
TOWN OF COVENTRY

***ANNUAL
FINANCIAL REPORT***

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2014***

***Robert Thibeault
FINANCE DIRECTOR***

Prepared by: Finance Department

COVENTRY, RHODE ISLAND

**TOWN OF COVENTRY, RHODE ISLAND
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

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(concluded)

INTRODUCTORY SECTION

This Section Contains the Following Subsections:

List of Town Officials

TOWN OF COVENTRY, RHODE ISLAND

As of June 30, 2014

TOWN COUNCIL

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

TOWN MANAGER

Thomas R. Hoover

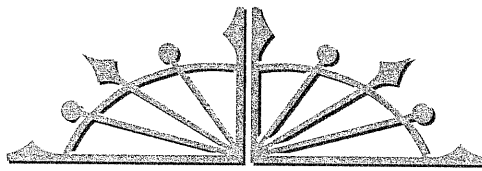
FINANCE DIRECTOR

Robert Thibeault

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, 2014, 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Correction of Error

As described in Note 20 to the Financial Statements, the beginning balance of the Government-Wide Governmental Activities Net Position and the beginning balance of the Governmental Funds Other Governmental Funds fund balance have been restated due to material financial activity not being properly disclosed and or omitted from the financial statements issued for the fiscal year ended June 30, 2013. Had this information been known to be omitted and not subsequently provided to us before the financial statements were issued our opinion would have been modified.

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 73-79 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 20, 2015, 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 Dansereau & Associates, LLP

West Warwick, Rhode Island

January 20, 2015

Management's Discussion and Analysis

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(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, 2014. Please read it in conjunction with the Town's financial statements that follow this section.

Financial Highlights

- ❖ The net position of the Town's primary government decreased \$1,114,257 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 \$9,803,119. The net position of the Town's business activities decreased by \$428,453 or 4.4%, and the net position of Governmental Activities decreased by \$685,804 or 4.0% in the current period.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$105,684,067 a 3.8% increase from the prior year, while revenues collected were \$104,569,810 a 4.78% increase from the prior year.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,161,460. Over 56% of this amount, \$6,857,332 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 \$9,525,864 or 13.42% of the total general fund expenditures for the fiscal year. The current fiscal year's expenditures and transfers out exceeded revenues and transfers in by \$1,051,779. On a budgetary basis revenues exceeded expenditures and transfers by \$695,174.

Debt Service

In April 2014, the Town Council approved a \$5,000,000 judgment bond in accordance with Rhode Island General Laws Section 45-12-4.4 to pay for its share of the environmental remediation of the Arnold Road Landfill.

In June 2014, the Town Council approved \$340,000 in debt in accordance with Rhode Island General Laws Section 45-12-33 to construct sidewalks on Reservoir Road. The funds were made available by the State of Rhode Island's 2014 Municipal Road & Bridge Revolving Loan Fund and were administered by the Rhode Island Clean Water Finance Authority.

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

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, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between these items 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, public safety, education, public works, community and economic development services, health and human services, cultural and recreational services and interest on long-term debt. The Town's business activities include the Sewer Fund.

The government wide financial statements are reported on pages 14 through 15.

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

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

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 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 various 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, School Special Revenue Unrestricted Fund and Coventry Landfill 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, 2014
(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 72.

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 73 through 84.

The combining statements referred to earlier in connection with non-major governmental funds, are presented on pages 85 through 131.

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 \$19,113,960 as of June 30, 2014. The cumulative deficit in the governmental activities net position was increased by \$685,804 from current year activity. Additionally, the cumulative deficit in governmental activities net position was increased by \$1,339,964 due to a restatement of the prior year's net position.

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, 2014
(Un-audited)
Town of Coventry
Net Position

	<u>June 30, 2014</u>			<u>June 30, 2013</u>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Current and Other Assets	\$ 24,840,607	\$ 14,434,693	\$ 39,275,300	\$ 24,087,530	\$ 15,273,345	\$ 39,360,875
Capital assets	39,345,663	24,194,900	63,540,563	32,056,853	23,603,247	55,660,100
Total Assets	<u>64,186,270</u>	<u>38,629,593</u>	<u>102,815,863</u>	<u>56,144,383</u>	<u>38,876,592</u>	<u>95,020,975</u>
Other Liabilities	10,718,275	7,869,635	18,587,910	9,832,763	7,946,537	17,779,300
Long-Term Liabilities	72,581,955	21,449,117	94,031,072	63,330,234	21,124,153	84,454,387
Total Liabilities	<u>83,300,230</u>	<u>29,318,752</u>	<u>112,618,982</u>	<u>73,162,997</u>	<u>29,070,690</u>	<u>102,233,687</u>
Net Position:						
Net investment in capital assets	11,954,418	5,020,366	16,974,784	11,106,853	6,494,512	17,601,365
<i>Restricted for:</i>						
Education programs	585,965	-	585,965	382,275	-	382,275
Public safety programs	180,043	-	180,043	133,407	-	133,407
Culture and recreation	105,921	-	105,921	139,177	-	139,177
Health & human services	145,068	-	145,068	75,073	-	75,073
Unrestricted	<u>(32,085,375)</u>	<u>4,290,475</u>	<u>(27,794,900)</u>	<u>(28,855,399)</u>	<u>3,311,390</u>	<u>(25,544,009)</u>
Total Net Position	<u>\$ (19,113,960)</u>	<u>\$ 9,310,841</u>	<u>\$ (9,803,119)</u>	<u>\$ (17,018,614)</u>	<u>\$ 9,805,902</u>	<u>\$ (7,212,712)</u>

The largest portion of the Town's Governmental net position, \$11,954,418 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 \$32,085,375 deficit while the business-type activities reported a \$4,290,475 positive balance.

As of June 30, 2014 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, 2014. 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. Prior year comparative data is available and is presented in the following schedules. Governmental activities decreased the Town's net position by \$685,804 for the current period accounting for a 4.0% decrease in the Town's governmental net position, while business-type

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

activities decreased the Town's net position by \$428,453 for the current period. Overall the Town's decrease in net position was \$1,114,257 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 Position</i>						
	June 30, 2014			June 30, 2013		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
<i>Revenues</i>						
<i>Program revenues</i>						
Charges for services	\$ 4,808,323	\$ 2,215,470	\$ 7,023,793	\$ 4,288,367	\$ 2,218,555	\$ 6,506,922
Federal/State grants	30,823,180	-	30,823,180	29,034,419	-	29,034,419
<i>General Revenues</i>						
Property taxes	65,327,518	-	65,327,518	63,091,672	-	63,091,672
Investment earnings	477,234	1,593	478,827	558,212	20	558,232
Miscellaneous	916,492	-	916,492	609,255	-	609,255
Total revenues	102,352,747	2,217,063	104,569,810	97,581,925	2,218,575	99,800,500
<i>Expenses</i>						
General government	6,782,308	-	6,782,308	6,710,502	-	6,710,502
Public safety	11,510,038	-	11,510,038	10,143,290	-	10,143,290
Education	74,237,181	-	74,237,181	72,693,588	-	72,693,588
Public works	5,967,325	-	5,967,325	6,067,181	-	6,067,181
Community and economic development	317,526	-	317,526	317,791	-	317,791
Health and human services	1,153,137	-	1,153,137	1,124,362	-	1,124,362
Culture and recreation	2,257,100	-	2,257,100	2,103,553	-	2,103,553
Interest on long-term debt	813,936	-	813,936	666,998	-	666,998
Sewer Fund Expenses	-	2,645,516	2,645,516	-	1,997,129	1,997,129
Total expenses	103,038,551	2,645,516	105,684,067	99,827,265	1,997,129	101,824,394
Change in net position	(685,804)	(428,453)	(1,114,257)	(2,245,340)	221,446	(2,023,894)
Net position - beginning restated	(17,089,192)	9,805,902	(7,283,290)	(14,932,163)	9,426,645	(5,505,518)
Prior period adjustments	(1,338,964)	(66,608)	(1,405,572)	158,889	157,811	316,700
Net position - beginning restated	(18,428,156)	9,739,294	(8,688,862)	(14,773,274)	9,584,456	(5,188,818)
Net position - ending	\$ (19,113,960)	\$ 9,310,841	\$ (9,803,119)	\$ (17,018,614)	\$ 9,805,902	\$ (7,212,712)

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(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 \$12,161,460. Over 56% of this amount, \$6,857,332 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	\$ 585,965
Public safety programs	180,043
Culture and recreation	105,921
Health & human services	145,068
<i>Committed for:</i>	
Public works programs	2,192,415
Use of budgeted surplus 2014	265,077
Public safety programs	1,514
Culture and recreation	1,828,125
<i>Unassigned:</i>	6,857,332
Total fund balances	\$ 12,161,460

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.

The unrestricted net position of the Sewer Fund was \$4,290,475.

General Fund Budgetary Highlights

Revenues:

Total Revenues – were over budget by \$122,353.

General Property Taxes – were under budget by \$638,235 due to “normal” abatements, abatements due to the settlement of the Springfield Armory lawsuit, and bankruptcies.

Fines and Interest in Late Payments – was over budget by \$341,818 due to greater than anticipated prior year collections.

Other Revenue – was over budget by \$281,285 due to unanticipated revenue.

Licenses, Fees & Permits – was over budget by \$95,764 due to higher than anticipated activity.

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(Un-audited)

General Fund Budgetary Highlights – (continued)

Expenses:

Total Expenses – were under budget by \$518,822.

Legislative, Judicial & General Administration – was over budget by \$168,525 due to the unanticipated cost of collective bargaining arbitration and higher than anticipated solicitor case load.

Public Safety – was under budget by \$243,380 due to open positions mainly from military call ups and retirements.

General Government – was under budget by \$222,177 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.

Debt Service – was under budget by \$127,345 due to lower than expected debt service expenses.

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 \$63,540,563 net of accumulated depreciation at June 30, 2014. 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, 2014			June 30, 2013		
	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	3,439,567	1,157,382	4,596,949	1,174,813	201,795	1,376,608
Infrastructure	530,351	-	530,351	572,467	-	572,467
Buildings & Improvements	24,503,692	-	24,503,692	19,886,600	-	19,886,600
Machinery and equipment	168,340	-	168,340	148,196	-	148,196
Office equipment and furniture	516,786	-	516,786	154,814	-	154,814
Vehicles	1,135,023	-	1,135,023	1,068,059	-	1,068,059
Wastewater collection system	-	23,037,518	23,037,518	-	23,401,452	23,401,452
Total	<u>39,345,663</u>	<u>24,194,900</u>	<u>63,540,563</u>	<u>32,056,853</u>	<u>23,603,247</u>	<u>55,660,100</u>

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2014
(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 \$28,399,000. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government. The following is a summary of the Town's long-term debt.

Town of Coventry
Outstanding Debt
General Obligation & Notes Payable

	<i>June 30, 2014</i>			<i>June 30, 2013</i>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Bonds Payable	28,399,000	-	28,399,000	29,470,000	2,420,000	31,890,000
Notes Payable	-	21,449,117	21,449,117	23,808	18,704,153	18,727,961
Totals	<u>28,399,000</u>	<u>21,449,117</u>	<u>49,848,117</u>	<u>29,493,808</u>	<u>21,124,153</u>	<u>50,617,961</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 134 and 135.

Economic Factors and Next Year's Budgets and Rates

The Town of Coventry's total budget for fiscal year 2015 amounts to \$93,689,528, which reflects an increase of \$484,975 over fiscal 2014's budget of \$93,204,553. Of the Town's 2015 budget, \$65,499,351, or 69.9% is budgeted for educational purposes, \$23,805,558 or 25.4% for municipal government, \$3,402,250 or 3.6% for debt service and \$982,369 or 1.0% for capital improvements and library resource sharing.

The State of Rhode Island is budgeted to contribute \$21,079,055 toward the Town's educational expenses for the fiscal year 2015. This is an increase of \$649,258 over the \$20,429,797 contributed by the State in the fiscal year 2014.

