coventry, pursuant to which the signatories agree to conduct and pay for an environmental investigation of the site.

As a result of that investigation, the Town is obligated to conduct and pay for the remediation of the landfill as approved by the Rhode Island Department of Environmental Management. Pursuant to that certain Settlement Contribution Agreement dated as of March 1, 2010, by and between (i) the Town and (ii) Mallinckrodt, LLC, Oce Imaging Supplies, Inc., Chevron Environmental Management Company, CAN Holdings Inc., Sunoco, Inc. and Teknor Apex Company, the Town Agreed to pay for sixty Percent (60%) of the cost of investigation and remediation of the Landfill, and the other parties thereto agreed to pay the remaining forty percent (40%).

The current estimate of the cost of the remediation of the landfill is approximately \$6.5 million (of which the Town is obligated under the above Agreement to pay 60%). The Rhode Island Department of Environmental Management has issued its final approval of the remedy for the landfill, but until contracts for the conduct of the remediation are executed, no firm estimate of the cost can be obtained. Such contracts are expected to be executed by April 1, 2014, and remediation will commence shortly thereafter. However, it is not possible at this time to determine with more precision the actual cost that the Town will incur in connection with the conduct of the remediation.

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

NOTE 14 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES *(continued)*

A. Litigation

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

NOTE 15 - 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 Statutes.

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, 2013, employee membership data related to this plan was as follows:

Active Members	102
Inactive Members	36
Retired Members	<u>66</u>
TOTAL	<u>204</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

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

NOTE 15 - PENSION PLANS – (continued)

1. Municipal Employees Retirement Plan (Town Plan) (continued)

Plan Description

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 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, 2013

NOTE 15 - PENSION PLANS – (continued)

1. Municipal Employees Retirement Plan (Town Plan) (continued)

Summary of Significant Accounting Policies

Basis of Accounting

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 RP-2000 Combined Healthy Mortality Table, with ages set back six years for females.
- Investment return on current assets and future contributions is assumed to be at the rate of 7.0% 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 increases are assumed to be graded 6.8% to 3.55%
- 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 the 2003 SOA Small Plan Age Table multiplied by 0.45.
- 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, 2013

NOTE 15 - PENSION PLANS (continued)

1. Municipal Employees Retirement Plan (Town Plan) (continued)

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, 2013.

Annual required contribution	\$ 1,068,188
Interest on net pension obligation	680,606
Adjustment to annual required contribution	(652,928)
Annual pension cost	1,095,866
Contributions made	773,054
Increase in net pension obligation	322,812
Net pension obligation beginning of year	9,722,970
Net pension obligation end of year	<u>\$ 10,045,782</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
2013	1,068,188	72.37%	10,045,782	773,054
2012	986,087	56.70%	9,722,940	559,077
2011	887,077	49.92%	9,194,236	442,837

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, 2013 employee membership data related to this plan was as follows:

Active members	55
Inactive members	3
Retired members	78
	<u>136</u>

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

NOTE 15 - PENSION PLANS (continued)

2. Police Pension Plan

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-three 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 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.

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.

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

NOTE 15 - PENSION PLANS (continued)

2. Police Pension 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 RP-2000 Combined Healthy Mortality Table, with ages set back six years for females.
- Investment return on current assets and future contributions is assumed to be at the rate of 7.00% 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.

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

NOTE 15 - PENSION PLANS (continued)

2. Police Pension Plan

- Salaries are assumed to be graded 13.55% to 3.75%.
- 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.

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, 2013.

Annual required contribution	\$ 4,240,015
Interest on net pension obligation	1,841,346
Adjustment to annual required contribution	(1,766,464)
Annual pension cost	4,314,897
Contributions made	3,260,756
Increase in net pension obligation	1,054,141
Net pension obligation beginning of year	26,304,947
Net pension obligation end of year	<u>\$ 27,359,088</u>

REQUIRED SUPPLEMENTARY INFORMATION

Trend Information Police Pension Plan

Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Net Pension Obligation	Actual Contribution
2013	4,240,015	76.90%	27,359,088	3,260,756
2012	3,530,006	64.44%	26,304,947	2,274,733
2011	3,278,626	69.38%	24,775,640	2,274,733

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

NOTE 15 - PENSION PLANS – (continued)

3. Coventry Teacher’s Alliance School Related Personnel (CTASRP) Pension Plan

Plan Description

The Coventry Teacher’s Alliance School Related Personnel Pension Plan covers school related personnel (non-teaching personnel) who are members of the bargaining unit. As of the September 1, 2011 actuarial valuation date, there were 349 plan members of which 196 were active members. Each school employee who 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, 2012, the percentage was 8%. 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, 2012, was equal to 12.75% of the regular payroll of employees subject to the plan

The pension plan is considered to be a single-employer defined benefit pension plan administered by an independent board of trustees. This plan, originally established in April 1977, was restated as of September 10, 2008 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 and the Union, upon mutual agreement, shall have the right to amend, alter or modify Section 7.1 (Employer Contributions). The Trustees shall have the right to amend, alter or modify all other provisions of the agreement at any time, or from time to time, in whole or in part.

The Town of Coventry has no administrative duties, nor oversight of the operation of the pension plan. The Board of Trustees has responsibility for the assets. Subsequent to June 30, 2012, the Town and School Committee, based upon the advice of counsel, affirmed their funding responsibility is limited to making the contractually required contribution of 12.75% of covered payroll rather than the annual required contribution as determined by the plan’s actuary. The Town Council and School Committee, through resolution, denied any responsibility for the Unfunded Actuarial Accrued Liability (UAAL). No legal action is currently pending.

On January 20, 2012 an Actuarial Valuation Report was issued on the “Coventry School Employees’ Pension Plan” that reported an Unfunded Actuarial Accrued Liability (UAAL) of \$24,209,279 using a valuation date of September 1, 2011 and also, reported a Net Pension Obligation (NPO) of \$1,515,070 as of June 30, 2011. The actuarial valuation performed as of that date determined an annual required contribution for the plan year September 1, 2011 to August 31, 2012 equal to 51.36% of covered payroll.

Due to the Town’s legal position with respect to its funding responsibility for the Plan, the Plan is not included as a pension trust fund within these financial statements and the net pension obligation for this plan has not been included on the Town’s government-wide financial statements. Certain pension related note disclosures and required supplementary information have also not been included for this Plan.

The Independent Auditor’s Report on the Town’s fiscal 2011 financial statements was qualified due to the uncertainty, at that date, surrounding the Town’s liability for the plans unfunded liability. As noted above, the Town has subsequently taken the legal position, with resolutions adopted by both the Town Council and School Committee that contributions to the plan by the Town are part of the collective bargaining agreement with the CTASRP and no liability exists for the Plan’s unfunded liability.

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

NOTE 15 - PENSION PLANS – (continued)

3. Coventry Teacher’s Alliance School Related Personnel (CTASRP) Pension Plan

There has been little movement on this matter since the issuance of the FY2012 audit report. In May 2013, officials from the Town of Coventry, the Coventry School Department, and the SRP Pension Plan had an informational meeting with the state’s Pension Study Commission to discuss the SRP Pension Plan. The Town Council and School Committee defended their positions that their funding responsibility is limited to making the contractually required contribution of 12.75% of covered payroll. At the urging of the Chair of the Pension Study Commission, the Town, the School Department, and SRP Pension Plan representatives have held several subsequent meetings amongst themselves to try to find a resolution to the problem; however no solution has been agreed upon by the three groups as of January 2014.

Plan Description

On August 23, 2011 an amendment to the plan was agreed to and signed by the Town of Coventry School Committee and the CTA/SRP Local 1075 (the “Union”), which became effective on September 1, 2012.

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 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.

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

NOTE 15 - PENSION PLANS – (continued)

3. Coventry Teacher’s Alliance School Related Personnel (CTASRP) Pension Plan

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
2013	656,923	412,187	100%
2012	640,323	401,771	100%
2011	685,572	444,404	100%

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

All full-time teachers, principals, school nurses and certain other school officials (including the superintendent) in the Town’s school system must participate in ERS, a cost-sharing multiple employer defined benefit plan administered by the Employees’ Retirement System of Rhode Island (the System). The plan provides retirement, death and disability benefits (as well as annual cost of living allowances if certain conditions have been met) as outlined in Chapters 36-10 and 16-16 of the Rhode Island General Laws (RIGL). The benefits may be amended by the Rhode Island General Assembly. The financial report may be obtained by writing to Employees Retirement System of Rhode Island, 40 Fountain Street, Providence, Rhode Island, 02903-1854, by calling (401) 222-2203 or by accessing their website at www.ersri.org.

Legislative Changes

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

- Changing the structure of the retirement program from a traditional defined benefit plan to a hybrid plan designed with a smaller defined benefit plan and a supplemental defined contribution plan.
- Changing the automatic COLA from a CPI related formula to a formula contingent on the actual investment performance over time.
- Suspension/reduction of the COLA during times when funded ration is lower than targeted 80% levels. State employees, teachers, BHDDH nurses, correctional officers, judges (including pay as you go), and state police (including pay as you go) will be aggregated to determine if the 80% requirement has been reached.
- Re-amortization of the significantly reduced Unfunded Actuarial Accrued Liability (UAAL) to 25 years from the 19 year schedule as of June 30, 2010.
- Teachers and Public Safety personnel not covered by Social Security (except State Police) will participate in additional defined contribution allocations equal to 2% member plus 2% employer for Teachers and 3% member plus 3% employer for Public Safety.

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

NOTE 15 - PENSION PLANS – (continued)

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

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

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

The changes to the defined benefit plan instituted by the Act have been fully reflected in this actuarial valuation as of June 30, 2012 as the contribution rates from this valuation will be applicable after the new provisions are effective. As noted above for further information the financial report may be obtained by writing to Employees Retirement System of Rhode Island, 50 Service Ave, Warwick, Rhode Island, 02886, by calling (401) 462-7600 or by accessing their website at www.ersri.org.

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

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

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

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

NOTE 15 - PENSION PLANS – (continued)

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

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

Employee Contributions: State Employees generally contribute 3.75% of their salary per year. Teachers contribute 3.75% per year. The state — picks up the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h). At their option, the city or town employing a Teacher may also pick up their members' contributions.

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

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

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods, such as time spent teaching at a public school in another state, by making an additional contribution to purchase the additional service and those costs will be determined at full actuarial value, except for purchases of military service and redeposits of previously refunded contributions. Special rules and limits govern the purchase of additional service and the contribution required.

Final Average Compensation (FAC): For members eligible to retire as of September 30, 2009, their Final Average Compensation (FAC) will be based on the highest three consecutive annual salaries. For members not eligible to retire as of September 30, 2009, their FAC will be based on the highest five consecutive years of salary. Monthly benefits are based on one-twelfth of this amount.

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

NOTE 15 - PENSION PLANS – (continued)

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

Retirement Benefits

Eligibility: As of July 1, 2012, retirement eligibility dates will be as follows.

- Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement date.
- Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's Article 7 Retirement Date, described in Section 11(c) below, and the retirement age applicable to members hired after June 30, 2012 in (i) above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's Article 7 Retirement Date. The minimum retirement age is 59.
- Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their Article 7 Retirement Date if they continue to work and contribute until that date. If option is elected, the retirement benefit will be calculated using the benefits you have accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.
- A member who is within five years of reaching their retirement eligibility date, described in this section, and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.
- Nurses (RNs) employed by MHRH are eligible to retire when they are at least 55 years old and have a minimum of 25 years of contributing service. If the Article 7 Retirement Date was prior to June 30, 2012, they retain that eligibility date.
- Correctional officers are eligible to retire when they are at least 55 years old and have a minimum of 25 years of contributing service. If that Article 7 Retirement Date was prior to June 30, 2012, they retain that eligibility date. Correctional officers who do not work for 25 years will not receive their pension benefit until they reach their Social Security normal retirement date.

Article 7 Retirement Date (member's retirement date as of September 30, 200):

- Grandfathered Schedule A members – members with at least 10 years of contributory service at June 30, 2005 and eligible for retirement at September 30, 2009 – are eligible to retire on or after age 60 if they have credit for 10 years of service, or at any age if they have credit for 28 years of service.
- Correctional officers who have reached age 50 and have credit for 20 years of service as of September 30, 2009 are eligible to retire and are grandfathered.
- Nurses (RNs) employed by MHRH who have reached age 50 with 25 years of service by September 30, 2009 are eligible to retire and are grandfathered.
- Schedule B members – members with less than 10 years of contributory service at June 30, 2005 and members hired on or after that date – are eligible for retirement on or after age 65 if they have credit for 10 years of service, on or after age 62 if they have credit for 29 years of service. In addition, a member who attains age 62 with at least 20 years of service credit may retire with an actuarially reduced retirement benefit. The reduction is based on the difference between 65 and the member's age at retirement.

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

NOTE 15 - PENSION PLANS – (continued)

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

- Correctional officers who are hired after September 30, 2009 become eligible to retire when they have reached age 55 and have credit for 25 years of service.
- Nurses (RNs) employed by MHRH who are hired after September 30, 2009 become eligible when they have reached age 55 and have credit for 25 years of service.
- Schedule A members who are not grandfathered, i.e., members who had at least 10 years of creditable service at June 30, 2005 but who were not eligible to retire on September 30, 2009, will be eligible for retirement at an individually determined age. This age is the result of interpolating between the retirement age under the rules applicable to grandfathered employees in (i) above and the retirement age applicable to members hired after September 30, 2009 in (iv) above. The interpolation is based on service as of September 30, 2009 divided by projected service at the retirement age under (i) above.
- Correctional officers hired on or before September 30, 2009 who are not eligible for retirement at that date will have an individually determined retirement age. This age is the result of interpolating between the retirement age for grandfathered employees in (ii) above and the retirement age applicable to member hired after September 30, 2009 in (v) above.
- Similarly, MHRH nurses (RNs) hired on or before September 30, 2009 who are not eligible to retire at that date will have an individually determined retirement age. This age is the result of interpolating between the retirement age for grandfathered employees in (iii) above and the retirement age applicable to members hired after September 30, 2009 in (vi) above.

