

TOWN OF NEW SHOREHAM, RHODE ISLAND

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED JUNE 30, 2012

7. Long-term obligations (continued):

Other post-employment benefits:

Through its single-employer defined benefit other post-employment benefit plan, the School Department provides health benefits to its public school professional staff with 20 years of accumulated service. A teacher at the Block Island School may continue to receive the same health care coverage as offered to the bargaining unit for five contract years, until Medicare takes over or age 65, whichever occurs first. For governmental activities, this liability reflects amounts attributable to employees' services already rendered, considered probable for payment and reasonably estimated. The Town funds these benefits on a pay-as-you-go basis. The Town's annual other post-employment benefit (OPEB) cost is calculated using the estimated amounts that will be paid or payable to covered employees based upon their current actual years of service and the current premium cost (without regard to inflation), and without regard to the probability of their remaining employed for the required 20 years. For the year ended June 30, 2012, covered payroll under the plan amounts to approximately \$1,862,000 and OPEB expense is \$31,000, which is included in the obligation reported by the Town. The estimated undiscounted total liability for post-employment benefits is as follows:

Fully vested employees	\$ 814,030
Non-vested employees	<u>1,024,351</u>
	<u>\$ 1,838,381</u>

8. Accounts payable and accrued expenses:

Accounts payable and accrued expenses are as follows:

	Vendors	Other Governments	Employees	Accrued Interest	Total
Governmental activities:					
General Fund	\$ 133,524	\$ 48,070	\$ 101,055		\$ 282,649
School Department	89,546	36,284	375,994		501,824
Nonmajor funds	3,116				3,116
Reconciliation of balances in fund financial statements to government-wide financial statements				\$ 97,276	97,276
	<u>226,186</u>	<u>84,354</u>	<u>477,049</u>	<u>97,276</u>	<u>884,865</u>

(continued)