The Town's residential and commercial property tax rates for fiscal 2015 are \$20.395 and \$24.582, respectively, with 69.91% allocated for education, 26.46% for municipal government, 3.63% for debt service and capital improvements & library resource sharing. For fiscal 2014 the Town's residential and commercial property tax rates were \$18.66 and \$22.49, respectively, with 69.76% allocated for education, 26.75% for municipal government, 3.49% 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, 2014
(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, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 17,732,447	\$ 17,394	\$ 17,749,841
Investments	11,146	-	11,146
Real estate and personal property tax receivable, net	2,496,062	-	2,496,062
Water and sewer use fees receivable, net	-	712,192	712,192
Due from federal and state government	1,745,470	3,431,965	5,177,435
Prepaid expenses	543,769	-	543,769
Other receivables, net	2,311,713	-	2,311,713
Total current assets	24,840,607	4,161,551	29,002,158
Noncurrent assets:			
Sewer assessments receivable	-	8,240,170	8,240,170
Capital assets:			
Land	9,051,904	-	9,051,904
Construction in progress	3,439,567	1,157,382	4,596,949
Property, plant & equipment - net	26,854,192	23,037,518	49,891,710
Capital assets, net	39,345,663	24,194,900	63,540,563
Other assets, net	-	2,032,972	2,032,972
Total noncurrent assets	39,345,663	34,468,042	73,813,705
Total assets	64,186,270	38,629,593	102,815,863
Liabilities:			
Accounts payable and accrued liabilities	7,846,523	816,189	8,662,712
Internal balances	1,111,579	(1,111,579)	-
Unearned revenues	428,661	8,165,025	8,593,686
Other	1,331,512	-	1,331,512
Total current liabilities	10,718,275	7,869,635	18,587,910
Long-term liabilities:			
Due within one year	3,694,000	892,806	4,586,806
Due in more than one year	68,887,955	20,556,311	89,444,266
Total noncurrent liabilities	72,581,955	21,449,117	94,031,072
Total liabilities	83,300,230	29,318,752	112,618,982
Net Position:			
Net investment in capital assets	11,954,418	5,020,366	16,974,784
Restricted for:			
Education programs	585,965	-	585,965
Public safety programs	180,043	-	180,043
Culture and recreation	105,921	-	105,921
Health & human services	145,068	-	145,068
Unrestricted	(32,085,375)	4,290,475	(27,794,900)
Total net position	\$ (19,113,960)	\$ 9,310,841	\$ (9,803,119)

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, 2014

	Net (Expense) Revenue and Changes in Net Position				
	Program revenues		Primary Government		
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Expenses			Governmental Activities	Business-type Activities	
Total			Governmental Activities	Business-type Activities	
<i>Functions/ Programs</i>					
<i>Governmental Activities:</i>					
Governmental activities:					
General government	\$ 6,782,308	\$ 673,004	\$ 2,658,493	\$ (3,450,811)	\$ (3,450,811)
Public safety	11,510,038	96,024	-	(11,414,014)	(11,414,014)
Education	74,237,181	2,495,018	28,067,456	(43,674,707)	(43,674,707)
Public works	5,967,325	135,086	340	(5,831,899)	(5,831,899)
Community and economic development	317,526	1,202,961	-	885,435	885,435
Health and human services	1,153,137	-	-	(1,153,137)	(1,153,137)
Culture and recreation	2,257,100	206,230	96,891	(1,953,979)	(1,953,979)
Interest on long-term debt	813,936	-	-	(813,936)	(813,936)
Total governmental activities	<u>103,038,551</u>	<u>4,808,323</u>	<u>30,823,180</u>	<u>(67,407,048)</u>	<u>(67,407,048)</u>
<i>Business type activities:</i>					
Sewer Fund	2,645,516	2,215,470	-	-	-
Total business-type activities	<u>2,645,516</u>	<u>2,215,470</u>	<u>-</u>	<u>(430,046)</u>	<u>(430,046)</u>
Total	<u>\$ 105,684,067</u>	<u>\$ 7,023,793</u>	<u>\$ 30,823,180</u>	<u>(67,407,048)</u>	<u>(67,837,094)</u>
General revenues:					
Real estate and personal property taxes			65,327,518	-	65,327,518
Interest on property taxes			605,797	-	605,797
Investment earnings			477,234	1,593	478,827
Miscellaneous			310,695	-	310,695
Total general revenues			<u>66,721,244</u>	<u>1,593</u>	<u>66,722,837</u>
Change in net position			<u>(685,804)</u>	<u>(428,453)</u>	<u>(1,114,257)</u>
Net position-beginning - restated see note 20			(17,089,192)	9,805,902	(7,283,290)
Prior period adjustments - see note 19			(1,338,964)	(66,608)	(1,405,572)
Net position-beginning - restated			(18,428,156)	9,739,294	(8,688,862)
Net position-ending			<u>\$ (19,113,960)</u>	<u>\$ 9,310,841</u>	<u>\$ (9,803,119)</u>

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, 2014

	<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	\$ 15,129,157	\$ 473,314	\$ -	\$ 2,129,976	\$ 17,732,447
Accounts receivable:					
Real estate and personal property taxes	2,496,062	-	-	-	2,496,062
Due from federal and state governments	-	16,610	-	1,728,860	1,745,470
Other receivables	1,440,114	791,194	-	80,405	2,311,713
Due from other funds	3,409,912	4,391,546	-	2,422,614	10,224,072
Prepays	-	503,461	-	-	503,461
Total assets	\$ 22,475,245	\$ 6,176,125	\$ -	\$ 6,361,855	\$ 35,013,225
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued expenditures	\$ 364,065	\$ 5,595,850	\$ 3,276	\$ 1,773,685	\$ 7,736,876
Due to other funds	7,625,841	404,773	523,368	2,907,476	11,461,458
Unearned revenues	-	-	-	1,163	1,163
Other liabilities	1,205,705	-	-	-	1,205,705
Total liabilities	9,195,611	6,000,623	526,644	4,682,324	20,405,202
DEFERRED INFLOWS OF RESOURCES					
Unavailable tax revenue	2,446,563	-	-	-	2,446,563
Fund balances:					
Restricted for:					
Educational programs	-	175,502	-	410,463	585,965
Public safety programs	-	-	-	180,043	180,043
Culture and recreation	-	-	-	105,921	105,921
Health & human services	-	-	-	145,068	145,068
Committed for:					
Public works programs	7,593	-	-	2,184,822	2,192,415
Use of budgeted surplus 2015	265,077	-	-	-	265,077
Public safety programs	1,514	-	-	-	1,514
Culture and recreation	1,033,023	-	-	795,102	1,828,125
Unassigned:	9,525,864	-	(526,644)	(2,141,888)	6,857,332
Total fund balances	10,833,071	175,502	(526,644)	1,679,531	12,161,460
Total liabilities, deferred inflows of resources and fund balances	\$ 22,475,245	\$ 6,176,125	\$ -	\$ 6,361,855	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (Note 7)	39,132,783
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Note 7)	2,336,916
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Note 7)	(72,969,145)
Internal service fund equity balance (Note 7)	224,026
Net position of governmental activities	\$(19,113,960)

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, 2014

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Coventry Landfill Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues					
Real estate and personal property taxes	\$ 64,396,833	\$ -	\$ -	\$ -	\$ 64,396,833
Other taxes	920,154	-	-	-	920,154
Penalties and interest on taxes	605,797	-	-	-	605,797
Licenses, fees and permits	763,051	-	-	-	763,051
Investment income	178,414	-	-	874	179,288
Intergovernmental	1,556,915	23,876,008	-	6,097,997	31,530,920
Contributions and private grants	-	-	-	45,347	45,347
Charges for services	223,430	1,056,974	-	1,290,694	2,571,098
Miscellaneous	722,687	78,366	-	200,654	1,001,707
Total revenues	<u>69,367,281</u>	<u>25,011,348</u>	<u>-</u>	<u>7,635,566</u>	<u>102,014,195</u>
Expenditures					
Current:					
General government	5,296,820	-	39,938	163,436	5,500,194
Public safety	11,269,592	-	-	104,721	11,374,313
Education	-	67,767,732	-	4,419,274	72,187,006
Public works	5,170,446	-	-	539,851	5,710,297
Community and economic development	302,133	-	-	15,393	317,526
Health and human services	779,894	-	-	355,070	1,134,964
Culture and recreation	2,084,905	-	-	796	2,085,701
Capital outlay	-	-	-	9,746,273	9,746,273
Debt service	-	-	-	-	-
Principal payments	2,165,000	-	-	-	2,165,000
Interest and fiscal charges	873,155	-	-	-	873,155
Total expenditures	<u>27,941,945</u>	<u>67,767,732</u>	<u>39,938</u>	<u>15,344,814</u>	<u>111,094,429</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>41,425,336</u>	<u>(42,756,384)</u>	<u>(39,938)</u>	<u>(7,709,248)</u>	<u>(9,080,234)</u>
Other financing sources (uses)					
Issuance of debt	-	-	-	1,094,000	1,094,000
Transfers from other funds	571,368	42,695,728	-	398,927	43,666,023
Transfers to other funds	(43,048,483)	-	-	(311,576)	(43,360,059)
Total other financing sources (uses)	<u>(42,477,115)</u>	<u>42,695,728</u>	<u>-</u>	<u>1,181,351</u>	<u>1,399,964</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(1,051,779)</u>	<u>(60,656)</u>	<u>(39,938)</u>	<u>(6,527,897)</u>	<u>(7,680,270)</u>
Fund balances - beginning restated see note 20	<u>11,281,133</u>	<u>236,158</u>	<u>(486,706)</u>	<u>8,962,925</u>	<u>19,993,510</u>
Prior period adjustment see note 19	603,717	-	-	(755,497)	(151,780)
Fund balances - beginning restated	11,884,850	236,158	(486,706)	8,207,428	19,841,730
Fund balances - ending	<u>\$ 10,833,071</u>	<u>\$ 175,502</u>	<u>\$ (526,644)</u>	<u>\$ 1,679,531</u>	<u>\$ 12,161,460</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, 2014

Net change in fund balances-total governmental funds \$ (7,680,270)

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	9,954,447
Depreciation expense	(2,861,832)
Loss on disposal of equipment	(24,070)
Change to Net Position	<u>7,068,545</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 10,531

Interest expenses in the statement of activities includes accrued interest calculated for bonds payable 59,219

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas bond premiums are deferred and amortized in the statement of activities. These amounts is the net effect of these differences in the treatment of long-term debt and related items.