Monthly Benefit: Upon retirement, members are eligible to commence a benefit determined as the sum of:

- Benefit accrual of 1.0% per year for all service after June 30, 2012 and
- Benefit accruals earned as of June 30, 2012, described in Section (d) below.

For purposes of calculating benefit accruals for service after June 30, 2012, the FAC is determined through retirement. Additionally, Correctional Officer who have completed 25 years of service on or before June 30, 2012 will continue to receive the benefit accrual rate under previous law for years 31 through 35 of service.

Benefit accruals earned as of June 30, 2012: The retirement benefit is a percentage of the member's monthly FAC. This percentage is a function of the member's service as described below. For purposes of determining the benefit accruals earned as of June 30, 2012, the service and FAC are frozen as of June 30, 2012.

- For grandfathered Schedule A members (members with at least 10 years of contributory service at June 30, 2005 and eligible for retirement at September 30, 2009), benefits are based under this schedule (Schedule A):

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

NOTE 15 - PENSION PLANS – (continued)

4. Employee’s Retirement System of the State of Rhode Island (ERS) – (continued)

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

The maximum benefit is 80% of FAC.

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

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

The maximum benefit is 75% of FAC.

- For Schedule A members who are not grandfathered, i.e., members who had at least 10 years of creditable service at June 30, 2005 but who were not eligible to retire on September 30, 2009, benefits are based on Schedule A (under (i) above) for service through September 30, 2009 and on Schedule B (under (ii) above) for service after September 30, 2009. The maximum benefit is 80% of FAC.

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

NOTE 15 - PENSION PLANS – (continued)

4. Employee’s Retirement System of the State of Rhode Island (ERS) – (continued)

Retirement Benefits

- MHRH nurses receive a benefit determined under the appropriate formula above.
- Correctional Officers receive a benefit computed under a different formula:

Retirement Benefits

For Service In:	Years	Benefit Percentage Earned
The first 30 years of service	1 – 30	2.0% per year
The next 1 year of service	31	6.0% per year
The next 1 year of service	32	5.0% per year
The next 1 year of service	33	4.0% per year
The next 1 year of service	34	3.0% per year
The next 14 years of service	35	2.0% per year

The maximum benefit for correctional officers is 80% of FAC.

Payment Form: Benefits are paid as a monthly life annuity. Optional forms of payment are available. See Item 16 below.

Death benefit: After retirement, death benefits are based on the form of annuity elected. If no option is elected, i.e., if payments are made as a life annuity, there is a minimum death benefit equal to the sum of the member’s contributions without interest, less the sum of the monthly benefit payments made before the member’s death. In addition, a lump-sum death benefit is payable upon the death of any retired member, regardless of option elected. This lump sum is equal to a percentage of the lump-sum death benefit that was available to the member at the time of retirement. The percentage is 100% in the first year of retirement, 75% in the second year, 50% in the third year, and 25% in the fourth and subsequent years of retirement. However, in no event will the lump sum death benefit be less than \$4,000.

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 7.78% of non-federally reimbursable payrolls totaling \$2,654,721 for the fiscal year ended June 30, 2013. These on-behalf payments of fringe benefits have been recognized as revenues and expenditures in the fiscal period. The School Department does not have any investments or related party investment with the State Plan.

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

NOTE 15 - PENSION PLANS (continued)

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

The amounts contributed to the plan are as follows:

Required Contributions:

Fiscal Yr Ended June 30	Annual Required Pension Cost	Percentage Contributed
2013	4,010,296	100%
2012	4,516,004	100%
2011	4,088,664	100%

In accordance with GASB 27, "Accounting for Pensions by State and Local Governmental Employers," the Town has determined that there are no assets or liabilities relating to the funding requirements of the plan.

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2012
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level Percent of Payroll – Closed 30-yr period
Remaining amortization period	23 Years
Asset valuation method	5 Year Smoothed Market
Actuarial assumptions:	
Investment rate of return	7.50%, Compounded Annually
Projected salary increases	4.00-7.00%
Cost-of-living adjustments	2.00%
Inflation Rate	2.75% Annually

Post Retirement Benefit Increases: For grandfathered Schedule A members, i.e., members who were retired or eligible to retire by Sept. 30, 2009, the post-retirement benefit increases set by statute to be 3.00%. They are not a function of the actual increases in the cost of living. Other members receive a compound increase each year equal to the increase in the CPI, but limited to 3.00%. This limit lowers the average expected increase below the inflation assumption of 2.75%. The assumed average increase received for this group of employees is 2.35%. The indexed COLA limitation (\$35,000 for 2010) is also assumed to grow at 2.35% per annum.

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.

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

NOTE 15 - PENSION PLANS (continued)

5. School Administration Pension Plan (continued)

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.

As of June 30, 2013, employee membership data related to this plan was as follows:

Active members	5
Inactive members	<u>0</u>
Total	5

Required Contributions:

Fiscal Yr Ended June 30,	Annual Required Pension Cost	Percentage Contributed
2013	45,498	100%
2012	53,588	100%
2011	46,734	100%

6. Town Administration 401a Pension and 457 Deferred Comp Plan

The Town of Coventry contributes up to 8% to a defined contribution 401a plan established for certain town employees who do not participate in other town pension plans. The plan was established in accordance with the Town Charter, and Federal and State statutes. The plan provides for 100% vesting from the day of enrollment. Two employees were enrolled in FY 2013, with contributions of \$14,534 being made on their behalf.

The Town of Coventry contributes up to a 4% match for certain town employees who do not participate in other town pension plans. The plan provides for 100% vesting from the day of enrollment. Two employees were enrolled in FY 2012, with matching contributions of \$5,716 being made on their behalf.

Required Contributions:

Fiscal Yr Ended June 30,	Annual Required Pension Cost	Percentage Contributed
2013	20,250	100%
2012	18,096	100%
2011	9,439	100%

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

NOTE 15 - PENSION PLANS (continued)

7. Defined Contribution Plan

Plan Description

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

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

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

Benefits are provided through:

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

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

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

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

NOTE 15 - PENSION PLANS (continued)

7. Defined Contribution Plan (continued)

a. Plan Funding Policy

Municipalities with teachers that do not contribute to Social Security:

The funding policy is outlined in RIGL chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). Active plan members must contribute 7% of his/her compensation and the city/town is required to contribute 3%. The plan members and city/town contributed \$2,125,721 and 793,284, respectively, during the fiscal year ended June 30, 2013

NOTE 16 – 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 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.

Membership as of July 1, 2011

Active members -	72
Retired members -	1
Spouses of retirees -	<u>1</u>
Total	<u>74</u>

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.

Membership as of July 1, 2011

Active members -	56
Retired members -	9
Spouses of retirees -	<u>6</u>
Total	<u>71</u>

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

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

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.

Membership as of July 1, 2011

Active members -	424
Retired members -	231
Spouses of retirees -	<u>127</u>
Total	<u>782</u>

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 as of July 1, 2011

Active members -	165
Retired members -	10
Spouses of retirees -	<u>0</u>
Total	<u>175</u>

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

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (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, 2013 was \$78,870 for Town employees and \$374,589 for School employees.

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	Actuarial Value of Assets	Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
6/30/2009	-	12,835,000	12,835,000	-	N/A	N/A
7/1/2011	-	12,523,000	12,523,000	-	44,622,000	28.06%

Annual OPEB Cost and Net OPEB Obligation

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, 2011
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

THREE YEAR TREND INFORMATION

Fiscal Yr Ended June 30,	Annual OPEB Cost	Actual Contribution	% of OPEB Cost Contributed
2013	1,171,256	838,000	71.55%
2012	1,253,675	827,000	65.97%
2011	1,222,084	846,000	69.23%

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

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

Annual OPEB Cost and Net OPEB Obligation: Below are the required OPEB obligation presentations per GASB 45 for the period ending June 30, 2013:

Annual Required Contribution	\$ 1,214,000
Interest on OPEB	58,555
Adjustments to ARC	(101,299)
Annual OPEB Cost	1,171,256
Contributions made	838,000
Increase (decrease) in Net Pension Obligation	333,256
Net OPEB obligation beginning of year	1,463,880
Net OPEB obligation end of year	\$ 1,797,136

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.

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

NOTE 18 – SUBSEQUENT EVENT

Management has evaluated subsequent events through January 8, 2014 the date the financial statements were available to be issued.

The Town has authorized the issuance of a General Obligation Tax Anticipation Note for \$5,000,000, which is reported in the Town's Sewer Enterprise Fund. The new \$5,000,000 General Obligation Tax Anticipation Note is dated July 27, 2012, payable July 25, 2013 with an interest rate of 2.00%.

NOTE 19 – PRIOR PERIOD ADJUSTMENT

Statement of Revenues, Expenditures & Change in Fund Balance – Governmental Funds – The Town has reclassified several revolving accounts that were being presented on the general funds balance sheet to conform to Generally Accepted Accounting Principles. An positive adjust of \$158,889 has been recorded to the general funds fund balance.

Sewer Fund – The Sewer fund incurs expenses for construction of sewer lines through funding requests to RI Clean Water Finance Agency. During FY 2013 there was a funding request for activity performed in the previous two fiscal years. These expenses were not included in funding requests made at that time. These request resulted in expenses being charged to net assets, when they should have been included in construction in progress. Moving the activity to construction in progress resulted in an increase in fund balance of \$157,811.

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, 2013

	<u>Original Budgeted</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
General property taxes	\$ 61,979,324	\$ 61,979,324	\$ 62,048,044	\$ 68,720
Other taxes	776,998	776,998	849,377	72,379
Intergovernmental revenue	1,448,711	1,448,711	1,383,931	(64,780)
Licenses, fees and permits	662,198	662,198	809,983	147,785
Fines and interest on late payments	150,000	150,000	101,532	(48,468)
Interest on investments	200,000	200,000	427,409	227,409
Other revenue	470,000	470,000	683,691	213,691
Total revenues	<u>65,687,231</u>	<u>65,687,231</u>	<u>66,303,967</u>	<u>616,736</u>
Expenditures:				
Legislative, judicial and general administrative	1,459,721	1,459,721	1,483,980	(24,259)
Financial administrative	697,995	697,995	685,712	12,283
Public safety	10,324,267	10,324,267	9,895,675	428,592
Public works	5,262,398	5,262,398	5,001,288	261,110
Parks & Recreation	1,946,668	1,946,668	1,898,336	48,332
Human resources	809,341	809,341	759,907	49,434
Planning & Development	311,120	311,120	297,996	13,124
General government	2,425,633	2,425,633	2,581,721	(156,088)
Debt service:				
Principal payments	1,500,000	1,500,000	1,500,000	-
Interest and fiscal charges	671,334	671,334	669,452	1,882
Total expenditures	<u>25,408,477</u>	<u>25,408,477</u>	<u>24,774,067</u>	<u>634,410</u>
Excess/(deficiency) of revenues over expenditures	<u>40,278,754</u>	<u>40,278,754</u>	<u>41,529,900</u>	<u>1,251,146</u>
Other financing sources/(uses):				
Use of prior years surplus	1,235,000	1,235,000	1,235,000	-
Transfer from Impact Fees	-	-	70,992	70,992
Transfer from Cell Tower	150,000	150,000	150,000	-
Transfers (to) other funds	(170,000)	(170,000)	(233,329)	(63,329)
School appropriation	(42,180,728)	(42,180,728)	(42,180,728)	-
Transfer from self insurance fund	686,974	686,974	686,974	-
Total other financing sources	<u>(40,278,754)</u>	<u>(40,278,754)</u>	<u>(40,271,091)</u>	<u>7,663</u>
Excess/(deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,258,809</u>	<u>\$ 1,258,809</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, 2013

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
General property taxes				
Real Estate Taxes - Current	\$ 55,511,993	\$ 55,511,993	\$ 55,633,122	\$ 121,129
Real Estate Taxes - Prior	300,000	300,000	431,939	131,939
Real Estate Taxes - Debt Service	1,157,531	1,157,531	984,835	(172,696)
Motor Vehicle Excise Tax	5,009,800	5,009,800	4,998,148	(11,652)
Total general property taxes	<u>61,979,324</u>	<u>61,979,324</u>	<u>62,048,044</u>	<u>68,720</u>
Other Taxes				
Telephone Tax	364,531	364,531	438,642	74,111
Hotel Tax	73,109	73,109	60,230	(12,879)
Meal and Beverage Tax	339,358	339,358	350,505	11,147
Total other taxes	<u>776,998</u>	<u>776,998</u>	<u>849,377</u>	<u>72,379</u>
Intergovernmental Revenue				
State Aid School Housing	1,013,803	1,013,803	1,018,010	4,207
Payment in Lieu of Taxes	55,000	55,000	60,176	5,176
State Aid to Libraries	207,369	207,369	93,316	(114,053)
State Reimbursement Auto Tax	172,539	172,539	212,429	39,890
Total Intergovernmental Revenue	<u>1,448,711</u>	<u>1,448,711</u>	<u>1,383,931</u>	<u>(64,780)</u>
Licenses and Permits				
Building Permits	110,000	110,000	130,288	20,288
Recording Fees	250,000	250,000	376,383	126,383
Probate Fees	40,000	40,000	50,882	10,882
Marriage Licenses	1,500	1,500	1,256	(244)
Dog Licenses	20,000	20,000	17,261	(2,739)
Animal Rescue Fees	10,000	10,000	9,831	(169)
Realty Fees	40,000	40,000	40,000	-
Alcoholic Beverage Licenses	25,000	25,000	24,225	(775)
Hunting and Fishing Licenses	25	25	-	(25)
Library Fees	22,000	22,000	24,479	2,479
Planning Commission Fees	15,000	15,000	4,330	(10,670)
Planning Commission Steno Fees	5,000	5,000	2,002	(2,998)
Miscellaneous Fees	123,673	123,673	129,046	5,373
Total Licenses and Permits	<u>662,198</u>	<u>662,198</u>	<u>809,983</u>	<u>147,785</u>