Bond principal payments	2,165,000
Issuance of debt	(1,094,000)
Bond premium amortization	30,075
Note principal payments	23,808
Prepaid bond insurance	(2,121)

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. (15,938)

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. (1,250,653)

Change in net position of governmental activities. \$ (685,804)

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 Position
Proprietary Funds
June 30, 2014

	Enterprise Fund	Internal Service Fund
	Sewer Fund	Self Insurance Reserve
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 17,394	\$ -
Investments	-	11,146
Accounts receivable, net:		
Water and sewer use fees	712,192	-
Due from RI clean water	3,431,965	-
Due from other funds	1,111,579	-
Total current assets	5,273,130	11,146
Non-current assets:		
Capital assets		
Land	-	141,600
Construction in progress	1,157,382	-
Depreciable assets - net	23,037,518	71,280
Sewer assessments	8,240,170	-
Other assets, net	2,032,972	-
Total noncurrent assets	34,468,042	212,880
Total assets	39,741,172	224,026
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	816,189	-
Current portion of long term debt	892,806	-
Total current liabilities	1,708,995	-
Non-current liabilities:		
Unearned revenue	8,165,025	-
Bonds and loans payable	20,556,311	-
Total noncurrent liabilities	28,721,336	-
Total liabilities	30,430,331	-
NET POSITION		
Invested in Capital assets, net of related debt	5,020,366	212,880
Unrestricted	4,290,475	11,146
Total net position	\$ 9,310,841	\$ 224,026

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

TOWN OF COVENTRY, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	<u>Enterprise Funds</u>	<u>Internal Service</u>
	<u>Sewer</u>	<u>Fund</u>
	<u>Fund</u>	<u>Self Insurance</u>
		<u>Reserve</u>
<i>Operating revenues</i>		
Assessments and user fees	\$ 2,190,423	\$ -
Other revenues	25,047	-
<i>Total operating revenues</i>	<u>2,215,470</u>	<u>-</u>
<i>Operating expenses</i>		
Contract services	116,011	-
Operations & Maintenance	1,491,993	-
Depreciation and amortization	567,603	7,920
<i>Total operating expenses</i>	<u>2,175,607</u>	<u>7,920</u>
<i>Operating income (loss)</i>	<u>39,863</u>	<u>(7,920)</u>
<i>Non-operating revenues (expenses)</i>		
Interest and dividend income	1,593	297,946
Interest expense	(469,909)	-
<i>Total non-operating revenues (expenses)</i>	<u>(468,316)</u>	<u>297,946</u>
Income (loss) before transfers	<u>(428,453)</u>	<u>290,026</u>
Transfers		
Transfers out	-	(305,964)
<i>Total transfers</i>	<u>-</u>	<u>(305,964)</u>
Change in Net Position	<u>(428,453)</u>	<u>(15,938)</u>
Total Net Position - Beginning	9,805,902	239,964
Prior period adjustment - see note 19	(66,608)	-
Total Net Position - Beginning - restated	9,739,294	239,964
Total Net Position - Ending	<u>\$ 9,310,841</u>	<u>\$ 224,026</u>

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

TOWN OF COVENTRY, RHODE ISLAND
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2014

	Enterprise Funds	Internal Service Fund
	Sewer Fund	Self Insurance Reserve
Cash flows from operating activities		
Cash received from customers	\$ 1,888,205	\$ -
Cash payments to suppliers for goods and services	(1,001,753)	-
Other operating receipts	25,047	-
Net cash provided by (used for) operating activities	911,499	-
Cash flows from non-capital financing activities		
Interfund loans	(6,725)	-
Transfers to other funds	-	(305,964)
Net cash provided by (used for) non-capital financing activities	(6,725)	(305,964)
Cash flows from capital and related financing activities		
Additions to capital assets	(1,159,256)	-
Principal paid on bonds, notes and loans	(7,623,153)	-
Note proceeds	8,719,531	-
Capitalized bond cost	(731,741)	-
Interest paid on notes	(456,075)	-
Net cash provided (used for) capital and related financing activities	(1,250,694)	-
Cash flows from investing activities		
Interest and dividends on investment	1,593	297,946
Change in market value	-	8,018
Net cash provided by (used for) investing activities	1,593	305,964
Net increase (decrease) in cash and cash equivalents	(344,327)	-
Cash and cash equivalents at beginning of year	361,721	-
Cash and cash equivalents at end of year	\$ 17,394	\$ -
Reconciliation of operating income to net cash provided by operating activities		
Operating income (Loss)	\$ 39,863	\$ (7,920)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	567,603	7,920
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(302,218)	-
Increase (decrease) in accounts payable	606,251	-
Total adjustments	871,636	7,920
Net cash provided by operating activities	\$ 911,499	\$ -

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

TOWN OF COVENTRY, RHODE ISLAND
Statement of Fiduciary Net Position
Fiduciary Funds

For the Fiscal Year Ended June 30, 2014

	<u>Police Pension Fund</u>	<u>Municipal Pension Fund</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS				
Cash	\$ 1,125,247	\$ 423,285	\$ 343,271	\$ 2,348,809
Receivables:				
Internal balances	-	-	453,232	-
Total receivables	-	-	453,232	-
Investments, at fair value:				
Fixed income	1,877,274	1,512,409	2,219,944	-
Mutual funds	3,456,696	2,766,298	-	-
Equities	2,709,150	2,169,987	-	-
Total investments	8,043,120	6,448,694	2,219,944	-
Total Assets	9,168,367	6,871,979	3,016,447	2,348,809
LIABILITIES				
Internal balances	-	-	90,000	237,425
Deposits held in custody for others	-	-	-	2,111,384
Total liabilities	-	-	90,000	2,348,809
NET POSITION				
Held in trust for other purposes	\$ 9,168,367	\$ 6,871,979	\$ 2,926,447	

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

TOWN OF COVENTRY, RHODE ISLAND
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2014

	<u>Police Pension Fund</u>	<u>Municipal Pension Fund</u>	<u>Private Purpose Trust Funds</u>
Additions			
Contributions			
Employer contributions	\$ 4,563,733	\$ 1,080,077	\$ -
Plan members contributions	286,418	414,294	-
Total contributions	<u>4,850,151</u>	<u>1,494,371</u>	<u>-</u>
Investment earnings			
Interest and dividends	173,475	142,115	74,552
Net increase (decrease) in fair value of investments	645,148	584,927	242,180
Total investment earnings	<u>818,623</u>	<u>727,042</u>	<u>316,732</u>
Total additions	<u>5,668,774</u>	<u>2,221,413</u>	<u>316,732</u>
Deductions			
Benefits paid	3,436,521	720,601	-
Operating expenses	42,671	31,365	83,770
Total deductions	<u>3,479,192</u>	<u>751,966</u>	<u>83,770</u>
Change in net position	2,189,582	1,469,447	232,962
Net position - beginning of year	6,978,785	5,402,532	2,693,485
Net position - end of year	<u>\$ 9,168,367</u>	<u>\$ 6,871,979</u>	<u>\$ 2,926,447</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, 2014

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, 2014

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 2014:

- * 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 Position and changes in fiduciary Net Position). 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, 2014

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, 2014

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 (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, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place. Revenues, expense, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions should be recognized in accordance with the requirements of Section N50.

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 position) 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 position.

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, 2014

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 position, 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, 2014.

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, 2014

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

Unearned Revenues

Unearned revenues represent funds received in advance of being owed or receivables, which will be collected and included in revenues of future fiscal years.

Deferred Outflows of Resources

Represent a consumption of net position or fund balance by a government that is applicable to a future reporting period. As of the fiscal year ended June 30, 2014 the Town did not recognize any deferred outflows of resources.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and/or balance sheet can report deferred inflows of resources. Deferred inflows of resources represent the acquisition of net position that applies to a future period and which will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2014 the Town had one item qualifying as a deferred inflow of resources in the governmental funds balance sheet. Unavailable tax revenue represents property taxes receivables which are assessed on December 31, 2012 and prior and is not collected within 60 days of June 30, 2014. Net unavailable tax revenue included in the fund financial statements was \$2,446,563 at June 30, 2014. This amount is deferred and will be recognized as an inflow of resources in the years) in which the amounts become available.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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".

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.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues, Expenditures and Expenses

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

Program Revenues and Expenses

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

Property Taxes

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 98.97% of the total December 31, 2012 levy.

The Town's fiscal 2014 property taxes were levied in July of 2013 on assessed valuation as of December 31, 2012. 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-

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014 the Town's debt is under the debt limit by \$97,634,430.

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.

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, 2014, \$9,974,517 of the Town's bank balance of \$21,990,453 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, 2014

NOTE 4 – CASH AND INVESTMENTS (continued)

Cash and investments of the Town consist of the following at June 30, 2014

<i>Cash and Cash Equivalents</i>	
Deposits with financial institutions	\$ 21,990,453
<i>Investments</i>	
<i>Private Purpose Trust Funds:</i>	
Fixed Income Pool	2,219,944
Total Private Purpose Trust Funds	<u>2,219,944</u>
<i>Pension Trust Funds:</i>	
Fixed Income	2,050,396
Corporate Bonds	1,339,287
Mutual Funds	6,222,994
Equities	4,879,137
Total Pension Trust Funds	<u>14,491,814</u>
<i>Internal Service Fund:</i>	
Cash and equivalents	11,146
Total Internal Service	<u>11,146</u>
Total Cash and Investments	<u><u>\$ 38,713,357</u></u>

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

<i>Statement of Net Position</i>	
Cash and cash equivalents	\$ 17,749,841
Investments	11,146
	<u>17,760,987</u>
<i>Fiduciary Funds</i>	
Cash	4,240,612
Investments	16,711,758
	<u>20,952,370</u>
Total Cash and Investments	<u><u>\$ 38,713,357</u></u>

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

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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
Corporate Bonds	\$ 1,339,287	\$ 55,804	\$ 700,151	\$ 387,913	\$ 195,419
Total	\$ 1,339,287	\$ 55,804	\$ 700,151	\$ 387,913	\$ 195,419

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	\$ 77,392
AA2	23,802
AA1	24,963
A3	223,459
A2	381,582
A1	125,896
BAA1	245,124
BAA2	166,634
BAA3	70,435
	<u>\$ 1,339,287</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, 2014

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, 2014 was as follows:

	Primary Government				Ending Balance
	Beginning Balance	Prior period Adjustments	Increases	Decreases	
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 8,910,304	\$ -	\$ -	\$ -	\$ 8,910,304
Construction in Progress	1,463,083	(60,085)	2,324,839	288,270	3,439,567
Total capital assets not being depreciated	<u>10,373,387</u>	<u>(60,085)</u>	<u>2,324,839</u>	<u>288,270</u>	<u>12,349,871</u>
Depreciable assets					
Infrastructure	33,005,324	-	-	-	33,005,324
Buildings & improvements	95,258,711	-	7,047,067	-	102,305,778
Machinery and equipment	1,174,301	-	74,311	4,750	1,243,862
Office equipment and furniture	6,727,733	-	407,534	-	7,135,267
Vehicles	7,379,391	-	388,966	468,912	7,299,445
Total other capital assets at historical cost	<u>143,545,460</u>	<u>-</u>	<u>7,917,878</u>	<u>473,662</u>	<u>150,989,676</u>
Less accumulated depreciation for:					
Infrastructure	32,432,857	-	42,116	-	32,474,973
Buildings & improvements	75,451,311	-	2,422,055	-	77,873,366
Machinery and equipment	1,026,105	-	54,167	4,750	1,075,522
Office equipment and furniture	6,572,919	-	45,562	-	6,618,481
Vehicles	6,311,332	-	297,932	444,842	6,164,422
Total accumulated depreciation	<u>121,794,524</u>	<u>-</u>	<u>2,861,832</u>	<u>449,592</u>	<u>124,206,764</u>
Net Depreciable Assets	<u>21,750,936</u>	<u>-</u>	<u>5,056,046</u>	<u>24,070</u>	<u>26,782,912</u>
Governmental activities capital assets, net	<u>\$ 32,124,323</u>	<u>\$ (60,085)</u>	<u>\$ 7,380,885</u>	<u>\$ 312,340</u>	<u>\$ 39,132,783</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General Government	\$ 21,420
Public safety	112,690
Public Works	292,730
Health and Human Services	18,173
Education	2,221,612
Culture and Recreation	195,207
Total governmental activities depreciation expense	<u>\$ 2,861,832</u>

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 6 – CAPITAL ASSETS (continued)

Capital asset activity for business-type activity for the fiscal year ended June 30, 2014 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>201,795</u>	<u>955,587</u>	<u>-</u>	<u>1,157,382</u>
Total capital assets not being depreciated	<u>343,395</u>	<u>955,587</u>	<u>-</u>	<u>1,298,982</u>
Other capital assets:				
Buildings	158,400	-	-	158,400
Wastewater collection system	<u>26,972,405</u>	<u>183,396</u>	<u>-</u>	<u>27,155,801</u>
Total other capital assets at historical cost	<u>27,130,805</u>	<u>183,396</u>	<u>-</u>	<u>27,314,201</u>
Less accumulated depreciation for:				
Buildings	79,200	7,920	-	87,120
Wastewater collection system	<u>3,570,953</u>	<u>547,330</u>	<u>-</u>	<u>4,118,283</u>
Total accumulated depreciation	<u>3,650,153</u>	<u>555,250</u>	<u>-</u>	<u>4,205,403</u>
Business-type activities capital assets, net	<u>\$ 23,824,047</u>	<u>\$ 583,733</u>	<u>\$ -</u>	<u>\$ 24,407,780</u>