(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, 2013
(continued)

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
Fines and Interest on Late Payments				
Interest and Penalties	150,000	150,000	101,532	(48,468)
Total Fines and Interest on Late Payments	<u>150,000</u>	<u>150,000</u>	<u>101,532</u>	<u>(48,468)</u>
Interest on Investments				
Interest Earnings	200,000	200,000	427,409	227,409
Total Interest on Investments	<u>200,000</u>	<u>200,000</u>	<u>427,409</u>	<u>227,409</u>
Other Revenue				
Police Car Rental	30,000	30,000	106,990	76,990
Municipal Court	75,000	75,000	64,600	(10,400)
Land Trust Fees	200,000	200,000	194,674	(5,326)
Miscellaneous Receipts	115,000	115,000	311,788	196,788
Lease Buy Out	50,000	50,000	5,639	(44,361)
Total Other Revenue	<u>470,000</u>	<u>470,000</u>	<u>683,691</u>	<u>213,691</u>
Total Revenue	<u>65,687,231</u>	<u>65,687,231</u>	<u>66,303,967</u>	<u>616,736</u>
Other Financing Sources and transfers				
Use of prior years surplus	1,235,000	1,235,000	1,235,000	-
Transfer from Impact Fees	-	-	70,992	70,992
Transfer from Cell Tower Fund	150,000	150,000	150,000	-
Transfer from Self Insurance Fund	686,974	686,974	686,974	-
Total Other Financing Sources	<u>2,071,974</u>	<u>2,071,974</u>	<u>2,142,966</u>	<u>70,992</u>
Total Town Revenue	<u>\$ 67,759,205</u>	<u>\$ 67,759,205</u>	<u>\$ 68,446,933</u>	<u>\$ 687,728</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, 2013

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Legislative, Judicial and General Administrative				
Town Council	\$ 25,841	\$ 25,841	\$ 25,339	\$ 502
Town Manager	296,507	296,507	310,360	(13,853)
Information Technology	258,764	258,764	258,756	8
Town Clerk	284,207	284,207	274,247	9,960
Town Solicitor	414,900	414,900	447,687	(32,787)
Board of Canvassers	114,730	114,730	107,152	7,578
Probate Court	19,197	19,197	17,391	1,806
Municipal Court	45,575	45,575	43,048	2,527
Total Legislative, Judicial and General Administrative	<u>1,459,721</u>	<u>1,459,721</u>	<u>1,483,980</u>	<u>(24,259)</u>
Financial Administration				
Treasurer	303,716	303,716	301,096	2,620
Board of Assessment Review	3,437	3,437	3,426	11
Tax Assessor	171,635	171,635	168,904	2,731
Tax Collector	219,207	219,207	212,286	6,921
Total Financial Administration	<u>697,995</u>	<u>697,995</u>	<u>685,712</u>	<u>12,283</u>
Public Safety				
Police	10,068,590	10,068,590	9,663,130	405,460
Animal Control	211,546	211,546	198,968	12,578
Emergency Management	12,050	12,050	2,642	9,408
Town Sergeant	2,222	2,222	2,311	(89)
Crossing Guards	29,859	29,859	28,624	1,235
Total Public Safety	<u>10,324,267</u>	<u>10,324,267</u>	<u>9,895,675</u>	<u>428,592</u>
Public Works				
Engineering	98,714	98,714	94,571	4,143
Inspection and Permits	203,305	203,305	195,886	7,419
Roads and Bridges	1,826,939	1,826,939	1,605,410	221,529
Snow Removal	246,238	246,238	261,485	(15,247)
Building Maintenance	416,716	416,716	392,951	23,765
Refuse Collection	786,707	786,707	727,440	59,267
Refuse Disposal	689,784	689,784	618,060	71,724
Vehicle Maintenance	993,995	993,995	1,105,485	(111,490)
Total Public Works	<u>5,262,398</u>	<u>5,262,398</u>	<u>5,001,288</u>	<u>261,110</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, 2013
Continued

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Human Resources				
Human Services	809,341	809,341	759,907	49,434
Total Human Resources	<u>809,341</u>	<u>809,341</u>	<u>759,907</u>	<u>49,434</u>
Parks and Recreation				
Public Libraries	875,141	875,141	875,141	-
Recreation	1,071,527	1,071,527	1,023,195	48,332
Total Parks and Recreation	<u>1,946,668</u>	<u>1,946,668</u>	<u>1,898,336</u>	<u>48,332</u>
Planning and Development				
Planning Commission	17,919	17,919	12,949	4,970
Planning Department	269,972	269,972	270,524	(552)
Zoning Board	12,674	12,674	9,457	3,217
Conservation Commission	1,120	1,120	1,060	60
Land Trust Commission	867	867	129	738
Economic Development	4,515	4,515	341	4,174
Coventry Housing Authority	4,053	4,053	3,536	517
Total Planning and Development	<u>311,120</u>	<u>311,120</u>	<u>297,996</u>	<u>13,124</u>
General Government				
Town General	2,425,633	2,425,633	2,581,721	(156,088)
Total General Government	<u>2,425,633</u>	<u>2,425,633</u>	<u>2,581,721</u>	<u>(156,088)</u>
Debt Service				
Principal	1,500,000	1,500,000	1,500,000	-
Interest	671,334	671,334	669,452	1,882
Total Debt Service	<u>2,171,334</u>	<u>2,171,334</u>	<u>2,169,452</u>	<u>1,882</u>
Other Financing Uses				
Transfers to School Unrestricted	42,180,728	42,180,728	42,180,728	-
Transfers to Land Trust	125,000	125,000	117,337	7,663
Transfers to capital improvement fund	35,000	35,000	35,000	-
Transfers to Other Funds	10,000	10,000	80,992	(70,992)
Total Other Uses	<u>42,350,728</u>	<u>42,350,728</u>	<u>42,414,057</u>	<u>(63,329)</u>
Total Expenditures and Other Financing Uses	<u>\$ 67,759,205</u>	<u>\$ 67,759,205</u>	<u>\$ 67,188,124</u>	<u>\$ 571,081</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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
State Aid	\$ 19,738,694	\$ 19,707,074	\$ 19,693,126	\$ (13,948)
Federal Aid	550,000	550,000	600,778	50,778
Charges for Service	952,884	952,884	870,306	(82,578)
Miscellaneous	93,789	93,789	130,167	36,378
Total revenues	<u>21,335,367</u>	<u>21,303,747</u>	<u>21,294,377</u>	<u>(9,370)</u>
Expenditures				
Salaries	41,232,624	41,331,429	40,983,078	348,351
Employee benefits	14,643,187	14,419,569	14,170,491	249,078
Purchased services	5,312,364	5,454,506	5,612,534	(158,028)
Supplies and materials	2,415,169	2,302,272	2,198,202	104,070
Capital outlay	300,190	288,367	372,100	(83,733)
Other	74,322	150,093	409,741	(259,648)
Total expenditures	<u>63,977,856</u>	<u>63,946,236</u>	<u>63,746,146</u>	<u>(200,090)</u>
Excess of revenues over (under) expenditures before other financing sources	(42,642,489)	(42,642,489)	(42,451,769)	190,720
Other financing sources (uses)				
Operating transfers - Town appropriation	42,180,728	42,180,728	42,180,728	-
Transfer from other funds	286,761	286,761	155,856	(130,905)
Transfer from Self Insurance Fund	175,000	175,000	175,000	-
Transfer to School Lunch	(156,533)	(156,533)	(156,533)	-
Budgeted use of Fund Balance	156,533	156,533	156,533	-
Total other financing sources/(uses)	<u>42,642,489</u>	<u>42,642,489</u>	<u>42,511,584</u>	<u>(130,905)</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,815</u>	<u>\$ 59,815</u>

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

The accompanying Statement of Revenues, Expenditures / Expenses (GAAP or Budgetary Basis Non-GAAP) presents comparisons of the legally adopted budget with actual data on a budgetary basis. Because accounting principals applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, entity and timing differences in the excess (deficiency) of revenues and other financial resources over expenditure / expenses and other uses of financial resources for the year ended June 30, 2013 is presented below:

	General <u>Fund</u>	School <u>Unrestricted</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (budgetary basis)	\$ 1,258,809	\$ 59,815
State on-behalf pension contributions	-	2,654,721
State on-behalf pension expenditures	-	(2,654,721)
Use of prior years surplus	(1,235,000)	(156,533)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ 23,809</u>	<u>\$ (96,718)</u>

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

Municipal Employee's 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)
7/1/2013	\$ 5,393,158	\$ 19,828,004	\$14,434,846	28%	\$ 5,382,148	268%
7/1/2012	4,767,626	18,879,262	14,111,636	28%	5,469,059	258%
7/1/2011	4,385,296	15,716,809	11,331,513	28%	5,293,859	214%
7/1/2010	4,087,545	14,405,245	10,317,700	28%	5,486,026	188%
7/1/2009	3,943,263	13,481,036	9,537,773	29%	5,275,025	181%
7/1/2008	3,720,455	12,588,606	8,868,151	30%	5,191,786	171%

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)
7/1/2013	\$ 7,183,249	\$ 69,982,149	\$ 62,798,900	10%	\$ 3,237,121	1940%
7/1/2012	6,899,524	69,397,077	62,497,553	10%	3,328,833	1877%
7/1/2011	7,598,092	67,351,328	59,753,236	11%	3,246,617	1840%
7/1/2010	7,818,426	49,763,177	41,944,751	16%	3,513,681	1194%
7/1/2009	7,901,431	47,748,419	39,846,988	17%	3,378,540	1179%
7/1/2008	7,691,937	44,312,196	36,620,259	17%	3,598,498	1018%

SUPPLEMENTARY INFORMATION

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

	Special Revenue Restricted Town	Special Revenue Restricted School	School Food Service	School Improvement Capital Fund	116-121 Town Capital Improvement Funds	Totals
ASSETS						
Cash	\$ 703,575	\$ -	\$ 18,843	\$ -	\$ -	\$ 722,418
Other receivables	-	26,697	-	-	-	26,697
Intergovernmental receivables	52,525	1,157,569	168,057	-	-	1,378,151
Due from other funds	1,303,319	566,621	-	285,000	197,612	2,352,552
Total assets	\$ 2,059,419	\$ 1,750,887	\$ 186,900	\$ 285,000	\$ 197,612	\$ 4,479,818
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 477,425	\$ 53,307	\$ 331,789	\$ -	\$ -	\$ 862,521
Due to other funds	1,131,728	902,248	-	267,685	153,706	2,455,367
Accrued salaries	-	272,863	-	-	-	272,863
Unearned revenue	-	227,243	-	-	-	227,243
Total liabilities	1,609,153	1,455,661	331,789	267,685	153,706	3,817,994
Fund balances (deficits)						
<i>Restricted for:</i>						
Educational programs	-	322,460	-	-	-	322,460
Public safety programs	133,407	-	-	-	-	133,407
Culture and recreation	139,177	-	-	-	-	139,177
Health & human services	75,073	-	-	-	-	75,073
<i>Committed for:</i>						
Public works programs	153,942	-	-	-	197,612	351,554
Culture and recreation	1,138,295	-	-	-	-	1,138,295
Unassigned	(1,189,628)	(27,234)	(144,889)	17,315	(153,706)	(1,498,142)
Fund balances (deficits)	450,266	295,226	(144,889)	17,315	43,906	661,824
Total liabilities and fund balances	\$ 2,059,419	\$ 1,750,887	\$ 186,900	\$ 285,000	\$ 197,612	\$ 4,479,818

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, 2013

	Special Revenue Restricted Town	Special Revenue Restricted School	School Food Service	School Improvement Capital Fund	116-121 Town Capital Improvement Funds	Totals
REVENUES						
Intergovernmental	\$ 1,900,312	\$ 2,795,912	\$ 708,646	\$ 44,864	\$ -	\$ 5,449,734
Charges for service	248,330	-	743,996	-	-	992,326
Investment income	1,449	-	4	-	-	1,453
Contributions and private grants	85,337	-	-	-	-	85,337
Other	-	361,592	-	-	-	361,592
Total Revenues	2,235,428	3,157,504	1,452,646	44,864	-	6,890,442
EXPENDITURES						
Executive and administration	156,444	-	-	-	-	156,444
Public safety	111,846	-	-	-	-	111,846
Public works	754,999	-	-	-	23,529	778,528
Community and economic development	19,795	-	-	-	-	19,795
Health and human services	347,834	-	-	-	-	347,834
Culture & recreation	31,056	-	-	-	-	31,056
Education	-	2,985,457	1,512,367	21,288	-	4,519,112
Capital expenditures	869,944	-	-	6,975	130,177	1,007,096
Total Expenditures	2,291,918	2,985,457	1,512,367	28,263	153,706	6,971,711
Excess of revenues over (under) Expenditures	(56,490)	172,047	(59,721)	16,601	(153,706)	(81,269)
Other Financing Sources (uses)						
Operating transfers in	135,650	-	156,533	35,000	-	327,183
Operating transfers out	(269,305)	-	-	(44,864)	-	(314,169)
Total other financing sources	(133,655)	-	156,533	(9,864)	-	13,014
Excess of revenues and other sources over (under) expenditures and other uses	(190,145)	172,047	96,812	6,737	(153,706)	(68,255)
FUND BALANCE - July 1, 2012	640,411	123,179	(241,701)	10,578	197,612	730,079
FUND BALANCE - June 30, 2013	\$ 450,266	\$ 295,226	\$ (144,889)	\$ 17,315	\$ 43,906	\$ 661,824

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2013

	104 Town Gym	106 Personal Watercraft	107 Pilot Program	109 Recycling Grant DPW	144 Land Trust	146 Cell Phone Tower Fund	206 Senior Center Operations
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	-	-
Due from other funds	8,779	40	907	145,986	743,073	2,698	-
Total assets	\$ 8,779	\$ 40	\$ 907	\$ 145,986	\$ 743,073	\$ 2,698	\$ -
LIABILITIES AND FUND BALANCES							
Liabilities							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public works programs	-	-	-	145,986	-	-	-
Culture and recreation	8,779	40	907	-	743,073	2,698	-
<i>Unassigned</i>							
	-	-	-	-	-	-	-
Total fund balances (deficits)	8,779	40	907	145,986	743,073	2,698	-
Total liabilities and fund balances	\$ 8,779	\$ 40	\$ 907	\$ 145,986	\$ 743,073	\$ 2,698	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2013

	209 Legislative Grant Sullivan	210 Friends of Human Services	211 Project Friends	225 Anthony Village	230 Bramley Grant	245 Paine Field Skatepark	246 Mapleroot Cemetery
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	10,090	-	-	-
Due from other funds	10,000	4,000	73,178	-	1,013	26,000	1,500
Total assets	\$ 10,000	\$ 4,000	\$ 73,178	\$ 10,090	\$ 1,013	\$ 26,000	\$ 1,500
LIABILITIES AND FUND BALANCES							
Liabilities							
Due to other funds	\$ -	\$ -	\$ -	\$ 77,014	\$ -	\$ -	\$ -
Accounts payable	-	-	11	-	-	-	-
Total liabilities	-	-	11	77,014	-	-	-
Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	-	-	-	1,013	-	-
Culture and recreation	-	-	-	-	-	26,000	-
Health and human services	10,000	-	-	-	-	-	-
<i>Committed for:</i>							
Public works programs	-	-	-	-	-	-	1,500
Culture and recreation	-	4,000	73,167	-	-	-	-
<i>Unassigned</i>	-	-	-	(66,924)	-	-	-
Total fund balances (deficits)	10,000	4,000	73,167	(66,924)	1,013	26,000	1,500
Total liabilities and fund balances	\$ 10,000	\$ 4,000	\$ 73,178	\$ 10,090	\$ 1,013	\$ 26,000	\$ 1,500

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2013

	255 Document Preservation	262 Drug Seizure Fund	265 Teen Center Operations	267 Byrne Grant	276 2011/2012 Resource Sharing	277 E-Citation Grant	278 Anthony Village Green Project
ASSETS							
Cash	\$ -	\$ 48,362	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	1,032	-	-	-
Due from other funds	9,861	466	6,878	-	-	-	-
Total assets	\$ 9,861	\$ 48,828	\$ 6,878	\$ 1,032	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCES							
Liabilities							
Due to other funds	\$ -	\$ -	\$ -	\$ 765	\$ 163	\$ 21	\$ 13,146
Accounts payable	-	-	-	-	-	-	-
Total liabilities	-	-	-	765	163	21	13,146
Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	48,828	-	267	-	-	-
Culture and recreation	9,861	-	-	-	-	-	-
Health and human services	-	-	6,878	-	-	-	-
<i>Committed for:</i>							
Public works programs	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<i>Unassigned</i>							
	-	-	-	-	(163)	(21)	(13,146)
Total fund balances (deficits)	9,861	48,828	6,878	267	(163)	(21)	(13,146)
Total liabilities and fund balances	\$ 9,861	\$ 48,828	\$ 6,878	\$ 1,032	\$ -	\$ -	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2013

	280 Beaudoin Property Acquisition	281 RIEMA Maple Valley & Franklin	282 RIEMA Industrial Drive	283 RIEMA Hammet Road	285 RIEMA Johnson Blvd Drainage	286 Coventry Emergency Management
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCES						
Liabilities						
Due to other funds	\$ 4,292	\$ 16,393	\$ 8,030	\$ 6,462	\$ 21,079	\$ -
Accounts payable	-	-	-	-	14,397	-
Total liabilities	4,292	16,393	8,030	6,462	35,476	-
Fund balances (deficits)						
<i>Restricted for:</i>						
Public safety programs	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-
<i>Committed for:</i>						
Public works programs	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
<i>Unassigned</i>	(4,292)	(16,393)	(8,030)	(6,462)	(35,476)	-
Total fund balances (deficits)	(4,292)	(16,393)	(8,030)	(6,462)	(35,476)	-
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2013

	301 Traffic Grant	302 Calea ETC Grant	303 Bulletproof Vests	306 DUI/Speed Click it or Ticket	308 Water Resource Section 319	309 US Fish & Wildlife Sandy Acre	310 Laurel Ave/ Anthony Mill River
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	278,204
Intergovernmental receivables	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	88,451	557
Total assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,451	278,761
LIABILITIES AND FUND BALANCES							
Liabilities							
Due to other funds	\$ -	\$ 40	\$ 5,100	\$ 8,645	\$ -	\$ -	-
Accounts payable	-	-	-	-	-	8,715	279,047
Total liabilities	-	40	5,100	8,645	-	8,715	279,047
Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	79,736	-
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public works programs	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<i>Unassigned</i>							
	-	(40)	(5,100)	(8,645)	-	-	(286)
Total fund balances (deficits)	-	(40)	(5,100)	(8,645)	-	79,736	(286)
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,451	\$ 278,761

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2013

	321 Federal Energy Grant I	322 MEDS Grant	323 East Shore Drive Stormwater	326 Federal Energy Grant 2	327 Federal Energy Grant 3	330 March Flood Disaster	332 Tropical Storm Irene 2011
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	-	-
Due from other funds	1,885	25,279	-	-	10,158	-	11,730
Total assets	\$ 1,885	\$ 25,279	\$ -	\$ -	\$ 10,158	\$ -	\$ 11,730
LIABILITIES AND FUND BALANCES							
Liabilities							
Due to other funds	\$ -	\$ -	\$ 48,328	\$ 13,088	\$ -	\$ 106,075	\$ -
Accounts payable	-	3,584	-	-	-	-	-
Total liabilities	-	3,584	48,328	13,088	-	106,075	-
Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	-	-	-	10,158	-	11,730
Culture and recreation	1,885	21,695	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public works programs	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<i>Unassigned</i>							
	-	-	(48,328)	(13,088)	-	(106,075)	-
Total fund balances (deficits)	1,885	21,695	(48,328)	(13,088)	10,158	(106,075)	11,730
Total liabilities and fund balances	\$ 1,885	\$ 25,279	\$ -	\$ -	\$ 10,158	\$ -	\$ 11,730

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2013

	333 RIDOT Leap Road Resurfacing	334 Sandy Bottom Riverbank Restoration	335 EDA Flat River Road	336 Hurricane Sandy	337 Blizzard Nemo	400 Food Bank	404 Fire District EMA
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	25,184	16,219	-	-
Due from other funds	-	-	-	-	-	61,347	61,411
Total assets	\$ -	\$ -	\$ -	\$ 25,184	\$ 16,219	\$ 61,347	\$ 61,411
LIABILITIES AND FUND BALANCES							
Liabilities							
Due to other funds	\$ 157,063	\$ 9,350	\$ 416,354	\$ 18,728	\$ 114,132	\$ -	\$ -
Accounts payable	-	-	168,519	-	-	3,152	-
Total liabilities	157,063	9,350	584,873	18,728	114,132	3,152	-
Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	-	-	-	-	-	61,411
Culture and recreation	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	58,195	-
<i>Committed for:</i>							
Public works programs	-	-	-	6,456	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<i>Unassigned</i>	(157,063)	(9,350)	(584,873)	-	(97,913)	-	-
Total fund balances (deficits)	(157,063)	(9,350)	(584,873)	6,456	(97,913)	58,195	61,411
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ 25,184	\$ 16,219	\$ 61,347	\$ 61,411

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2013

	408 Coventry Cares	420 Impact Fees	239-279 CDBG Funds	Total Special Revenue Revenue Town
ASSETS				
Cash	\$ -	\$ 377,009	\$ -	\$ 703,575
Intergovernmental receivables	-	-	-	52,525
Due from other funds	8,122	-	-	1,303,319
Total assets	\$ 8,122	\$ 377,009	\$ -	\$ 2,059,419
LIABILITIES AND FUND BALANCES				
Liabilities				
Due to other funds	\$ -	\$ 79,500	\$ 7,960	\$ 1,131,728
Accounts payable	-	-	-	477,425
Total liabilities	-	79,500	7,960	1,609,153
Fund balances (deficits)				
<i>Restricted for:</i>				
Public safety programs	-	-	-	133,407
Culture and recreation	-	-	-	139,177
Health and human services	-	-	-	75,073
<i>Committed for:</i>				
Public works programs	-	-	-	153,942
Culture and recreation	8,122	297,509	-	1,138,295
<i>Unassigned</i>	-	-	(7,960)	(1,189,628)
Total fund balances (deficits)	8,122	297,509	(7,960)	450,266
Total liabilities and fund balances	\$ 8,122	\$ 377,009	\$ -	\$ 2,059,419

(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, 2013

	104 Town Gym	106 Personal Watercraft	107 Pilot Program	109 Recycling Grant DPW	144 Land Trust	146 Cell Phone Tower Fund	206 Senior Center Operations
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ 75,689	\$ -	\$ -	\$ 8,311
Charges for services	3,362	-	4,230	-	-	54,351	-
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-
Total Revenues	3,362	-	4,230	75,689	-	54,351	8,311
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	1,348	-	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	3,344	-	-	-	4,292	-	-
Culture & recreation	-	-	3,323	-	23,036	-	-
Capital expenditures	-	-	-	-	-	-	-
Total Expenditures	3,344	-	3,323	1,348	27,328	-	-
Excess of revenues over (under) Expenditures	18	-	907	74,341	(27,328)	54,351	8,311
Other Financing Sources (uses)							
Operating transfers in	-	-	-	-	117,337	-	-
Operating transfers out	-	-	-	-	-	(190,000)	(8,313)
Total other financing sources	-	-	-	-	117,337	(190,000)	(8,313)
Excess of revenues and other sources over (under) expenditures and other uses	18	-	907	74,341	90,009	(135,649)	(2)
FUND BALANCE - July 1, 2012	8,761	40	-	71,645	653,064	138,347	2
FUND BALANCE - June 30, 2013	\$ 8,779	\$ 40	\$ 907	\$ 145,986	\$ 743,073	\$ 2,698	\$ -

(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, 2013

	209 Legislative Grant Inman	210 Friends of Human Services	211 Project Friends	225 Anthony Village	230 Bramley Grant	245 Paine Field Skatepark	246 Mapleroot Cemetery
REVENUES							
Intergovernmental	\$ -	\$ -	\$ 358,238	\$ 7,729	\$ 33,485	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-
Total Revenues	-	-	358,238	7,729	33,485	-	-
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	-
Public safety	-	-	-	-	32,264	-	-
Public works	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	-	278,998	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-
Capital expenditures	-	-	-	58,133	-	-	-
Total Expenditures	-	-	278,998	58,133	32,264	-	-
Excess of revenues over (under) Expenditures	-	-	79,240	(50,404)	1,221	-	-
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	-	-	79,240	(50,404)	1,221	-	-
FUND BALANCE - July 1, 2012	10,000	4,000	(6,073)	(16,520)	(208)	26,000	1,500
FUND BALANCE - June 30, 2013	\$ 10,000	\$ 4,000	\$ 73,167	\$ (66,924)	\$ 1,013	\$ 26,000	\$ 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, 2013

	255 Document Preservation	262 Drug Seizure Fund	265 Teen Center Operations	267 Byrne Grant	276 2011/2012 Resource Sharing	277 E-Citation Grant	278 Anthony Village Green Project
REVENUES							
Intergovernmental	\$ -	\$ 10,739	\$ -	\$ 42,709	\$ 114,053	\$ -	\$ 118,314
Charges for services	41,749	-	-	-	-	-	-
Investment income	-	290	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-
Total Revenues	41,749	11,029	-	42,709	114,053	-	118,314
EXPENDITURES							
Executive and administration	42,228	-	-	-	114,216	-	-
Public safety	-	14,773	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-
Total Expenditures	42,228	14,773	-	-	114,216	-	-
Excess of revenues over (under) Expenditures	(479)	(3,744)	-	42,709	(163)	-	118,314
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	(479)	(3,744)	-	42,709	(163)	-	118,314
FUND BALANCE - July 1, 2012	10,340	52,572	6,878	(42,442)	-	(21)	(131,460)
FUND BALANCE - June 30, 2013	\$ 9,861	\$ 48,828	\$ 6,878	\$ 267	\$ (163)	\$ (21)	\$ (13,146)