Depreciation expense was charged to functions as follows:

Business-type activities:	
Sewer	\$ 547,330
Internal Service Fund	<u>7,920</u>
Total business-type activities depreciation expense	<u>\$ 555,250</u>

TOWN OF COVENTRY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014
(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 \$12,161,460 differs from the "net position" of governmental activities of \$(19,113,960) 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	\$ 17,732,447	\$ -	-	\$ 17,732,447
Investments	-	-	11,146	11,146
Accounts receivable:				
Real estate & personal property taxes receivable	2,496,062	-	-	2,496,062
Due from federal and state governments	1,745,470	-	-	1,745,470
Other receivables	2,311,713	-	-	2,311,713
Due from other funds	10,224,072	-	(10,224,072)	-
Prepaid expenses	503,461	40,308	-	543,769
Land	-	8,910,304	141,600	9,051,904
Construction in progress	-	3,439,567	-	3,439,567
Depreciable capital assets - net	-	26,782,912	71,280	26,854,192
Total assets	<u>\$ 35,013,225</u>	<u>\$ 39,173,091</u>	<u>(10,000,046)</u>	<u>\$ 64,186,270</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	7,736,876	109,647	-	7,846,523
Due to other funds	11,461,458	-	(10,349,879)	1,111,579
Unearned revenues	1,163	427,498	-	428,661
Other liabilities	1,205,705	-	125,807	1,331,512
Long-term liabilities				
Due within one year	-	3,694,000	-	3,694,000
Due in more than one year	-	68,887,955	-	68,887,955
Total liabilities	<u>20,405,202</u>	<u>73,119,100</u>	<u>(10,224,072)</u>	<u>83,300,230</u>
Deferred inflow of resources	<u>2,446,563</u>	<u>(2,446,563)</u>	<u>-</u>	<u>-</u>
Fund Balances, Deferred Inflows/Net Position				
Total fund balances/net position	12,161,460	(31,499,446)	224,026	(19,113,960)
Total liabilities, deferred inflows of resources and fund balances/net position	<u>\$ 35,013,225</u>	<u>\$ 39,173,091</u>	<u>\$ (10,000,046)</u>	<u>\$ 64,186,270</u>

TOWN OF COVENTRY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014
(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	3,439,567
Cost of capital assets	150,989,676
Accumulated depreciation	(124,206,764)
	\$ 39,132,783

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	\$ 2,446,563
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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	\$ (109,647)
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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	\$ 28,399,000
Bond premium	427,498
Prepaid bond insurance	(40,308)
Accrued compensated absences	3,699,124
Net pension obligation	38,267,910
Net OPEB obligation	2,215,921
	\$ 72,969,145

(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.

The elimination of internal balances of governmental and business type activities.	\$ 224,026
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The reclassification of monies owed to and from fiduciary funds

The elimination of internal balances of governmental and business type activities.	\$ 10,349,879
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The reclassification of monies owed to and from fiduciary funds	\$ 125,807
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TOWN OF COVENTRY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014
(continued)

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

The "net change in the fund balances" for governmental funds (\$7,680,270) differs from the "change in net position" for governmental activities (\$685,804) 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	\$ 64,396,833	\$ 10,531	\$ -	\$ -	\$ -	\$ 64,407,364
Other taxes	920,154	-	-	-	-	920,154
Penalties and interest on taxes	605,797	-	-	-	-	605,797
Licenses, fees and permits	763,051	-	-	-	-	763,051
Investment income	179,288	-	-	297,946	-	477,234
Intergovernmental	31,530,920	-	-	-	-	31,530,920
Contributions and private grants	45,347	-	-	-	-	45,347
Charges for services	2,571,098	-	-	-	-	2,571,098
Miscellaneous	1,001,707	-	-	-	30,075	1,031,782
Total revenues	<u>102,014,195</u>	<u>10,531</u>	<u>-</u>	<u>297,946</u>	<u>30,075</u>	<u>102,352,747</u>
Expenditures						
Current:						
General government	5,500,194	-	21,420	7,920	1,252,774.00	6,782,308
Public safety	11,373,278	-	136,760	-	-	11,510,038
Education	72,187,006	-	2,050,175	-	-	74,237,181
Public works	5,711,332	-	255,993	-	-	5,967,325
Community and economic development	317,526	-	-	-	-	317,526
Health and human services	1,134,964	-	18,173	-	-	1,153,137
Culture and recreation	2,085,701	-	195,207	-	(23,808)	2,257,100
Capital outlay	9,746,273	-	(9,746,273)	-	-	-
Debt service	-	-	-	-	-	-
Principal payments	2,165,000	-	-	-	(2,165,000)	-
Interest and fiscal charges	873,155	(59,219)	-	-	-	813,936
Cost of bond issuance	-	-	-	-	-	-
Total expenditures	<u>111,094,429</u>	<u>(59,219)</u>	<u>(7,068,545)</u>	<u>7,920</u>	<u>(936,034)</u>	<u>103,038,551</u>
Other financing uses/changes in net position						
Net transfers (to) from other funds	305,964	-	-	(305,964)	-	-
Issuance of debt	1,094,000	-	-	-	(1,094,000)	-
Total other financing uses	<u>1,399,964</u>	<u>-</u>	<u>-</u>	<u>(305,964)</u>	<u>(1,094,000)</u>	<u>-</u>
Net change for the year	<u>\$ (7,680,270)</u>	<u>\$ 69,750</u>	<u>\$ 7,068,545</u>	<u>\$ (15,938)</u>	<u>\$ (127,891)</u>	<u>\$ (685,804)</u>

TOWN OF COVENTRY
NOTES TO FINANCIAL STATEMENTS
June 30, 2014
(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.

	10,531
	\$ 10,531

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

	59,219
	\$ 59,219

(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.

	9,954,447
	(2,861,832)
	\$ 7,092,615

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

	(24,070)
	\$ (24,070)
	\$ 7,068,545

(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.

	(15,938)
	\$ (15,938)

(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.

	(544,674)
	(287,194)
	(418,785)
	\$ (1,250,653)

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.

	2,165,000
	(1,094,000)
	30,075
	(2,121)
	23,808
	\$ 1,122,762

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014 was as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Amounts</u> <u>Due within</u> <u>One Year</u>
Governmental Activities					
Bonds Payable	\$ 29,470,000	\$ 1,094,000	\$ 2,165,000	\$ 28,399,000	\$ 3,694,000
Total bonds payable	<u>29,470,000</u>	<u>1,094,000</u>	<u>2,165,000</u>	<u>28,399,000</u>	<u>3,694,000</u>
Other liabilities:					
Notes payable	23,808	-	23,808	-	-
Accrued compensated absences	3,154,450	544,674	-	3,699,124	-
Net pension obligation	37,404,840	863,070	-	38,267,910	-
Net OPEB obligation	1,797,136	418,785	-	2,215,921	-
Total other liabilities	<u>42,380,234</u>	<u>1,826,529</u>	<u>23,808</u>	<u>44,182,955</u>	<u>-</u>
Governmental Activities long-term liabilities	<u>\$ 71,850,234</u>	<u>\$ 2,920,529</u>	<u>\$ 2,188,808</u>	<u>\$ 72,581,955</u>	<u>\$ 3,694,000</u>
Business-Type Activities					
Sewer Department bonds payable	\$ 2,420,000	\$ -	\$ 2,420,000	\$ -	\$ -
Rhode Island Clean Water	2,508,000	-	147,000	2,361,000	149,000
Rhode Island Clean Water	4,147,000	-	223,000	3,924,000	227,000
Rhode Island Clean Water	2,250,153	-	108,036	2,142,117	109,806
Rhode Island Clean Water	2,400,000	-	1,000	2,399,000	1,000
Rhode Island Clean Water	2,399,000	-	1,000	2,398,000	1,000
Rhode Island Clean Water	-	8,225,000	-	8,225,000	405,000
Total bonds and notes payable	<u>16,124,153</u>	<u>8,225,000</u>	<u>2,900,036</u>	<u>21,449,117</u>	<u>892,806</u>
Other liabilities:					
GO Tax Anticipation Notes	5,000,000	-	5,000,000	-	-
Total other liabilities	<u>5,000,000</u>	<u>-</u>	<u>5,000,000</u>	<u>-</u>	<u>-</u>
Total enterprise funds	<u>\$ 21,124,153</u>	<u>\$ 8,225,000</u>	<u>\$ 7,900,036</u>	<u>\$ 21,449,117</u>	<u>\$ 892,806</u>

The following schedule summarizes the Town's bonds and notes

	Interest Rates	Principal	Due Dates
Governmental bonds	2.00% - 4.00%	\$ 28,399,000	2015-2033
Enterprise Funds bonds and notes payable	.47% - 5.08%	21,449,117	2015-2035
Total All Funds		<u>\$ 49,848,117</u>	

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 9 –LONG-TERM LIABILITIES (continued)

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

Fiscal Year Ended June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	3,694,000	816,727	4,510,727
2016	2,580,000	738,025	3,318,025
2017	2,560,000	671,406	3,231,406
2018	2,545,000	605,337	3,150,337
2019	2,520,000	537,889	3,057,889
2020	2,505,000	471,087	2,976,087
2021	2,480,000	402,032	2,882,032
Thereafter	9,515,000	1,686,972	11,201,972
TOTALS	<u>\$ 28,399,000</u>	<u>\$ 5,929,475</u>	<u>\$ 34,328,475</u>

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

Fiscal Year Ended June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	892,806	631,948	1,524,754
2016	1,120,463	619,275	1,739,738
2017	1,153,120	588,027	1,741,147
2018	1,181,777	556,026	1,737,803
2019	1,215,433	522,318	1,737,751
2020	1,250,090	487,403	1,737,493
2021	1,289,632	449,261	1,738,893
Thereafter	13,345,796	2,319,834	15,665,630
TOTALS	<u>\$ 21,449,117</u>	<u>\$ 6,174,092</u>	<u>\$ 27,623,209</u>

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 10 – FUND DEFICITS

The following individual funds had deficit fund equity balances as of June 30, 2014:

Governmental Funds

Special Revenue Funds

School Capital Fund	\$ 3,693	*
Anthony Village	74,220	**
Document Preservation	737	**
Byrne Grant	765	**
Bramley Grant	7,964	**
RIEMA Maple Valley & Franklin	18,296	**
RIEMA Industrial Drive	11,527	**
RIEMA Hammet Ave	6,462	**
RIEMA Johnson Blvd	21,079	**
Recreational Trail Equipment	20,000	**
2011/2012 Resource Sharing	163	**
Help America Vote	194	**
Bullet Proof Grant	2,511	**
Click it or Click it	10,680	**
Isle of Capri Road	520	**
Laurel Ave/Anthony Mill River	21,079	**
Federal Energy Grant 2	13,088	**
March Flood Disaster	106,075	**
RIDOT Leap Road	370,411	**
EDA Flat River Road	1,043,869	**
Blizzard Nemo	97,913	**
Parks & Rec Concession Vendor	4,976	**
Perkins Odd Year	126	**
Perkins VTA	87	**
Perkins VTA Odd Year	1,064	**
RTTT - Educator Effectiveness	21	**
Western After School Academy	3	**
Sports Program	1,765	**
Direct Reimbursement	4,794	*
<i>Capital Project Funds</i>		
Coventry Landfill Fund	526,644	**
Capital Improvement Fund 2014	299,575	**
Capital Improvement Fund 2012	3,207	**

* 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, the Federal Government or external financing.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 11 – NOTES RECEIVABLE

As of June 30, 2014, a balance of \$570,067 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.