(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, 2013

	280 Beaudoin Property Acquisition	281 RIEMA Maple Valley & Franklin	282 RIEMA Industrial Drive	283 RIEMA Hammet Road	285 RIEMA Johnson Blvd Drainage	286 Coventry Emergency Management
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,635
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	11,635
EXPENDITURES						
Executive and administration	-	-	-	-	-	-
Public safety	-	-	-	-	-	11,635
Public works	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-
Culture & recreation	-	3,659	-	95	-	-
Capital expenditures	-	-	95	-	-	-
Total Expenditures	-	3,659	95	95	-	11,635
Excess of revenues over (under) Expenditures	-	(3,659)	(95)	(95)	-	-
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	-	(3,659)	(95)	(95)	-	-
FUND BALANCE - July 1, 2012	(4,292)	(12,734)	(7,935)	(6,367)	(35,476)	-
FUND BALANCE - June 30, 2013	\$ (4,292)	\$ (16,393)	\$ (8,030)	\$ (6,462)	\$ (35,476)	\$ -

(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, 2013

	301 Traffic Grant	302 Calea ETC Grant	303 Bulletproof Vests	306 DUI/Speed Click it or Ticket	308 Water Resource Section 319	309 US Fish & Wildlife Sandy Acre	310 Laurel Ave/ Anthony Mill River
REVENUES							
Intergovernmental	\$ 12,280	\$ 50,649	\$ 3,735	\$ 41,889	\$ 60,000	\$ 154,180	\$ -
Charges for services	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	657
Contributions and private grants	-	-	-	-	-	-	-
Total Revenues	12,280	50,649	3,735	41,889	60,000	154,180	657
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	-
Public safety	154	-	5,611	43,474	-	-	-
Public works	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	-	943
Capital expenditures	-	21,442	-	-	-	8,035	-
Total Expenditures	154	21,442	5,611	43,474	-	8,035	943
Excess of revenues over (under) Expenditures	12,126	29,207	(1,876)	(1,585)	60,000	146,145	(286)
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	12,126	29,207	(1,876)	(1,585)	60,000	146,145	(286)
FUND BALANCE - July 1, 2012	(12,126)	(29,247)	(3,224)	(7,060)	(60,000)	(66,409)	-
FUND BALANCE - June 30, 2013	\$ -	\$ (40)	\$ (5,100)	\$ (8,645)	\$ -	\$ 79,736	\$ (286)

(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, 2013

	321 Federal Energy Grant I	322 MEDS Grant	323 East Shore Drive Stormwater	326 Federal Energy Grant 2	327 Federal Energy Grant 3	330 March Flood Disaster	332 Tropical Storm Irene 2011
REVENUES							
Intergovernmental	\$ -	\$ 6,350	\$ -	\$ -	\$ -	\$ -	\$ 3,358
Charges for services	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-
Total Revenues	-	6,350	-	-	-	-	3,358
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	16,597	65,670	1,148	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	5,871	-	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-
Capital expenditures	-	-	585	-	-	-	-
Total Expenditures	-	5,871	585	16,597	65,670	1,148	-
Excess of revenues over (under) Expenditures	-	479	(585)	(16,597)	(65,670)	(1,148)	3,358
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	-	479	(585)	(16,597)	(65,670)	(1,148)	3,358
FUND BALANCE - July 1, 2012	1,885	21,216	(47,743)	3,509	75,828	(104,927)	8,372
FUND BALANCE - June 30, 2013	\$ 1,885	\$ 21,695	\$ (48,328)	\$ (13,088)	\$ 10,158	\$ (106,075)	\$ 11,730

(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, 2013

	333 RIDOT Leap Road Resurfacing	334 Sandy Bottom Riverbank Restoration	335 EDA Flat River Road	336 Hurricane Sandy	337 Blizzard Nemo	400 Food Bank	404 Fire District EMA
REVENUES							
Intergovernmental	\$ 243,489	\$ -	\$ 435,813	\$ 65,794	\$ 16,219	\$ -	\$ -
Charges for services	-	-	-	-	-	-	10,000
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	85,337	-
Other	-	-	-	-	-	-	-
Total Revenues	243,489	-	435,813	65,794	16,219	85,337	10,000
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	3,935
Public works	149,800	-	219,032	59,338	114,132	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	48,520	-
Culture & recreation	-	-	-	-	-	-	-
Capital expenditures	-	-	781,654	-	-	-	-
Total Expenditures	149,800	-	1,000,686	59,338	114,132	48,520	3,935
Excess of revenues over (under) Expenditures	93,689	-	(564,873)	6,456	(97,913)	36,817	6,065
Other Financing Sources (uses)							
Operating transfers in	-	-	-	-	-	-	10,000
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	10,000
Excess of revenues and other sources over (under) expenditures and other uses	93,689	-	(564,873)	6,456	(97,913)	36,817	16,065
FUND BALANCE - July 1, 2012	(250,752)	(9,350)	(20,000)	-	-	21,378	45,346
FUND BALANCE - June 30, 2013	\$ (157,063)	\$ (9,350)	\$ (584,873)	\$ 6,456	\$ (97,913)	\$ 58,195	\$ 61,411

(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, 2013

	408 Coventry Cares	420 Impact Fees	239-279 CDBG Funds	TOTAL Special Revenue Restricted Town
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 25,654	\$ 1,900,312
Charges for services	-	134,638	-	248,330
Investment income	-	502	-	1,449
Contributions and private grants	-	-	-	85,337
Other	-	-	-	-
Total Revenues	<u>-</u>	<u>135,140</u>	<u>25,654</u>	<u>2,235,428</u>
EXPENDITURES				
Executive and administration	-	-	-	156,444
Public safety	-	-	-	111,846
Public works	-	127,934	-	754,999
Community and economic development	-	-	19,795	19,795
Health and human services	6,809	-	-	347,834
Culture & recreation	-	-	-	31,056
Capital expenditures	-	-	-	869,944
Total Expenditures	<u>6,809</u>	<u>127,934</u>	<u>19,795</u>	<u>2,291,918</u>
Excess of revenues over (under) Expenditures	(6,809)	7,206	5,859	(56,490)
Other Financing Sources (uses)				
Operating transfers in	8,313	-	-	135,650
Operating transfers out	-	(70,992)	-	(269,305)
Total other financing sources	<u>8,313</u>	<u>(70,992)</u>	<u>-</u>	<u>(133,655)</u>
Excess of revenues and other sources over (under) expenditures and other uses	1,504	(63,786)	5,859	(190,145)
FUND BALANCE - July 1, 2012	6,618	361,295	(13,819)	640,411
FUND BALANCE - June 30, 2013	<u>\$ 8,122</u>	<u>\$ 297,509</u>	<u>\$ (7,960)</u>	<u>\$ 450,266</u>

(concluded)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2013

	21011100 IDEA Part B	21011200 IDEA Pre School	21021100 Title I	21031100 Title II	21091100 Perkins Vocational Ed.	21091101 Perkins Odd Year	21092105 Perkins VTA Odd Year
ASSETS							
Intergovernmental receivables	\$ 549,829	\$ 15,181	\$ 213,270	\$ 95,782	\$ -	\$ 77,585	\$ 18,246
Due from other funds	-	-	-	-	73	-	-
Miscellaneous receivables	-	-	-	-	-	-	-
Total assets	\$ 549,829	\$ 15,181	\$ 213,270	\$ 95,782	\$ 73	\$ 77,585	\$ 18,246
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 8,737	\$ -	\$ 5,056	\$ -	\$ -	\$ 5,143	\$ 3,927
Due to other funds	415,189	9,329	136,167	61,172	-	70,051	14,319
Accrued salaries	125,903	5,852	72,047	34,610	-	2,391	-
Unearned Revenues	-	-	-	-	-	-	-
Total liabilities	549,829	15,181	213,270	95,782	-	77,585	18,246
Fund balances (deficits)							
<i>Restricted for:</i>							
Educational programs	-	-	-	-	73	-	-
<i>Unassigned</i>	-	-	-	-	-	-	-
Total fund balances (deficits)	-	-	-	-	73	-	-
Total liabilities and fund balances	\$ 549,829	\$ 15,181	\$ 213,270	\$ 95,782	\$ 73	\$ 77,585	\$ 18,246

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2013

	21243100 RIDE Fellows Grant	21254100 Education Jobs Fund	21264100 RTTT - Standard: & Curriculum	21264101 RTTT - Inst. Improvement	21264102 RTTT - Educator Effectiveness	21264105 RTTT - IIS Set Aside	21264107 RTTT - HCD Set Aside	21264110 RTTT - PLC Mini Grant
ASSETS								
Intergovernmental receivables	\$ 88,467	\$ -	\$ 22,615	\$ 5,496	\$ 39,251	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	-	-	-
Miscellaneous receivables	-	-	-	-	-	-	-	-
Total assets	\$ 88,467	\$ -	\$ 22,615	\$ 5,496	\$ 39,251	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	64,846	-	22,445	4,269	36,551	-	-	-
Accrued salaries	21,120	-	170	1,227	2,700	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Total liabilities	85,966	-	22,615	5,496	39,251	-	-	-
Fund balances (deficits)								
<i>Restricted for:</i>								
Educational programs	2,501	-	-	-	-	-	-	-
<i>Unassigned</i>	-	-	-	-	-	-	-	-
Total fund balances (deficits)	2,501	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 88,467	\$ -	\$ 22,615	\$ 5,496	\$ 39,251	\$ -	\$ -	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2013

	23112003 Leg. Grant HH Art Club	23112004 Leg. Grant WC Wireless	23112006 Wetern After School Academy	23142000 RISCA	23183000 RISCA Give Me 5	23183001 RISCA Big Yellow Bus	23183002 RISCA Arts Talk HS
ASSETS							
Intergovernmental receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	164	12	-	225	800	25	773
Miscellaneous receivables	-	-	-	-	-	-	-
Total assets	\$ 164	\$ 12	\$ -	\$ 225	\$ 800	\$ 25	\$ 773
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	3	-	-	-	-
Accrued salaries	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total liabilities	-	-	3	-	-	-	-
Fund balances (deficits)							
<i>Restricted for:</i>							
Educational programs	164	12	-	225	800	25	773
<i>Unassigned</i>	-	-	(3)	-	-	-	-
Total fund balances (deficits)	164	12	(3)	225	800	25	773
Total liabilities and fund balances	\$ 164	\$ 12	\$ -	\$ 225	\$ 800	\$ 25	\$ 773

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2013

	23523000	23581000	23582000	24012004	24012005	24012006	24012008
	Teacher Quality	CTE Categorical	CTE Categorical	Feinstein	Feinstein Comm.	Kiducation	RI
	Recruitment	Fund	Fund 2	Feinstein	Support	Kiducation	Foundation
ASSETS							
Intergovernmental receivables	\$ 4,111	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -
Due from other funds	-	180,238	50,000	215,935	13,410	33	37
Miscellaneous receivables	-	-	-	-	-	-	-
Total assets	\$ 4,111	\$ 180,238	\$ 50,000	\$ 217,935	\$ 13,410	\$ 33	\$ 37
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ 4,995	\$ -	\$ 17,500	\$ -	\$ -	\$ -
Due to other funds	1,643	-	-	-	-	-	-
Accrued salaries	2,468	-	-	-	-	-	-
Unearned Revenue	-	175,243	50,000	-	-	-	-
Total liabilities	4,111	180,238	50,000	17,500	-	-	-
Fund balances (deficits)							
<i>Restricted for:</i>							
Educational programs	-	-	-	200,435	13,410	33	37
<i>Unassigned</i>	-	-	-	-	-	-	-
Total fund balances (deficits)	-	-	-	200,435	13,410	33	37
Total liabilities and fund balances	\$ 4,111	\$ 180,238	\$ 50,000	\$ 217,935	\$ 13,410	\$ 33	\$ 37

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2013

	24012009 United Way	24012024 Feinstein Restricted Fund	24012035 Amgen	24012044 CPEF Fund	24012072 Whole Kids Foundation	24030023 Kids Consortium	24030052 Schwab Scholarship	24040010 RI Center for the Arts
ASSETS								
Intergovernmental receivables	\$ -	\$ 3,600	\$ -	\$ 5,943	\$ -	\$ -	\$ -	\$ -
Due from other funds	436	11,204	663	11	2,000	224	575	586
Miscellaneous receivables	-	-	-	-	-	-	-	-
Total assets	\$ 436	\$ 14,804	\$ 663	\$ 5,954	\$ 2,000	\$ 224	\$ 575	\$ 586
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ 5,954	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Accrued salaries	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	2,000	-	-	-
Total liabilities	-	-	-	5,954	2,000	-	-	-
Fund balances (deficits)								
<i>Restricted for:</i>								
Educational programs	436	14,804	663	-	-	224	575	586
<i>Unassigned</i>	-	-	-	-	-	-	-	-
Total fund balances (deficits)	436	14,804	663	-	-	224	575	586
Total liabilities and fund balances	\$ 436	\$ 14,804	\$ 663	\$ 5,954	\$ 2,000	\$ 224	\$ 575	\$ 586

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2013

	24040059 New England Dairy & Food	24040137 Trout Unlimited	24050005 Transportation Fundraiser	24050006 Learn & Serve Raffle	24050008 Athletic Field Fund	24050037 Sports Program	24050048 Transitions Donations	90000001 Direct Reimbursement
ASSETS								
Intergovernmental receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,951	\$ -	\$ 242
Due from other funds	2,370	1,500	2,047	185	5,490	-	1,502	-
Miscellaneous receivables	-	-	-	-	-	-	-	26,697
Total assets	\$ 2,370	\$ 1,500	\$ 2,047	\$ 185	\$ 5,490	\$ 15,951	\$ 1,502	\$ 26,939
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	15,607	-	50,657
Accrued salaries	-	-	-	-	-	-	-	3,513
Unearned Revenue	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	15,607	-	54,170
Fund balances (deficits)								
<i>Restricted for:</i>								
Educational programs	2,370	1,500	2,047	185	5,490	344	1,502	-
<i>Unassigned</i>	-	-	-	-	-	-	-	(27,231)
Total fund balances (deficits)	2,370	1,500	2,047	185	5,490	344	1,502	(27,231)
Total liabilities and fund balances	\$ 2,370	\$ 1,500	\$ 2,047	\$ 185	\$ 5,490	\$ 15,951	\$ 1,502	\$ 26,939

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2013

	<u>60020000</u>	<u>60060000</u>	<u>Total</u>
	<u>Adult</u>	<u>Remedial</u>	<u>Spec. Revenue</u>
	<u>Education</u>	<u>Summer School</u>	<u>Restricted School</u>
ASSETS			
Intergovernmental receivables	\$ -	\$ -	\$ 1,157,569
Due from other funds	50,518	25,585	566,621
Miscellaneous receivables	-	-	26,697
Total assets	<u>\$ 50,518</u>	<u>\$ 25,585</u>	<u>\$ 1,750,887</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,995	\$ -	\$ 53,307
Due to other funds	-	-	902,248
Accrued salaries	-	862	272,863
Unearned Revenue	-	-	227,243
Total liabilities	<u>1,995</u>	<u>862</u>	<u>1,455,661</u>
Fund balances (deficits)			
<i>Restricted for:</i>			
Educational programs	48,523	24,723	322,460
<i>Unassigned</i>	-	-	(27,234)
Total fund balances (deficits)	<u>48,523</u>	<u>24,723</u>	<u>295,226</u>
Total liabilities and fund balances	<u>\$ 50,518</u>	<u>\$ 25,585</u>	<u>\$ 1,750,887</u>

(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, 2013

	21011100 IDEA Part B	21011200 IDEA Pre School	21021100 Title I	21031100 Title II	21091100 Perkins Vocational Ed.	21091101 Perkins Odd Year	21092105 Perkins VTA Odd Year
REVENUES							
Federal Grants	\$ 1,395,075	\$ 36,483	\$ 517,679	\$ 222,064	\$ 1,362	\$ 199,199	\$ 41,168
State Grants	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	1,395,075	36,483	517,679	222,064	1,362	199,199	41,168
EXPENDITURES							
Salaries	887,173	24,730	348,785	155,019	-	30,560	30,864
Employee benefits	352,957	11,753	142,084	67,045	-	19,860	1,513
Purchased services	151,796	-	2,213	-	1,289	76,824	4,837
Supplies and materials	483	-	24,597	-	-	18,325	3,954
Property and equipment	2,666	-	-	-	-	53,630	-
Other objects	-	-	-	-	-	-	-
Total expenditures	1,395,075	36,483	517,679	222,064	1,289	199,199	41,168
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	73	-	-
FUND BALANCE - July 1, 2012	-	-	-	-	-	-	-
FUND BALANCE - June 30, 2013	\$ -	\$ -	\$ -	\$ -	\$ 73	\$ -	\$ -

(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, 2013

	21243100 RIDE Fellows Grant	21254100 Education Jobs Fund	21264100 RTTT - Standard & Curriculum	21264101 RTTT - Inst. Improvement	21264102 RTTT - Educator Effectiveness	21264105 RTTT - IIS Set Aside	21264107 RTTT - HCD Set Aside	21264110 RTTT - PLC Mini Grant
REVENUES								
Federal Grants	\$ 134,561	\$ 12,255	\$ 50,497	\$ 17,108	\$ 66,036	\$ 35,120	\$ 46,575	\$ 4,932
State Grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	134,561	12,255	50,497	17,108	66,036	35,120	46,575	4,932
EXPENDITURES								
Salaries	94,105	12,255	35,432	16,437	48,675	-	-	4,859
Employee benefits	42,727	-	5,290	671	17,361	-	-	73
Purchased services	-	-	9,775	-	-	32,055	46,575	-
Supplies and materials	-	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	3,065	-	-
Other objects	-	-	-	-	-	-	-	-
Total expenditures	136,832	12,255	50,497	17,108	66,036	35,120	46,575	4,932
Excess (deficiency) of revenues over (under) expenditures	(2,271)	-	-	-	-	-	-	-
FUND BALANCE - July 1, 2012	4,772	-	-	-	-	-	-	-
FUND BALANCE - June 30, 2013	\$ 2,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(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, 2013

	23112003 Leg. Grant HH Art Club	23112004 Leg. Grant WC Wireless	23112006 Western After School Academy	23142000 RISCA	23183000 RISCA Give Me 5	23183001 RISCA Big Yellow Bus	23183002 RISCA Arts Talk HS
REVENUES							
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Grants	164	12	500	225	-	425	773
Other	-	-	-	-	800	-	-
Total revenues	<u>164</u>	<u>12</u>	<u>500</u>	<u>225</u>	<u>800</u>	<u>425</u>	<u>773</u>
EXPENDITURES							
Salaries	-	-	503	-	-	225	-
Employee benefits	-	-	-	-	-	-	-
Purchased services	-	-	-	-	-	175	-
Supplies and materials	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>503</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	164	12	(3)	225	800	25	773
FUND BALANCE - July 1, 2012	-	-	-	-	-	-	-
FUND BALANCE - June 30, 2013	<u>\$ 164</u>	<u>\$ 12</u>	<u>\$ (3)</u>	<u>\$ 225</u>	<u>\$ 800</u>	<u>\$ 25</u>	<u>\$ 773</u>

(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, 2013

	23523000 Teacher Quality Recruitment	23581000 CTE Categorical Fund	23582000 CTE Categorical Fund 2	24012004 Feinstein	24012005 Feinsein Comm. Support	24012006 Kiducation	24012008 RI Foundation
REVENUES							
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Grants	4,111	9,588	-	-	-	-	-
Other	-	-	-	211,822	-	33	37
Total revenues	4,111	9,588	-	211,822	-	33	37
EXPENDITURES							
Salaries	4,009	-	-	35,692	-	-	-
Employee benefits	102	-	-	4,877	-	-	-
Purchased services	-	-	-	46,930	-	-	-
Supplies and materials	-	3,662	-	-	-	-	-
Property and equipment	-	5,926	-	-	-	-	-
Other objects	-	-	-	-	-	-	-
Total expenditures	4,111	9,588	-	87,499	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	124,323	-	33	37
FUND BALANCE - July 1, 2012	-	-	-	76,112	13,410	-	-
FUND BALANCE - June 30, 2013	\$ -	\$ -	\$ -	\$ 200,435	\$ 13,410	\$ 33	\$ 37

(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, 2013

	24012009 United Way	24012024 Feinstein Restricted Fund	24012035 Amgen	24012044 CPEF Fund	24012072 Whole Kids Foundation	24030023 Kids Consortium	24030052 Schwab Scholarship	24040010 RI Center for the Arts
REVENUES								
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-	-	-	-	-
Other	436	-	663	8,563	-	224	575	586
Total revenues	<u>436</u>	<u>-</u>	<u>663</u>	<u>8,563</u>	<u>-</u>	<u>224</u>	<u>575</u>	<u>586</u>
EXPENDITURES								
Salaries	-	4,960	-	-	-	-	-	-
Employee benefits	-	71	-	-	-	-	-	-
Purchased services	-	8,100	-	-	-	-	-	-
Supplies and materials	-	-	-	2,740	-	-	-	-
Property and equipment	-	15,512	-	5,823	-	-	-	-
Other objects	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>28,643</u>	<u>-</u>	<u>8,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	436	(28,643)	663	-	-	224	575	586
FUND BALANCE - July 1, 2012	-	43,447	-	-	-	-	-	-
FUND BALANCE - June 30, 2013	<u>\$ 436</u>	<u>\$ 14,804</u>	<u>\$ 663</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224</u>	<u>\$ 575</u>	<u>\$ 586</u>

(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, 2013

	24040059 New England Diary & Food	24040137 Trout Unlimited	24050005 Transportation Fundraiser	24050006 Learn & Serve Raffle	24050008 Athletic Field Fund	24050037 Sports Program	24050048 Transitions Donations	90000001 Direct Reimbursement
REVENUES								
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-	-	-	-	-
Other	3,079	1,500	-	185	5,490	16,983	3,404	26,697
Total revenues	<u>3,079</u>	<u>1,500</u>	<u>-</u>	<u>185</u>	<u>5,490</u>	<u>16,983</u>	<u>3,404</u>	<u>26,697</u>
EXPENDITURES								
Salaries	-	-	-	-	-	8,250	-	17,779
Employee benefits	-	-	-	-	-	632	-	1,496
Purchased services	-	-	-	-	-	7,312	-	134
Supplies and materials	709	-	-	-	-	300	1,506	-
Property and equipment	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	145	396	-
Total expenditures	<u>709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,639</u>	<u>1,902</u>	<u>19,409</u>
Excess (deficiency) of revenues over (under) expenditures	2,370	1,500	-	185	5,490	344	1,502	7,288
FUND BALANCE - July 1, 2012	-	-	2,047	-	-	-	-	(34,519)
FUND BALANCE - June 30, 2013	<u>\$ 2,370</u>	<u>\$ 1,500</u>	<u>\$ 2,047</u>	<u>\$ 185</u>	<u>\$ 5,490</u>	<u>\$ 344</u>	<u>\$ 1,502</u>	<u>\$ (27,231)</u>

(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, 2013

	<u>60020000</u>	<u>60060000</u>	<u>Total</u>
	<u>Adult</u>	<u>Remedial</u>	<u>Special Revenue</u>
	<u>Education</u>	<u>Summer School</u>	<u>Restricted School</u>
REVENUES			
Federal Grants	\$ -	\$ -	\$ 2,780,114
State Grants	-	-	15,798
Other	33,349	47,166	361,592
Total revenues	<u>33,349</u>	<u>47,166</u>	<u>3,157,504</u>
EXPENDITURES			
Salaries	-	21,701	1,782,013
Employee benefits	-	742	669,254
Purchased services	-	-	388,015
Supplies and materials	2,736	-	59,012
Property and equipment	-	-	86,622
Other objects	-	-	541
Total expenditures	<u>2,736</u>	<u>22,443</u>	<u>2,985,457</u>
Excess (deficiency) of revenues over			
(under) expenditures	30,613	24,723	172,047
FUND BALANCE - July 1, 2012	<u>17,910</u>	<u>-</u>	<u>123,179</u>
FUND BALANCE - June 30, 2013	<u>\$ 48,523</u>	<u>\$ 24,723</u>	<u>\$ 295,226</u>

(concluded)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Capital Project Funds
Combining Balance Sheet
June 30, 2013

	119 Capital Improvement Fund	120 Capital Improvement Fund	122 Capital Improvement Fund	TOTAL Capital Projects
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Due from other funds	125,965	71,647	-	197,612
Total assets	<u>\$ 125,965</u>	<u>\$ 71,647</u>	<u>\$ -</u>	<u>\$ 197,612</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	153,706	153,706
Total liabilities	<u>-</u>	<u>-</u>	<u>153,706</u>	<u>153,706</u>
Fund balances (deficits)				
<i>Committed for:</i>				
Public works programs	125,965	71,647	-	197,612
<i>Unassigned</i>	-	-	(153,706)	(153,706)
Total fund balances (deficits)	<u>125,965</u>	<u>71,647</u>	<u>(153,706)</u>	<u>43,906</u>
Total liabilities and fund balances	<u>\$ 125,965</u>	<u>\$ 71,647</u>	<u>\$ -</u>	<u>\$ 197,612</u>

**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, 2013**

	119 Capital Improvement Fund	120 Capital Improvement Fund	122 Capital Improvement Fund	TOTAL Capital Projects
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Non- capital	-	-	23,529	23,529
Capital	-	-	130,177	130,177
Total expenditures	<u>-</u>	<u>-</u>	<u>153,706</u>	<u>153,706</u>
Excess of revenues over (under) Expenditures	-	-	(153,706)	(153,706)
FUND BALANCE - July 1, 2012	<u>125,965</u>	<u>71,647</u>	<u>-</u>	<u>197,612</u>
FUND BALANCE - June 30, 2013	<u>\$ 125,965</u>	<u>\$ 71,647</u>	<u>\$ (153,706)</u>	<u>\$ 43,906</u>

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

	<u>Waterman Fund</u>	<u>Fiske Fund</u>	<u>Cemetery Fund</u>	<u>Total</u>
ASSETS				
Cash	\$ 296,863	\$ 4,429	\$ 4,146	\$ 305,438
Investments	1,703,876	214,164	29,060	1,947,100
Due from other funds	513,850	3,097	-	516,947
Total assets	<u>\$ 2,514,589</u>	<u>\$ 221,690</u>	<u>\$ 33,206</u>	<u>\$ 2,769,485</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ 76,000	\$ 76,000
Total liabilities	<u>-</u>	<u>-</u>	<u>76,000</u>	<u>76,000</u>
FUND BALANCES				
Unreserved	2,514,589	221,690	(42,794)	2,693,485
Total fund balances (deficits)	<u>2,514,589</u>	<u>221,690</u>	<u>(42,794)</u>	<u>2,693,485</u>
Total liabilities and fund balances	<u>\$ 2,514,589</u>	<u>\$ 221,690</u>	<u>\$ 33,206</u>	<u>\$ 2,769,485</u>