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.

As of the end of the fiscal year, June 30, 2014, there have been no requests for payments submitted by the Town of Coventry for this loan.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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, 2014.

	<u>Due from other funds</u>		<u>Due to other funds</u>	
General Fund		\$ 3,409,912		\$ 7,625,841
Special Revenue Funds:				
School Unrestricted	4,391,546		404,773	
School Restricted	383,546		855,766	
School Food Service	21,227		-	
Town Restricted	643,567		1,446,595	
Coventry Landfill Fund	<u>-</u>	5,439,886	<u>523,368</u>	3,230,502
Capital Projects:				
School Improvement	298,640		302,333	
Town Capital Improvement	<u>1,075,634</u>	1,374,274	<u>302,782</u>	605,115
Fiduciary Funds:				
Permanent Funds	453,232		90,000	
Agency Funds	<u>-</u>	453,232	<u>237,425</u>	327,425
Proprietary Funds				
Sewer Fund	1,111,579		-	
Internal Service	<u>-</u>	1,111,579	<u>-</u>	-
Totals		<u>\$ 11,788,883</u>		<u>\$ 11,788,883</u>

NOTE 13 - FUND EQUITY

The following fund balance category reservations are recorded in the financial statements at June 30, 2014:

- **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.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 Rhode Island Department of Environmental Management issued final approval of the remedy for the landfill in November, 2013. The original estimated total cost of the remediation of the landfill was approximately \$6.5 million; however, a combination of factors, including a higher estimate of revenue from the receipt of BUD material and not having to purchase Common Borrow Soils, have reduced the cost to approximately \$4.0 million (of which the Town is obligated under the above Agreement to pay 60%). If the passive groundwater filtration system proves to be ineffective, an active groundwater filtration system will need to be installed at an approximate cost of an additional \$2.0 million (of which the Town is obligated to pay 60% of as well). The determination of the effectiveness of the passive groundwater filtration system will be made in several years.

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 anticipated 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, 2014 were audited in connection with the accompanying financial statements under the Single Audit Concept and the auditor's reports thereon are presented in the Single Audit Report. Management believes that the amounts, if any, of expenditures, which may be disallowed, will not be material to the financial position of the Town.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 - PENSION PLANS

For the fiscal year ended June 30, 2014 the Town has adopted the requirements of the Government Accounting Standards Board GASB Statement No. 67 – *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement, and to defined contribution plans that provide postemployment benefits other than pensions.

Substantially all full-time employees of the Town of Coventry are covered by one of seven 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, 2014, employee membership data related to this plan was as follows:

Active Members	102
Inactive Members	36
Retired Members	<u>67</u>
TOTAL	<u>205</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, 2014

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

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

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, 2014

NOTE 15 - PENSION PLANS – (continued)

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

Summary of Significant Accounting Policies

Investments

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the MERP Board by a majority vote of its members. It is the policy of the MERP Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	50.00%
International equity	15.00%
Fixed income	25.00%
Other	10.00%
Total allocation	100.00%

Rate of return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.76%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net position liability of the Town of Coventry at June 30, 2014, were as follows:

Net Pension Liability of the Town

	<u>June 30, 2014</u>
Total pension liability	\$ 21,074,032
Plan fiduciary net position	6,905,050
Town's net pension liability	\$ 14,168,982
 Plan fiduciary net position as a percentage of the total pension liability	32.77%

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 - PENSION PLANS – (continued)

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

Summary of Significant Accounting Policies

Actuarial Assumptions

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

Valuation date	July 1, 2013
Measurement Date	June 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent
Amortization period	Closed 30 years from July 1, 2012
Asset valuation method	5 Year Smoothed Market Value
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	Graded 6.80% to 3.55%
Amortized growth rate	3.55%
Inflation Rate	2.75%
Cost-of-living adjustments	None
Mortality rate	RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are from our actuary firm Milliman's investment consulting practice as of December 31, 2013.

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	6.11% to 7.67%
International equity	6.57% to 8.89%
Fixed income	1.72% to 4.50%
Other	3.60%

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 - PENSION PLANS (continued)

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

Summary of Significant Accounting Policies

Discount rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Town, calculated using the discount rate of 7.00%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate: 7.00%

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total pension liability	\$ 23,835,297	\$ 21,074,032	\$ 18,742,847
Fiduciary net position	6,905,050	6,905,050	6,905,050
Net position liability	\$ 16,930,247	\$ 14,168,982	\$ 11,837,797

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, 2014.

Annual required contribution	\$ 991,124
Interest on net pension obligation	703,203
Adjustment to annual required contribution	(553,729)
Annual pension cost	1,140,598
Contributions made	1,080,077
Increase in net pension obligation	60,521
Net pension obligation beginning of year	10,045,752
Net pension obligation end of year	\$ 10,106,273

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 - PENSION PLANS (continued)

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

Trend Information Municipal Retirement Plan (Town Plan)

Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Net Pension Obligation	Actual Contribution
2014	991,124	108.97%	10,106,273	1,080,077
2013	1,068,188	72.37%	10,045,752	773,054
2012	986,087	56.70%	9,722,940	559,077

2. Town 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.

As of July 1, 2014 employee membership data related to this plan was as follows:

Active members	56
Inactive members	5
Retired members	79
	140

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.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 - PENSION PLANS (continued)

2. Police Pension Plan

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.

Plan Changes

For members hired after December 31, 2012:

- The employee contribution rate is 12%
- Longevity pay is removed from pensionable compensation.
- Retirement eligibility is 25 years of Credited Service, but no earlier than age 55.
- The final average earnings period is the final 5 years of base compensation.
- The normal benefit equals 50% of the average base pay of the 5 years immediately preceding retirement. For any member who works beyond 25 years, his or her pension benefit shall be increased by 2% for each year worked to a maximum of 60% of the 5-year average base pay.

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

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

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.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 - PENSION PLANS (continued)

2. Police Pension Plan

Summary of Significant Accounting Policies

Investments

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Police Pension Board by a majority vote of its members. It is the policy of the Police Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	50.00%
International equity	15.00%
Fixed income	25.00%
Other	10.00%
Total allocation	100.00%

Rate of return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.81%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net position liability of the Police Pension Plan at June 30, 2014, were as follows:

Net Pension Liability of the Police Pension Plan

	<u>June 30, 2014</u>
Total pension liability	\$ 72,279,898
Plan fiduciary net position	9,190,021
Town's net pension liability	\$ 63,089,877
Plan fiduciary net position as a percentage of the total pension liability	12.71%

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 - PENSION PLANS (continued)

2. Police Pension Plan

Actuarial Assumptions

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

Valuation date	July 1, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent
Amortization period	Closed 26 years from July 1, 2012
Asset valuation method	5 Year Smoothed Market Value
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	Graded 13.55% to 3.75%
Amortized growth rate	3.75%
Inflation Rate	2.75%
Cost-of-living adjustments	For officers retired prior to July 1, 1986 1.50% (compounded) For officers retired after July 1, 1986 (and hired prior to January 1, 1994); 2.50% (compounded) For officers hired on or after January 1, 1994; 2.75% (non compounded)
Mortality rate	RP-2000 Combined Healthy Mortality Table with generational projection per Scale AA

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are from our actuary firm Milliman's investment consulting practice as of December 31, 2013.

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	6.11% to 7.67%
International equity	6.57% to 8.89%
Fixed income	1.72% to 4.50%
Other	3.60%

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 - PENSION PLANS (continued)

Summary of Significant Accounting Policies

Discount rate: The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Town, calculated using the discount rate of 7.00%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate: 7.00%

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total pension liability	\$ 82,584,205	\$ 72,279,898	\$ 63,965,505
Fiduciary net position	9,190,021	9,190,021	9,190,021
Net position liability	\$ 73,394,184	\$ 63,089,877	\$ 54,775,484

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, 2014.

Annual required contribution	\$ 4,481,020
Interest on net pension obligation	1,955,447
Adjustment to annual required contribution	(1,646,061)
Annual pension cost	4,790,406
Contributions made	4,563,733
Increase in net pension obligation	226,673
Net pension obligation beginning of year	27,359,088
Prior period adjustment	575,876
Net pension obligation beginning of year - restated	27,934,964
Net pension obligation end of year	\$ 28,161,637

**TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 15 - PENSION PLANS (continued)

2. Police Pension Plan

Trend Information Police Pension Plan

Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Net Pension Obligation	Actual Contribution
2014	4,481,020	101.85%	28,161,637	4,563,733
2013	4,784,708	68.15%	27,359,088	3,260,756
2012	3,530,006	64.44%	26,304,947	2,274,733

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.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 - PENSION PLANS – (continued)

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

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. Pension related note disclosures and required supplementary information have also not been included for this Plan.

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.

The parties continued to meet during 2014. At the request of the Governor, a representative from the Governor’s Office (Steve Hartford) and the State Director of Revenue (Rosemary Booth Gallogly) started attending meetings in the summer of 2014 to help move the process along. The Department of Municipal Finance offered the services of the state’s consulting actuary, who ran various actuarial scenarios in an effort create a revised FIP that would be favorable to all interested parties. Meetings were held in November and December in which the actuarial scenarios were discussed. At the November meeting, all parties agreed there were sufficient areas of agreement on responsibility for the unfunded liability in order to draft a tentative agreement to present to all bodies for their consideration. This tentative agreement is under review.

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

**TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 15 - PENSION PLANS – (continued)

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

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.

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
2014	688,850	432,389	100%
2013	656,923	412,187	100%
2012	640,323	401,771	100%

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

All Town of Coventry certified school personnel participate in the Employees’ Retirement System of the State of Rhode Island (“ERS”), a cost-sharing multiple-employer defined benefit plan administered by the State of Rhode Island. The payroll for employees covered by the System for the year ended June 30, 2014 was \$33,934,226, which consisted of \$1,050,726 for employees charged to federal programs and \$32,883,500 for all other employees.

Plan Description – 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). Effective July 1, 2012, the State administered retirement system which covers local teachers and certain municipal employees was modified to include both defined benefit and defined contribution plan components. 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

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 - PENSION PLANS (continued)

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

report may be obtained by writing to Employees Retirement System of Rhode Island, 50 Service Avenue, 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.

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.

Funding Policy: The funding policy is outlined in RIGL sections 16-16-22 and 36-10-2 (which can be amended by the Rhode Island General Assembly). Active plan members must contribute 3.75% of his/her compensation. The Town and State are collectively required to contribute at an actuarially determined rate expressed as a percentage of total compensation paid to the active membership. The employer contribution is split and paid 40% by the State and 60% by the school district with the exception of teachers who work in federally funded programs where 100% is paid by the school district and reimbursed by the federal government. For fiscal 2014, the total employer rate of 20.43% was split between 8.17% State share and 12.26% local share.

The amounts contributed to the plan are as follows:

Required Contributions:

Fiscal Yr Ended June 30	Annual Required Pension Cost	Percentage Contributed
2014	3,986,632	100%
2013	4,010,296	100%
2012	4,516,004	100%

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 - PENSION PLANS (continued)

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

For financial reporting purposes, the State's share of contributions is reflected as on-behalf payments and are included as both revenue and expenditures in the accompanying financial statements.

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, 2013
Actuarial cost method	Entry Age
Amortization method	Level Percentage 25 Years
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	4.00-12.75%
Cost-of-living adjustments	2.00%
Inflation Rate	2.75% Annually

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 Statues.

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, 2014 employee membership data related to this plan was as follows:

Active members	8
Inactive members	<u>0</u>
Total	8

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 - PENSION PLANS (continued)

5. School Administration Pension Plan

Required Contributions:

Fiscal Yr Ended June 30,	Annual Required Pension Cost	Percentage Contributed
2014	60,460	100%
2013	45,498	100%
2012	53,588	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 2014, with contributions of \$13,230 being made on their behalf.

Required Contributions:

Fiscal Yr Ended June 30,	Annual Required Pension Cost	Percentage Contributed
2014	18,260	100%
2013	20,250	100%
2012	18,096	100%

7. Defined Contribution Plan

A. State of Rhode Island Defined Contribution Retirement 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, 50 Service Avenue, Warwick, Rhode Island 02886, by calling (401) 462-7600 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.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 - PENSION PLANS (continued)

7. Defined Contribution Plan

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.

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 \$2,566,315 and \$1,012,492, respectively, during the fiscal year ended June 30, 2014.

B. Town Municipal Employee Defined Contribution Retirement Plan

Plan Description

In fiscal year 2014, the Town created a new defined contribution plan for employees hired after July 1, 2013. The Plan, which is a single-employer public employees defined contribution plan, was established by the Town Council in accordance with the Town charter and Federal and State statutes. Under the provisions of the Plan, all employees hired on or after July 1, 2013 are able to participate in a defined contribution plan in which the Town will match employee contributions, up to 10% of an employee's annual base wage, the terms of which shall be negotiated by the parties. Employee contributions are 100% vested from day one of employment.

**TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 15 - PENSION PLANS (continued)

7. Defined Contribution Plan

As of June 30, 2014 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
2014	9,629	100%

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, 2013

Active members -	74
Retired members -	0
Spouses of retirees -	<u>0</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 1/1/1994): 20 years of service
2. Schedule B (hired after 1/1/1994): 23 years of service
3. Schedule C (hired after 1/1/2013): 25 years of service

The cost of benefits is 100% retiree-paid.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

Membership as of July 1, 2013

Active members -	55
Retired members -	9
Spouses of retirees -	<u>6</u>
Total	<u>70</u>

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, 2013

Active members -	435
Retired members -	241
Spouses of retirees -	<u>143</u>
Total	<u>819</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, 2013

Active members -	172
Retired members -	17
Spouses of retirees -	<u>0</u>
Total	<u>189</u>

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014 was \$72,084 for Town employees and \$337,279 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 (a)	Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll ((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%
7/1/2013	-	16,443,000	16,443,000	-	44,842,000	36.67%

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, 2013
Discount Rate	4.00%
Inflation Rate	2.75%
Medical Inflation Rate	6.58% - 4.40% over 79 years
Dental Inflation Rate	3.00%
Actuarial Cost Method:	Projected Unit Credit Cost Method
Asset Valuation Method:	Plan is currently unfunded
Payroll Growth Rate:	4.00%
Amortization Method:	Level dollar

THREE YEAR TREND INFORMATION

Fiscal Yr Ended June 30,	Annual OPEB Cost	Actual Contribution	% of OPEB Cost Contributed
2014	1,195,785	777,000	64.98%
2013	1,171,256	838,000	71.55%
2012	1,253,675	827,000	65.97%

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014:

Annual Required Contribution	\$	1,252,000
Interest on OPEB		71,885
Adjustments to ARC		(128,100)
Annual OPEB Cost		1,195,785
Contributions made		777,000
Increase (decrease) in Net OPEB Obligation		418,785
Net OPEB obligation beginning of year		1,797,136
Net OPEB obligation end of year	\$	2,215,921

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, 2014

NOTE 17 – RISK MANAGEMENT (continued)

Self-insurance:

The School Department participates in a multi-employer cost reimbursement healthcare self-insurance risk pool managed by West Bay Community Health (WBCH). The School Department pays WBCH monthly premiums based upon "working rates" that are periodically adjusted to reflect changes in actual costs. Funds on deposit with WBCH are made available to pay claims, claim reserves and administrative costs. As of June 30, 2014, the reported premiums exceeded expenditures on deposit by \$954,719. Incurred but not reported (IBNR) claims, of \$392,553 resulted in a \$2,215,589 balance in the net adjusted reserve.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for IBNR claims. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, including retroactive assessments for hospital costs and other settlements occurring after the end of the fiscal year and not determinable at the end of the fiscal year. An excess coverage insurance policy covers individual claims exceeding \$125,000.

Changes in the deposit balance for fiscal year 2014 is as follows:

	Year ended June 30, 2014
Beginning cumulative surplus (deficit)	\$ 1,702,034
Premium deposits	8,712,025
Incurred claims (excluding IBNR)	(7,757,306)
Administrative fees	<u>(48,611)</u>
Ending cash deposit balance	2,608,142
Estimated IBNR (two month estimate)	(392,553)
Run out reserve balance	<u>514,761</u>
Net adjusted reserve	<u><u>\$ 2,730,350</u></u>

NOTE 18 – SUBSEQUENT EVENT

Management has evaluated subsequent events through January 20, 2015 the date the financial statements were available to be issued.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 19 – PRIOR PERIOD ADJUSTMENTS

Governmental Funds – Fund Balance

As required by the Government Accounting Standards Board GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions* the Town has discontinued reporting several funds as special revenue funds and instead has combined them into the General Fund for financial statement reporting in the current fiscal year. These funds' prior years cumulative fund balance of \$755,497 will now be reported within the General Fund. This adjustment of beginning fund balance has no effect on the cumulative net position of the Town. Additionally, as part of GASB Statement No. 54, the Town recognized as separate funds, financial activity that was previously disclosed through revolving balance sheet accounts in prior years. This adjustment reflects prior years' activity of \$128,790.

In fiscal year 2014, the Town has recorded a liability for a judgment against it for 2009-2012 property tax amounts collected in error from the Springfield Armory. The judgment ruled against the Town results in funds in the amount of \$445,417 being set aside to pay this amount which is reflected by restating fund balance in the prior year.

In fiscal year 2014 the Town restated the General Funds prior years fund balance to recognize additional revenue in the amount of \$143,534 for old tax sale figures from prior years.

Additionally, several accounts with deficit balances in the General Fund were written off and funded by old fund balance figures resulting in a decrease of fund balances in the amount of \$21,313.

The combined effect of all these prior-period adjustments is a decrease of beginning fund balances in the Governmental Funds by the amount of \$151,780.

Governmental Activities – Net Position

A prior-period adjustment was recognized to accurately present the beginning net position of the Government-Wide financial statements as of July 1, 2013. The Net Pension Obligation for the police pension plan was increased by \$575,876 as of July 1, 2013 due to an amended actuary report for that period received after the fiscal year 2013 financial statements were issued.

As required by the Government Accounting Standards Board GASB Statement No. 65 – *Items Previously Reported as Assets and Liabilities* the Government-Wide Statement of Activities for Governmental Activities has discontinued amortizing bond issuance cost. The previously recorded costs of issuance were being amortized over the life of the debt. This restatement resulted in a reduction of the prior year's net position by \$551,223.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 19 – PRIOR PERIOD ADJUSTMENTS (continued)

Net Position – Proprietary Funds

As required by the Government Accounting Standards Board GASB Statement No. 65 – *Items Previously Reported as Assets and Liabilities* the Sewer Fund has discontinued amortizing bond issuance cost. The previously recorded costs of issuance were being amortized over the life of the debt. This restatement resulted in a reduction of the prior year’s net position by \$66,608.

NOTE 20 – CORRECTION OF ERROR

In April of 2013 the Town issued bonds through the Rhode Island Health and Educational Building Corporation in the amount of \$12,520,000. The bond was issued to fund various capital projects and to refund a 2003 bond issuance in the amount of \$4,000,000. The bond issuance and the resulting financial activity was never reflected on the Town’s financial statements for the fiscal year ended June 30, 2013. As a result of this error, the net position of the governmental activities and the fund balance of the Other Governmental Funds at the beginning of the year have been restated. The following restatements were recorded to the beginning net position of the governmental activities:

	GOVERNMENTAL ACTIVITIES
Net Position - June 30, 2013 as previously reported	\$ (17,018,614)
Adjustments:	
Issuance of new debt	(12,520,000)
Retirement of old debt	4,000,000
Increase in cash from bond issuance	8,392,515
Increase in construction in progress	288,270
Bond issuance cost	212,846
Bond premium	(282,217)
Increase in accounts payable	(91,415)
Increase in accrued interest	(70,577)
Net Position - July 1, 2013 as Restated	\$ (17,089,192)
Net (decrease) in Net Position	\$ (70,578)

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 20 – CORRECTION OF ERROR (continued)

The following restatements were recorded to the beginning fund balance of the Other Governmental Funds:

		<u>OTHER GOVERNMENTAL FUNDS</u>
Fund Balance - June 30, 2013 as previously reported	\$	661,824
Adjustments:		
Issuance of new debt		12,520,000
Retirement of old debt		(4,000,000)
Expenditures		(288,270)
Bond issuance cost		(212,846)
Bond premium		282,217
Fund Balance - July 1, 2013 as Restated	\$	<u>8,962,925</u>
Net increase in Fund Balance	\$	8,301,101

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, 2014

	<u>Original Budgeted</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
General property taxes	\$ 65,035,068	\$ 65,035,068	\$ 64,396,833	\$ (638,235)
Other taxes	825,000	825,000	920,154	95,154
Intergovernmental revenue	1,638,762	1,638,762	1,556,915	(81,847)
Licenses, fees and permits	662,198	662,198	757,962	95,764
Fines and interest on late payments	258,891	258,891	600,709	341,818
Interest on investments	150,000	150,000	178,414	28,414
Other revenue	439,802	439,802	721,087	281,285
Total revenues	<u>69,009,721</u>	<u>69,009,721</u>	<u>69,132,074</u>	<u>122,353</u>
Expenditures:				
Legislative, judicial and general administrative	1,533,200	1,533,200	1,701,725	(168,525)
Financial administrative	701,748	701,748	694,581	7,167
Public safety	11,511,015	11,511,015	11,267,635	243,380
Public works	5,156,873	5,156,873	5,156,065	808
Parks & Recreation	2,047,631	2,047,631	2,002,384	45,247
Human resources	792,911	792,911	775,087	17,824
Planning & Development	325,532	325,532	302,133	23,399
General government	3,108,583	3,108,583	2,886,406	222,177
Debt service:				
Principal payments	2,145,000	2,145,000	2,165,000	(20,000)
Interest and fiscal charges	1,020,500	1,020,500	873,155	147,345
Total expenditures	<u>28,342,993</u>	<u>28,342,993</u>	<u>27,824,171</u>	<u>518,822</u>
Excess/(deficiency) of revenues over expenditures	<u>40,666,728</u>	<u>40,666,728</u>	<u>41,307,903</u>	<u>641,175</u>
Other financing sources/(uses):				
Use of prior years surplus	1,900,000	1,900,000	1,900,000	-
Transfers (to) other funds	(86,000)	(86,000)	(448,463)	(362,463)
Transfers from other funds	-	-	416,462	416,462
School appropriation	(42,480,728)	(42,480,728)	(42,480,728)	-
Total other financing sources	<u>(40,666,728)</u>	<u>(40,666,728)</u>	<u>(40,612,729)</u>	<u>53,999</u>
Excess/(deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 695,174</u>	<u>\$ 695,174</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, 2014