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Private Purpose Trust Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal year ended June 30, 2013

	600 Waterman Fund	601 Fiske Fund	602 Cemetery Fund	Total
REVENUES				
Investment income	\$ 58,172	\$ 4,472	\$ 850	\$ 63,494
Other income	101,046	-	-	101,046
Net increase(decrease) in fair value of investments	-	12,701	5,078	17,779
Total Revenues	<u>159,218</u>	<u>17,173</u>	<u>5,928</u>	<u>182,319</u>
EXPENDITURES				
Social services	<u>111,211</u>	<u>1,153</u>	<u>30,000</u>	<u>142,364</u>
Total Expenditures	<u>111,211</u>	<u>1,153</u>	<u>30,000</u>	<u>142,364</u>
Excess of revenues over (under) Expenditures	48,007	16,020	(24,072)	39,955
FUND BALANCE - July 1, 2012	<u>2,466,582</u>	<u>205,670</u>	<u>(18,722)</u>	<u>2,653,530</u>
FUND BALANCE - June 30, 2013	<u>\$ 2,514,589</u>	<u>\$ 221,690</u>	<u>\$ (42,794)</u>	<u>\$ 2,693,485</u>

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Agency Funds - Town
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
PARKS & RECREATION				
Assets				
Cash	41,191	162,066	131,763	71,494
Total assets	<u>\$ 41,191</u>	<u>\$ 162,066</u>	<u>\$ 131,763</u>	<u>\$ 71,494</u>
Liabilities				
Deposits held in custody for others	\$ 41,191	\$ 162,066	\$ 131,763	\$ 71,494
Total liabilities	<u>\$ 41,191</u>	<u>\$ 162,066</u>	<u>\$ 131,763</u>	<u>\$ 71,494</u>
PERFORMANCE BONDS				
Assets				
Cash	\$ 933,518	\$ 264,872	\$ 139,010	\$ 1,059,380
Total assets	<u>\$ 933,518</u>	<u>\$ 264,872</u>	<u>\$ 139,010</u>	<u>\$ 1,059,380</u>
Liabilities				
Deposits held in custody for others	\$ 933,518	\$ 264,872	\$ 139,010	\$ 1,059,380
Total liabilities	<u>\$ 933,518</u>	<u>\$ 264,872</u>	<u>\$ 139,010</u>	<u>\$ 1,059,380</u>
TOTAL				
Assets				
Cash	\$ 974,709	\$ 426,938	\$ 270,773	\$ 1,130,874
Total assets	<u>\$ 974,709</u>	<u>\$ 426,938</u>	<u>\$ 270,773</u>	<u>\$ 1,130,874</u>
Liabilities				
Deposits held in custody for others	\$ 974,709	\$ 426,938	\$ 270,773	\$ 1,130,874
Total liabilities	<u>\$ 974,709</u>	<u>\$ 426,938</u>	<u>\$ 270,773</u>	<u>\$ 1,130,874</u>

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Agency Funds School Department
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
COVENTRY HIGH SCHOOL				
Assets				
Cash	\$ 206,628	\$ 561,284	\$ 561,152	\$ 206,760
Total assets	<u>\$ 206,628</u>	<u>\$ 561,284</u>	<u>\$ 561,152</u>	<u>\$ 206,760</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	206,628	561,284	561,152	206,760
Total liabilities	<u>\$ 206,628</u>	<u>\$ 561,284</u>	<u>\$ 561,152</u>	<u>\$ 206,760</u>
FEINSTEIN MIDDLE SCHOOL				
Assets				
Cash	\$ 91,944	\$ 499,359	\$ 497,468	\$ 93,835
Total assets	<u>\$ 91,944</u>	<u>\$ 499,359</u>	<u>\$ 497,468</u>	<u>\$ 93,835</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	91,944	499,359	497,468	93,835
Total liabilities	<u>\$ 91,944</u>	<u>\$ 499,359</u>	<u>\$ 497,468</u>	<u>\$ 93,835</u>
HOPKINS HILL				
Assets				
Cash	\$ 14,424	\$ 21,710	\$ 14,303	\$ 21,831
Total assets	<u>\$ 14,424</u>	<u>\$ 21,710</u>	<u>\$ 14,303</u>	<u>\$ 21,831</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	14,424	21,710	14,303	21,831
Total liabilities	<u>\$ 14,424</u>	<u>\$ 21,710</u>	<u>\$ 14,303</u>	<u>\$ 21,831</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Agency Funds School Department
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
BLACK ROCK				
Assets				
Cash	\$ 23,741	\$ 17,071	\$ 22,429	\$ 18,383
Total assets	<u>\$ 23,741</u>	<u>\$ 17,071</u>	<u>\$ 22,429</u>	<u>\$ 18,383</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	23,741	17,071	22,429	18,383
Total liabilities	<u>\$ 23,741</u>	<u>\$ 17,071</u>	<u>\$ 22,429</u>	<u>\$ 18,383</u>
OAK HAVEN				
Assets				
Cash	\$ 540	\$ -	\$ -	\$ 540
Total assets	<u>\$ 540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 540</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	540	-	-	540
Total liabilities	<u>\$ 540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 540</u>
REGIONAL CAREER & TECH CTR				
Assets				
Cash	\$ 17,459	\$ 80,188	\$ 70,971	\$ 26,676
Total assets	<u>\$ 17,459</u>	<u>\$ 80,188</u>	<u>\$ 70,971</u>	<u>\$ 26,676</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	17,459	80,188	70,971	26,676
Total liabilities	<u>\$ 17,459</u>	<u>\$ 80,188</u>	<u>\$ 70,971</u>	<u>\$ 26,676</u>
TIOGUE SCHOOL				
Assets				
Cash	\$ 9,447	\$ 27,899	\$ 28,238	\$ 9,108
Total assets	<u>\$ 9,447</u>	<u>\$ 27,899</u>	<u>\$ 28,238</u>	<u>\$ 9,108</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	9,447	27,899	28,238	9,108
Total liabilities	<u>\$ 9,447</u>	<u>\$ 27,899</u>	<u>\$ 28,238</u>	<u>\$ 9,108</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Agency Funds School Department
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
WESTERN COVENTRY				
Assets				
Cash	\$ 9,393	\$ 33,754	\$ 33,827	\$ 9,320
Total assets	<u>\$ 9,393</u>	<u>\$ 33,754</u>	<u>\$ 33,827</u>	<u>\$ 9,320</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	9,393	33,754	33,827	9,320
Total liabilities	<u>\$ 9,393</u>	<u>\$ 33,754</u>	<u>\$ 33,827</u>	<u>\$ 9,320</u>
WASHINGTON OAK SCHOOL				
Assets				
Cash	\$ 37,682	\$ 32,706	\$ 29,248	\$ 41,140
Total assets	<u>\$ 37,682</u>	<u>\$ 32,706</u>	<u>\$ 29,248</u>	<u>\$ 41,140</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	37,682	32,706	29,248	41,140
Total liabilities	<u>\$ 37,682</u>	<u>\$ 32,706</u>	<u>\$ 29,248</u>	<u>\$ 41,140</u>
PHYSICAL PLANT				
Assets				
Cash	\$ 970	\$ 501	\$ 501	\$ 970
Total assets	<u>\$ 970</u>	<u>\$ 501</u>	<u>\$ 501</u>	<u>\$ 970</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	970	501	501	970
Total liabilities	<u>\$ 970</u>	<u>\$ 501</u>	<u>\$ 501</u>	<u>\$ 970</u>
LITTLE OAKERS PRE SCHOOL				
Assets				
Cash	\$ 150,710	\$ 139,021	\$ 90,900	\$ 198,831
Total assets	<u>\$ 150,710</u>	<u>\$ 139,021</u>	<u>\$ 90,900</u>	<u>\$ 198,831</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	150,710	139,021	90,900	198,831
Total liabilities	<u>\$ 150,710</u>	<u>\$ 139,021</u>	<u>\$ 90,900</u>	<u>\$ 198,831</u>

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Agency Funds School Department
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
BENEFITS				
Assets				
Cash	\$ 362,411	\$ 1,564,975	\$ 1,415,808	\$ 511,578
Total assets	<u>\$ 362,411</u>	<u>\$ 1,564,975</u>	<u>\$ 1,415,808</u>	<u>\$ 511,578</u>
Liabilities				
Due to other funds	\$ 496,650	\$ 158,484	\$ 232,404	422,730
Deposits held in custody for others	(134,239)	1,406,491	1,183,404	88,848
Total liabilities	<u>\$ 362,411</u>	<u>\$ 1,564,975</u>	<u>\$ 1,415,808</u>	<u>\$ 511,578</u>
RETIREE MEDICAL				
Assets				
Cash	\$ 22,000	\$ -	\$ -	\$ 22,000
Total assets	<u>\$ 22,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,000</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	-
Deposits held in custody for others	22,000	-	-	22,000
Total liabilities	<u>\$ 22,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,000</u>
TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 947,349	\$ 2,978,468	\$ 2,764,845	\$ 1,160,972
Total assets	<u>\$ 947,349</u>	<u>\$ 2,978,468</u>	<u>\$ 2,764,845</u>	<u>\$ 1,160,972</u>
Liabilities				
Due to other funds	\$ 496,650	\$ 158,484	\$ 232,404	\$ 422,730
Deposits held in custody for others	450,699	2,819,984	2,532,441	738,242
Total liabilities	<u>\$ 947,349</u>	<u>\$ 2,978,468</u>	<u>\$ 2,764,845</u>	<u>\$ 1,160,972</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, 2013

Real Estate and Property Tax Assessment of	Total Balance Uncollected 7/1/2012	Assessment	Additions Adjustments	Abatements	Refunds and Adjustments	Total Available for Collection	Collections	(a) Balance Uncollected 6/30/2013
2012	\$ -	\$ 57,215,357	\$ 116,820	\$ (97,516)	\$ 158,302	\$ 57,392,963	\$ 56,713,344	\$ 679,619
2011	582,293	-	-	(6,918)	15,334	590,709	385,040	205,669
2010	199,689	-	-	(355)	(101)	199,233	27,633	171,600
2009	112,280	-	-	-	-	112,280	6,445	105,835
2008	81,821	-	-	(773)	-	81,048	2,748	78,300
2007	39,826	-	-	(808)	-	39,018	2,109	36,909
2006	64,921	-	-	(7,142)	-	57,779	2,286	55,493
2005	61,317	-	-	(6,935)	352	54,734	2,236	52,498
2004	68,270	-	-	(11,756)	-	56,514	-	56,514
2003	60,825	-	-	(11,501)	-	49,324	-	49,324
2002	51,200	-	-	(11,136)	-	40,064	-	40,064
2001	71,214	-	-	(36,398)	-	34,816	-	34,816
2000	65,849	-	-	(34,669)	-	31,180	-	31,180
1999	64,087	-	-	(33,766)	-	30,321	-	30,321
1998	35,321	-	-	(19,910)	-	15,411	1,168	14,243
1997	14,447	-	-	(6,772)	(1,970)	5,705	2,199	3,506
Prior years	6,314	-	-	(2,435)	-	3,879	-	3,879
TOTAL PROPERTY	\$ 1,579,674	\$ 57,215,357	\$ 116,820	\$ (288,790)	\$ 171,917	\$ 58,794,978	\$ 57,145,208	\$ 1,649,770

Auto Excise Tax Assessment of	Total Balance Uncollected 7/1/2012	Assessment	Additions Adjustments	Abatements	Authorized Transfers and Adjustments	Total Available for Collection	Collections	Balance Uncollected 6/30/2013
2012	\$ -	\$ 5,112,255	\$ 5,502	\$ (14,463)	\$ 5,909	\$ 5,109,203	\$ 4,723,151	\$ 386,052
2011	353,201	-	678	(2,790)	225	351,314	207,350	143,964
2010	59,628	-	-	(1,304)	-	58,324	19,864	38,460
2009	41,593	-	-	(51)	-	41,542	4,611	36,931
2008	49,878	-	-	-	148	50,026	3,913	46,113
2007	48,091	-	-	-	-	48,091	2,495	45,596
2006	38,938	-	-	-	-	38,938	1,058	37,880
2005	35,891	-	-	-	-	35,891	1,124	34,767
2004	25,298	-	-	-	-	25,298	143	25,155
2003	19,716	-	-	-	-	19,716	10	19,706
2002	13,992	-	-	-	-	13,992	111	13,881
2001 and prior	22,169	-	-	(152)	(219)	21,798	52	21,746
TOTAL AUTO	\$ 708,395	\$ 5,112,255	\$ 6,180	\$ (18,760)	\$ 6,063	\$ 5,814,133	\$ 4,963,882	\$ 850,251

**TOTAL PROPERTY
TAX AND AUTO
EXCISE TAX**

\$ 2,288,069	\$ 62,327,612	\$ 123,000	\$ (307,550)	\$ 177,980	\$ 64,609,111	\$ 62,109,090	\$ 2,500,021
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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, 2013