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
General property taxes				
Real Estate Taxes - Current	\$ 57,521,418	\$ 57,521,418	\$ 56,626,583	\$ (894,835)
Real Estate Taxes - Prior	400,000	400,000	610,473	210,473
Real Estate Taxes - Debt Service	1,623,669	1,623,669	1,623,669	-
Motor Vehicle Excise Tax	<u>5,005,000</u>	<u>5,005,000</u>	<u>5,051,127</u>	<u>46,127</u>
Total general property taxes	<u>64,550,087</u>	<u>64,550,087</u>	<u>63,911,852</u>	<u>(638,235)</u>
Other Taxes				
Telephone Tax	400,000	400,000	474,601	74,601
Hotel Tax	75,000	75,000	76,774	1,774
Meal and Beverage Tax	<u>350,000</u>	<u>350,000</u>	<u>368,779</u>	<u>18,779</u>
Total other taxes	<u>825,000</u>	<u>825,000</u>	<u>920,154</u>	<u>95,154</u>
Intergovernmental Revenue				
State Aid School Housing	1,142,850	1,142,850	1,132,352	(10,498)
Payment in Lieu of Taxes	55,000	55,000	112,085	57,085
State Aid to Libraries	215,315	215,315	96,891	(118,424)
State Reimbursement Auto Tax	<u>225,597</u>	<u>225,597</u>	<u>215,587</u>	<u>(10,010)</u>
Total Intergovernmental Revenue	<u>1,638,762</u>	<u>1,638,762</u>	<u>1,556,915</u>	<u>(81,847)</u>
Licenses and Permits				
Building Permits	110,000	110,000	155,152	45,152
Recording Fees	250,000	250,000	308,419	58,419
Probate Fees	40,000	40,000	57,383	17,383
Marriage Licenses	1,500	1,500	1,488	(12)
Dog Licenses	20,000	20,000	15,883	(4,117)
Animal Rescue Fees	10,000	10,000	9,206	(794)
Realty Fees	40,000	40,000	40,000	-
Alcoholic Beverage Licenses	25,000	25,000	24,030	(970)
Hunting and Fishing Licenses	25	25	26	1
Library Fees	22,000	22,000	24,103	2,103
Planning Commission Fees	15,000	15,000	8,550	(6,450)
Planning Commission Steno Fees	5,000	5,000	1,645	(3,355)
Miscellaneous Fees	<u>123,673</u>	<u>123,673</u>	<u>112,077</u>	<u>(11,596)</u>
Total Licenses and Permits	<u>662,198</u>	<u>662,198</u>	<u>757,962</u>	<u>95,764</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, 2014
(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	258,891	258,891	600,709	341,818
Total Fines and Interest on Late Payments	<u>258,891</u>	<u>258,891</u>	<u>600,709</u>	<u>341,818</u>
Interest on Investments				
Interest Earnings	150,000	150,000	178,414	28,414
Total Interest on Investments	<u>150,000</u>	<u>150,000</u>	<u>178,414</u>	<u>28,414</u>
Other Revenue				
Police Car Rental	37,802	37,802	94,154	56,352
Municipal Court	75,000	75,000	36,640	(38,360)
Land Trust Fees	200,000	200,000	271,061	71,061
Miscellaneous Receipts	115,000	115,000	307,954	192,954
Real Estate Debt Service	398,981	398,981	398,981	-
Capital Improvement	86,000	86,000	86,000	-
Lease Buy Out	12,000	12,000	11,278	(722)
Total Other Revenue	<u>924,783</u>	<u>924,783</u>	<u>1,206,068</u>	<u>281,285</u>
Total Revenue	<u>69,009,721</u>	<u>69,009,721</u>	<u>69,132,074</u>	<u>122,353</u>
Other Financing Sources and transfers				
Use of prior years surplus	1,900,000	1,900,000	1,900,000	-
Transfer from Other Funds	-	-	416,462	416,462
Total Other Financing Sources	<u>1,900,000</u>	<u>1,900,000</u>	<u>2,316,462</u>	<u>416,462</u>
Total Town Revenue	<u>\$ 70,909,721</u>	<u>\$ 70,909,721</u>	<u>\$ 71,448,536</u>	<u>\$ 538,815</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, 2014

	<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	\$ 23,765	\$ 2,076
Town Manager	308,315	308,315	310,799	(2,484)
Information Technology	367,520	367,520	360,098	7,422
Town Clerk	281,364	281,364	284,656	(3,292)
Town Solicitor	414,900	414,900	607,056	(192,156)
Board of Canvassers	70,488	70,488	55,985	14,503
Probate Court	19,197	19,197	17,801	1,396
Municipal Court	45,575	45,575	41,565	4,010
Total Legislative, Judicial and General Administrative	<u>1,533,200</u>	<u>1,533,200</u>	<u>1,701,725</u>	<u>(168,525)</u>
Financial Administration				
Treasurer	301,467	301,467	307,190	(5,723)
Board of Assessment Review	4,299	4,299	3,337	962
Tax Assessor	179,558	179,558	169,782	9,776
Tax Collector	216,424	216,424	214,272	2,152
Total Financial Administration	<u>701,748</u>	<u>701,748</u>	<u>694,581</u>	<u>7,167</u>
Public Safety				
Police	11,249,629	11,249,629	11,027,035	222,594
Animal Control	207,166	207,166	205,622	1,544
Emergency Management	22,050	22,050	3,919	18,131
Town Sergeant	2,311	2,311	2,310	1
Crossing Guards	29,859	29,859	28,749	1,110
Total Public Safety	<u>11,511,015</u>	<u>11,511,015</u>	<u>11,267,635</u>	<u>243,380</u>
Public Works				
Engineering	96,174	96,174	96,757	(583)
Inspection and Permits	219,621	219,621	223,799	(4,178)
Roads and Bridges	1,781,615	1,781,615	1,680,619	100,996
Snow Removal	246,237	246,237	383,914	(137,677)
Building Maintenance	321,244	321,244	397,067	(75,823)
Refuse Collection	767,867	767,867	712,776	55,091
Refuse Disposal	695,447	695,447	638,909	56,538
Vehicle Maintenance	1,028,668	1,028,668	1,022,224	6,444
Total Public Works	<u>5,156,873</u>	<u>5,156,873</u>	<u>5,156,065</u>	<u>808</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, 2014
Continued

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Human Resources				
Human Services	792,911	792,911	775,087	17,824
Total Human Resources	<u>792,911</u>	<u>792,911</u>	<u>775,087</u>	<u>17,824</u>
Parks and Recreation				
Public Libraries	966,735	966,735	977,521	(10,786)
Recreation	1,080,896	1,080,896	1,024,863	56,033
Total Parks and Recreation	<u>2,047,631</u>	<u>2,047,631</u>	<u>2,002,384</u>	<u>45,247</u>
Planning and Development				
Planning Commission	17,919	17,919	11,532	6,387
Planning Department	284,384	284,384	274,937	9,447
Zoning Board	12,674	12,674	10,586	2,088
Conservation Commission	1,120	1,120	-	1,120
Land Trust Commission	867	867	304	563
Economic Development	4,515	4,515	576	3,939
Coventry Housing Authority	4,053	4,053	4,198	(145)
Total Planning and Development	<u>325,532</u>	<u>325,532</u>	<u>302,133</u>	<u>23,399</u>
General Government				
Town General	3,108,583	3,108,583	2,886,406	222,177
Total General Government	<u>3,108,583</u>	<u>3,108,583</u>	<u>2,886,406</u>	<u>222,177</u>
Debt Service				
Principal	2,145,000	2,145,000	2,165,000	(20,000)
Interest	1,020,500	1,020,500	873,155	147,345
Total Debt Service	<u>3,165,500</u>	<u>3,165,500</u>	<u>3,038,155</u>	<u>127,345</u>
Other Financing Uses				
Transfers to School Unrestricted	42,480,728	42,480,728	42,480,728	-
Transfers to Land Trust	-	-	154,906	(154,906)
Transfers to capital improvement fund	86,000	86,000	86,000	-
Transfers to Other Funds	-	-	207,557	(207,557)
Total Other Uses	<u>42,566,728</u>	<u>42,566,728</u>	<u>42,929,191</u>	<u>(362,463)</u>
Total Expenditures and Other Financing Uses	<u><u>\$ 70,909,721</u></u>	<u><u>\$ 70,909,721</u></u>	<u><u>\$ 70,753,362</u></u>	<u><u>\$ 156,359</u></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, 2014

	Original Budget	Final Budget	Actual	Variance
Revenues				
State Aid	\$ 20,429,797	\$ 20,228,442	\$ 20,333,806	\$ 105,364
Federal Aid	550,000	600,000	645,714	45,714
Charges for Service	1,146,673	1,195,173	1,056,974	(138,199)
Miscellaneous	60,000	60,000	78,366	18,366
Total revenues	<u>22,186,470</u>	<u>22,083,615</u>	<u>22,114,860</u>	<u>31,245</u>
Expenditures				
Salaries	41,680,590	41,860,923	41,652,233	208,690
Employee benefits	14,832,570	14,579,865	14,369,413	210,452
Purchased services	5,451,696	5,591,637	6,264,876	(673,239)
Supplies and materials	2,232,756	2,061,742	2,027,029	34,713
Capital outlay	584,332	584,332	510,710	73,622
Other	236,597	237,187	46,983	190,204
Total expenditures	<u>65,018,541</u>	<u>64,915,686</u>	<u>64,871,244</u>	<u>(44,442)</u>
Excess of revenues over (under) expenditures before other financing sources	(42,832,071)	(42,832,071)	(42,756,384)	75,687
Other financing sources (uses)				
Operating transfers - Town appropriation	42,480,728	42,480,728	42,480,728	-
Transfer from other funds	-	-	40,000	40,000
Transfer from Self Insurance Fund	175,000	175,000	175,000	-
Budgeted use of Fund Balance	176,343	176,343	176,343	-
Total other financing sources/(uses)	<u>42,832,071</u>	<u>42,832,071</u>	<u>42,872,071</u>	<u>40,000</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,687</u>	<u>\$ 115,687</u>

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

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, 2014 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)	\$ 695,174	\$ 115,687
State on-behalf pension contributions	-	2,896,488
State on-behalf pension expenditures	-	(2,896,488)
Excess of revenues and other sources over expenditures and other uses of funds classified with the General Fund for purposes of GASB Statement No. 54	153,047	-
Use of accumulated fund balance surplus	(1,900,000)	(176,343)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ (1,051,779)</u>	<u>\$ (60,656)</u>

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

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)
7/1/2014	\$ 6,725,129	\$ 20,895,296	\$14,170,167	32%	\$ 5,412,437	262%
7/1/2013	5,393,158	19,828,004	14,434,846	27%	5,382,148	268%
7/1/2012	4,767,626	18,879,262	14,111,636	25%	5,469,059	258%
7/1/2011	4,385,296	17,352,354	12,967,058	25%	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%

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	\$ 9,194,265	\$ 71,422,624	\$62,228,359	13%	\$ 3,144,906	1979%
7/1/2013	7,183,249	69,982,149	62,798,900	10%	3,047,317	2061%
7/1/2012	6,899,524	69,397,077	62,497,553	10%	3,124,718	2000%
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%

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

Schedule of Changes in Net Pension Liability and Related Ratios
Coventry Police Officers Retirement Plan
(in 1,000s)

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Pension Liability										
Service Cost	\$ 903	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on Total Pension Liability	4,844	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Plan Changes	(12)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Economic/Demographic Gains or Losses	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Assumption Changes or Inputs	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit Payments	(3,437)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Change in Total Pension Liability	2,298	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Pension Liability, beginning	69,982	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Pension Liability, ending (a)	72,280	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position										
Employer Contributions	\$ 4,564	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member Contributions	306	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment Income Net of Investment Expenses	784	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit Expenses	(3,437)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Expenses	(6)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Change in Fiduciary net Position	2,211	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position, beginning	6,979	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net Position, ending (b)	9,190	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability, ending = (a) - (b)	63,090	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position as a % of Total Pension Liability	12.71%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Payroll	\$ 3,125	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a % of Covered Payroll	2018.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

Schedule of Changes in Net Pension Liability and Related Ratios
Coventry Municipal Employees Retirement Plan
(in 1,000s)

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Pension Liability										
Service Cost	\$ 539	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on Total Pension Liability	1,402	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Plan Changes	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Economic/Demographic Gains or Losses	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Assumption Changes or Inputs	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit Payments	(695)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Change in Total Pension Liability	1,246	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Pension Liability, beginning	19,828	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Pension Liability, ending (a)	21,074	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position										
Employer Contributions	\$ 1,080	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member Contributions	447	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment Income Net of Investment Expenses	671	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit Expenses	(695)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Expenses	(2)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Change in Fiduciary net Position	1,503	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position, beginning	5,403	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net Position, ending (b)	6,906	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability, ending = (a) - (b)	14,168	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position as a % of Total Pension Liability	32.77%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Payroll	\$ 5,469	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a % of Covered Payroll	259.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