	<u>December 31, 2011</u>	<u>December 31, 2010</u>	<u>December 31, 2009</u>	<u>December 31, 2008</u>	<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	\$ 3,146,610,970	\$ 3,098,994,584	\$ 3,688,440,259	\$ 3,679,277,325	\$ 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	60,180,870	94,324,242	114,421,880	116,794,405	116,558,916	27,615,172	21,656,098	22,042,993	18,508,304	16,852,588
Motor Vehicles	318,637,853	309,336,216	298,253,258	250,975,340	283,134,618	271,963,528	271,118,304	241,805,645	214,780,443	212,372,489
	<u>3,525,429,693</u>	<u>3,502,655,042</u>	<u>4,101,115,397</u>	<u>4,047,047,070</u>	<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	515,722	521,872	488,872	445,500	392,830	409,330	343,330	304,430	254,930	94,820
Elderly and Disabled	20,106,268	19,792,580	19,752,580	19,488,580	19,472,580	18,779,111	18,857,004	18,811,924	18,629,004	18,380,900
Gold Star Mothers	9,000	9,000	15,000	15,000	18,000	15,000	15,000	12,000	12,000	9,000
Rectories and Parsonages	-	-	-	453,400	453,400	480,150	1,326,130	744,910	703,350	703,350
State Veterans	118,000	141,426	120,265	125,415	130,795	127,661	156,177	161,943	161,090	149,927
Veterans	18,127,946	18,640,480	18,959,180	19,303,080	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	30,000	30,000	30,000	30,000	45,000	45,000	60,000
100% Disabled Veterans	135,400	133,400	130,400	133,400	129,400	125,400	132,400	116,400	113,400	31,000
Variable	10,000	10,000	2,085,572	-	-	-	-	-	-	-
Specially Adapted Housing	-	-	-	12,300	30,300	30,300	32,638	20,000	30,000	30,000
Motor Vehicle Phase-out	45,879,416	42,749,639	163,838,839	-	-	-	-	-	-	-
Tax Relief Program	22,183,622	22,943,699	23,471,310	24,368,374	26,616,550	26,196,724	31,068,368	31,686,258	33,413,808	34,261,492
Total Exemptions	<u>107,115,374</u>	<u>104,972,096</u>	<u>228,892,018</u>	<u>64,375,049</u>	<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>\$ 3,418,314,319</u>	<u>\$ 3,397,682,946</u>	<u>\$ 3,872,223,379</u>	<u>\$ 3,982,672,021</u>	<u>\$ 3,993,693,983</u>	<u>\$ 3,548,785,156</u>	<u>\$3,501,303,154</u>	<u>\$3,419,621,873</u>	<u>\$1,976,985,618</u>	<u>\$1,938,678,199</u>
Tax Levy:										
Real and personal property and tangible tax	\$ 57,215,357	\$ 56,864,263	\$ 57,044,768	\$ 56,830,394	\$ 56,350,234	\$ 53,733,335	\$51,033,500	\$45,861,014	\$43,491,250	\$41,183,057
Motor vehicle tax	5,112,255	4,995,985	2,518,067	2,183,732	2,756,369	2,558,668	2,581,006	2,330,573	2,348,012	2,094,363
TOTAL TAXES ASSESSED, NET OF EXEMPTIONS	<u>\$ 62,327,612</u>	<u>\$ 61,860,248</u>	<u>\$ 59,562,835</u>	<u>\$ 59,014,126</u>	<u>\$ 59,106,603</u>	<u>\$ 56,292,003</u>	<u>\$53,614,506</u>	<u>\$48,191,587</u>	<u>\$45,839,262</u>	<u>\$43,277,420</u>

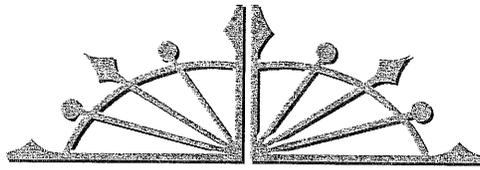
TOWN OF COVENTRY, RHODE ISLAND
Schedule of long-term liabilities - Primary Government
For the fiscal year ended June 30, 2013

	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding July 1, 2012	Additions	Maturities During Year	Outstanding June 30, 2013	Interest Paid
General Obligation Bonds Payable									
GO Bond Refunding	10/27/11	2.00% to 3.375%	11/01/21	\$ 13,770,000	\$ 13,720,000	\$ -	\$ 1,075,000	\$ 12,645,000	\$ 365,237
School bond	6/15/03	2.00% to 4.00%	06/15/23	8,000,000	4,400,000	-	400,000	4,000,000	158,400
GO Bond	4/11/12	3.00% to 4.00%	04/01/27	4,330,000	4,330,000	-	25,000	4,305,000	145,815
Total general obligation bonds payable				26,100,000	22,450,000	-	1,500,000	20,950,000	669,452
Notes Payable									
Whaley Hollow Road Note	12/31/07	5.00%	12/31/13	126,892	46,484	-	22,676	23,808	2,324
Sewer Bonds Payable									
Economic Development Revenue Bonds	09/01/03	0.49% - 1.49%	9/1/23	3,400,000	2,580,000	-	160,000	2,420,000	62,500
GO Tax Anticipation Notes	7/26/12	2.00%	7/25/13	5,000,000	-	5,000,000	-	5,000,000	-
GO Tax Anticipation Notes	7/29/11	2.85%	7/26/12	5,500,000	5,500,000	-	5,500,000	-	156,315
RI Clean Water	12/6/06	1.33%	9/1/27	3,205,000	2,652,000	-	144,000	2,508,000	34,680
RI Clean Water	12/12/07	3.75% to 5.08%	9/1/28	5,000,000	4,366,000	-	219,000	4,147,000	66,168
RI Clean Water	6/28/12	0.47% - 2.99%	9/1/32	2,400,000	2,400,000	-	1,000	2,399,000	19,990
RI Clean Water	6/6/13	0.82% - 3.23%	9/1/34	2,400,000	-	2,400,000	-	2,400,000	-
RI Clean Water	10/6/09	.7%-2.64%	9/1/29	2,564,519	2,356,418	-	106,265	2,250,153	50,854
Total Sewer bonds payable				29,469,519	19,854,418	7,400,000	6,130,265	21,124,153	390,507
Total bonds and notes				\$ 55,569,519	42,304,418	7,400,000	7,630,265	42,074,153	1,059,959
Accrued expenses									
Compensated absences					3,530,812	-	376,362	3,154,450	n/a
Net pension Obligation					36,027,887	1,376,953	-	37,404,840	n/a
Net OPEB obligation					1,463,880	333,256	-	1,797,136	n/a
Total accrued expenses					41,022,579	1,710,209	376,362	42,356,426	
Total long-term liabilities					\$ 83,326,997	\$ 9,110,209	\$ 8,006,627	\$ 84,430,579	

TOWN OF COVENTRY, RHODE ISLAND
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2013

Grossed assessed value	\$ 3,525,429,693
Less: exemptions and adjustments	(107,115,374)
Total taxable assessed value	\$ 3,418,314,319
Debt Limit - 3 percent of total assessed value	\$ 102,549,430
Amount of debt applicable to debt limit:	
Total bonded debt-governmental bonds	20,950,000
Legal debt margin	\$ 81,599,430

***TOWN OF COVENTRY, RHODE ISLAND
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2013***



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town of Coventry, Rhode Island as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town of Coventry's basic financial statements, and have issued our report thereon dated January 8, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

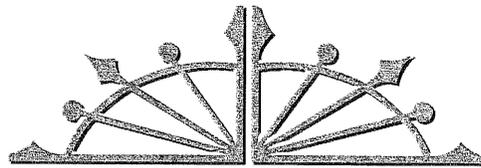
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in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



Baxter, Dansereau & Associates, LLP

West Warwick, Rhode Island

January 8, 2014



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for the Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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


Baxter, Dansereau & Associates, LLP

West Warwick, Rhode Island

January 8, 2014

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

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture:			
<i>Passed through State of Rhode Island Department of Education:</i>			
<i>Child Nutrition Cluster:</i>			
School Breakfast Program	10.553	N/A	\$ 123,530
National School Lunch Program	10.555	N/A	550,152
Special School Milk Program for Children	10.556	N/A	6,879
Food Donation - See Note 4	10.550	N/A	70,181
<i>Direct Award</i>			
ARRA - Emergency Watershed Protection Program	10.923	N/A	943
Total U.S. Department of Agriculture			<u>\$ 751,685</u>
U.S. Department of Commerce			
<i>Direct Award</i>			
Economic Adjustment Assistance	11.307	N/A	\$ 1,000,686
Total U.S. Department of Commerce			<u>\$ 1,000,686</u>
U.S. Department of Housing and Urban Development:			
<i>Pass-Through State of Rhode Island Division of Planning, Office of Housing and Community Development</i>			
Community Development Block Grant	14.228	N/A	\$ 19,796
Total U.S. Department of Housing and Urban Development			<u>\$ 19,796</u>
U.S. Department of the Interior			
<i>Direct Award</i>			
Natural Resources Damage Assessment Restoration and Implementation	15.658	N/A	\$ 8,035
Total U.S. Department of the Interior			<u>\$ 8,035</u>
U.S. Department of Justice:			
<i>Pass-Through State of Rhode Island Governor's Justice Commission</i>			
ARRA - Edward Byrne Memorial Justice Assistance Grant - Grants to Local Gov't	16.804	N/A	\$ 21,596
Bulletproof Vests Partnership Program	16.607	N/A	5,611
Total U.S. Department of Justice			<u>\$ 27,207</u>
U.S. Department of Transportation			
<i>Pass-through State of Rhode Department of Transportation</i>			
ARRA - Highway Planning and Construction	20.205	N/A	\$ 149,801
<i>Highway Safety Cluster:</i>			
State and Community Highway Safety	20.600	N/A	21,737
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	N/A	21,737
Total U.S. Department of Transportation			<u>\$ 193,275</u>
U.S. Environmental Protection Agency			
<i>Direct Award</i>			
ARRA - Capitalization Grant for Clean Water State Revolving Fund	66.458	N/A	\$ 13,735
Performance Partnership Grants	66.605	N/A	585
Total U.S. Environmental Protection Agency			<u>\$ 14,320</u>
U.S. Department of Energy			
<i>Pass-through State of Rhode Island</i>			
ARRA - Energy Efficiency and Conversion Block Grant Program	81.128	N/A	\$ 82,266
Total U.S. Department of Energy			<u>\$ 82,266</u>

continued

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

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Education:			
<i>Passed through State of Rhode Island Department of Education:</i>			
Title I Grants to Local Education Agencies	84.010	2725-11702-301	\$ 517,679
Career & Technical Education - Basic Grants to States	84.048	2725-15602-301	241,656
Improving Teacher Quality State Grants	84.367	2725-16402-301	222,064
Teacher Quality Partnership Grants	84.336	N/A	134,561
<i>Special Education Cluster:</i>			
Special Education Grants to States	84.027	2725-13202-301	1,395,075
Special Education Preschool Grants	84.173	2725-13502-301	36,483
ARRA - Race to the Top - Instructional Improvement	84.395	4572-13502-120	17,108
ARRA - Race to the Top - Standards & Curriculum	84.395	4572-13502-110	50,497
ARRA - Race to the Top - Educator Effectiveness	84.395	4572-13502-130	66,036
ARRA - Race to the Top - IIS Set Aside	84.395	4572-13502-160	35,120
ARRA - Race to the Top - HCD Set Aside	84.395	4572-13502-180	46,575
ARRA - Race to the Top - PLC Mini Grant	84.395	4572-13502-150	4,932
ARRA - Education Jobs Fund	84.410	4572-13102-101	12,255
Total U.S. Department of Education			\$ 2,780,041
U.S. Department of Health & Human Services			
<i>Passed through State of Rhode Island Department of Health</i>			
Public Health and Emergency Preparedness	93.069	N/A	\$ 5,872
Medical Assistance Program	93.778	N/A	278,998
Total U.S. Department of Health & Human Services			\$ 284,870
U.S. Department of Homeland Security			
<i>Pass-through State of Rhode Island Emergency Management Agency:</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	174,618
Hazard Mitigation Grant	97.039	N/A	3,849
Emergency Management Performance Grants	97.042	N/A	11,636
Total U.S. Department of Homeland Security			\$ 190,103
Total Expenditures of Federal Awards			\$ 5,352,284

concluded

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

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness (es) identified? yes no

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

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

Material weakness (es) identified? yes no

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

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

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

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
11.307	Economic Adjustment Assistance
	<i>Special Education Cluster</i>
84.027	Special Education – Grants to States
84.173	Special Education Grants to States - Preschool
84.010	Title I Grants to Local Educational Agencies
84.395	ARRA- State Fiscal Stabilization Fund – Race to the Top

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

Auditee qualified as low risk auditee? yes no

SECTION II – FINANCIAL STATEMENT FINDINGS yes none

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS yes none

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

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

A. Significant Deficiency in Internal Control

None Reported.

B. Compliance

None Reported.

SECTION III – FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Finding

None Reported

B. Questioned Costs

None Reported

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

PRIOR YEAR FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

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

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

<u>CFDA</u>	<u>Program Name</u>
11.307	Economic Adjustment Assistance
	<i>Special Education Cluster</i>
84.027	Special Education Grants to States
84.173	Special Education Grants to States - Preschool
84.010	Title I Grants to Local Educational Agencies
84.395	ARRA – State Fiscal Stabilization Fund – Race to the Top

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 \$70,181 represents the market value of such commodities used during the period.