Schedule of Town Contributions
Last 10 Fiscal Years
Coventry Municipal Employees Retirement Plan

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 991,124	1,068,188	986,087	887,077	806,558	806,558	1,361,081	N/A	N/A	N/A
Contributions in relation to the actuarially determined contribution	1,080,077	773,054	559,077	442,837	550,000	550,000	784,442	N/A	N/A	N/A
Contribution deficiency/(excess)	(88,953)	295,134	427,010	444,240	256,558	256,558	576,639	N/A	N/A	N/A
Covered payroll per employee	5,469,059	5,289,322	5,486,026	5,275,025	N/A	5,191,876	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	19.75%	14.62%	10.19%	8.39%	N/A	10.59%	N/A	N/A	N/A	N/A

Schedule of Investment Returns
Last 10 Fiscal Years
Coventry Municipal Employees Retirement Plan

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Annual money-weighted rate of return, net of investment expense	11.76%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

Schedule of Town Contributions
Last 10 Fiscal Years
Coventry Police Officers Retirement Plan

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 4,481,020	4,784,708	3,530,006	3,278,626	3,084,953	3,084,953	4,071,928	N/A	N/A	N/A
Contributions in relation to the actuarially determined contribution	4,563,733	3,260,756	2,274,733	2,274,733	2,274,733	2,274,733	2,769,961	N/A	N/A	N/A
Contribution deficiency/(excess)	(82,713)	1,523,952	1,255,273	1,003,893	810,220	810,220	1,301,967	N/A	N/A	N/A
Covered payroll per employee	3,124,718	3,246,617	3,513,681	3,378,540	N/A	3,598,495	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	146.05%	100.44%	64.74%	67.33%	N/A	63.21%	N/A	N/A	N/A	N/A

Schedule of Investment Returns
Last 10 Fiscal Years
Coventry Police Officers Retirement Plan

	Fiscal Year Ending June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Annual money-weighted rate of return, net of investment expense	10.81%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period.

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2014

	Special Revenue		Special Revenue		School Food Service	School Improvement Capital Fund	Town Capital Improvement Funds	Totals
	Restricted Town	Restricted School	Restricted School	Restricted School				
ASSETS								
Cash	\$ 970,485	\$ -	\$ 151,736	\$ -	\$ -	\$ 1,007,755	\$ 2,129,976	
Other receivables	-	80,405	-	-	-	-	80,405	
Intergovernmental receivables	512,576	1,037,497	178,787	-	-	-	1,728,860	
Due from other funds	643,567	383,546	21,227	298,640	-	1,075,634	2,422,614	
Total assets	\$ 2,126,628	\$ 1,501,448	\$ 351,750	\$ 298,640	\$ -	\$ 2,083,389	\$ 6,361,855	
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 1,240,079	\$ 4,076	\$ 291,690	\$ -	\$ -	\$ -	\$ 1,535,845	
Due to other funds	1,446,595	855,766	-	302,333	-	302,782	2,907,476	
Accrued salaries	-	237,840	-	-	-	-	237,840	
Unearned revenue	-	1,163	-	-	-	-	1,163	
Total liabilities	2,686,674	1,098,845	291,690	302,333	\$ -	302,782	4,682,324	
Fund balances (deficits)								
<i>Restricted for:</i>								
Educational programs	-	410,463	-	-	-	-	410,463	
Public safety programs	180,043	-	-	-	-	-	180,043	
Culture and recreation	105,921	-	-	-	-	-	105,921	
Health & human services	85,008	-	60,060	-	-	-	145,068	
<i>Committed for:</i>								
Public works programs	101,433	-	-	-	-	2,083,389	2,184,822	
Culture and recreation	795,102	-	-	-	-	-	795,102	
Unassigned	(1,827,553)	(7,860)	-	(3,693)	-	(302,782)	(2,141,888)	
Fund balances (deficits)	(560,046)	402,603	60,060	(3,693)	\$ -	1,780,607	1,679,531	
Total liabilities and fund balances	\$ 2,126,628	\$ 1,501,448	\$ 351,750	\$ 298,640	\$ -	\$ 2,083,389	\$ 6,361,855	

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, 2014

	Special Revenue Restricted Town	Special Revenue Restricted School	School Food Service	School Improvement Capital Fund	Town Capital Improvement Funds	Totals
REVENUES						
Intergovernmental	\$ 2,319,543	\$ 3,059,096	\$ 705,378	\$ 13,640	\$ 340	\$ 6,097,997
Charges for service	558,028	-	732,666	-	-	1,290,694
Investment income	873	-	1	-	-	874
Contributions and private grants	45,347	-	-	-	-	45,347
Other	843	130,722	69,089	-	-	200,654
Total Revenues	2,924,634	3,189,818	1,507,134	13,640	340	7,635,566
EXPENDITURES						
Executive and administration	163,436	-	-	-	-	163,436
Public safety	104,721	-	-	-	-	104,721
Public works	434,849	-	-	-	105,002	539,851
Community and economic development	15,393	-	-	-	-	15,393
Health and human services	355,070	-	-	-	-	355,070
Health & recreation	796	-	-	-	-	796
Education	-	3,082,441	1,302,185	34,648	-	4,419,274
Capital expenditures	2,127,620	-	-	-	7,618,653	9,746,273
Total Expenditures	3,201,885	3,082,441	1,302,185	34,648	7,723,655	15,344,814
Excess of revenues over (under) Expenditures	(277,251)	107,377	204,949	(21,008)	(7,723,315)	(7,709,248)
Other Financing Sources (uses)						
Operating transfers in	66,245	-	-	-	332,682	398,927
Operating transfers out	(43,809)	-	-	-	(267,767)	(311,576)
Issuance of debt	-	-	-	-	1,094,000	1,094,000
Total other financing sources	22,436	-	-	-	1,158,915	1,181,351
Excess of revenues and other sources over (under) expenditures and other uses	(254,815)	107,377	204,949	(21,008)	(6,564,400)	(6,527,897)
FUND BALANCE - July 1, 2013	450,266	295,226	(144,889)	17,315	8,345,007	8,962,925
Prior period adjustment see note 20	(755,497)	-	-	-	-	(755,497)
FUND BALANCE - July 1, 2013 - Restated	(305,231)	295,226	(144,889)	17,315	8,345,007	8,207,428
FUND BALANCE - June 30, 2014	(560,046)	\$ 402,603	\$ 60,060	\$ (3,693)	\$ 1,780,607	\$ 1,679,531

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2014

	209	210	211	225	230	245	246
	Legislative	Friends of	Project	Anthony	Bramley	Paine Field	Mapleroot
	Inman	Human	Friends	Village	Grant	Skatepark	Cemetery
	Grant	Services	Friends	Village	Grant	Skatepark	Cemetery
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	-	-
Due from other funds	10,000	4,000	204,008	-	-	-	1,500
Total assets	\$ 10,000	\$ 4,000	\$ 204,008	\$ -	\$ -	\$ -	\$ 1,500
LIABILITIES AND FUND BALANCES							
Liabilities							
Due to other funds	\$ -	\$ -	\$ -	\$ 74,220	\$ 7,654	\$ -	\$ -
Accounts payable	-	-	1,027	-	310	-	-
Total liabilities	-	-	1,027	74,220	7,964	-	-
Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Health and human services	10,000	-	-	-	-	-	-
<i>Committed for:</i>							
Public works programs	-	-	-	-	-	-	1,500
Culture and recreation	-	4,000	202,981	-	-	-	-
<i>Unassigned</i>	-	-	-	(74,220)	(7,964)	-	-
Total fund balances (deficits)	10,000	4,000	202,981	(74,220)	(7,964)	-	1,500
Total liabilities and fund balances	\$ 10,000	\$ 4,000	\$ 204,008	\$ -	\$ -	\$ -	\$ 1,500

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2014

	255	262	265	267	276	277	278
	Document	Drug Seizure	Teen Center	Byrne	Resource	E-Citation	Anthony
	Preservation	Fund	Operations	Grant	Sharing	Grant	Project
\$	-	\$ 57,930	-	\$ -	-	\$ -	-
	-	-	-	15,227	-	-	-
	-	466	6,878	-	9,266	-	-
\$	-	\$ 58,396	\$ 6,878	\$ 15,227	\$ 9,266	\$ -	\$ -
ASSETS							
	Cash						
	Intergovernmental receivables						
	Due from other funds						
	Total assets						
LIABILITIES AND FUND BALANCES							
Liabilities							
\$	737	\$ -	-	\$ 15,992	-	\$ -	-
	-	-	-	-	9,429	-	-
	737	-	-	15,992	9,429	-	-
Fund balances (deficits)							
<i>Restricted for:</i>							
	-	58,396	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	6,878	-	-	-	-
<i>Committed for:</i>							
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	(737)	-	-	(765)	(163)	-	-
	(737)	58,396	6,878	(765)	(163)	-	-
\$	-	\$ 58,396	\$ 6,878	\$ 15,227	\$ 9,266	\$ -	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2014

	280	281	282	283	285	288	205
	Beadoin Property Acquisition	RIEMA Maple Valley & Franklin	RIEMA Industrial Drive	RIEMA Hammet Road	RIEMA Johnson Blvd Drainage	Recreational Trail Equipment	Legislative Grant Raptakis
\$	-	-	-	-	-	-	-
\$	-	-	-	-	-	-	1,463
\$	-	-	-	-	-	-	1,463

ASSETS

Cash
Intergovernmental receivables
Due from other funds
Total assets

LIABILITIES AND FUND BALANCES

Liabilities

Due to other funds
Accounts payable
Total liabilities

Fund balances (deficits)

Restricted for:

Public safety programs
Culture and recreation
Health and human services
Committed for:

Public works programs
Culture and recreation
Unassigned

Total fund balances (deficits)
Total liabilities and fund balances

\$	-	18,296	11,527	6,462	21,079	20,000	-
-	-	-	-	-	-	-	1,463
-	18,296	11,527	6,462	21,079	20,000	-	1,463
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(18,296)	(11,527)	(6,462)	(21,079)	(20,000)	-	-
-	(18,296)	(11,527)	(6,462)	(21,079)	(20,000)	-	-
\$	-	-	-	-	-	-	1,463

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2014

	206	302	303	306	289	309	310
	Senior	Calea ETC	Bulletproof	DUI/Speed	Isle of	US Fish &	Laurel Ave/
	Center	Grant	Vests	Click it	Capri Road	Wildlife	Anthony Mill
	Operations			or Ticket		Sandy Acre	River
\$	-	-	-	-	-	-	-
\$	-	-	-	-	-	78,940	407
						78,940	407,515

ASSETS

Cash
Intergovernmental receivables
Due from other funds
Total assets

LIABILITIES AND FUND BALANCES

Liabilities

Due to other funds
Accounts payable
Total liabilities

Fund balances (deficits)

Restricted for:
Public safety programs
Culture and recreation
Health and human services
Committed for:
Public works programs
Culture and recreation
Unassigned
Total fund balances (deficits)
Total liabilities and fund balances

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2014

	321	322	323	326	327	330	332
	Federal	MEDS	East Shore	Federal	Federal	March Flood	Tropical Storm
	Energy	Grant	Drive	Energy	Energy	Disaster	Irene 2011
	Grant I		Stormwater	Grant 2	Grant 3		
\$	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	1,885	25,096	-	-	49,682	-	11,730
\$	1,885	25,096	-	-	49,682	-	11,730

ASSETS

Cash
Intergovernmental receivables
Due from other funds
Total assets

LIABILITIES AND FUND BALANCES

Liabilities

Due to other funds
Accounts payable
Total liabilities

Fund balances (deficits)

Restricted for:

Public safety programs
Culture and recreation
Health and human services

Committed for:

Public works programs
Culture and recreation
Unassigned

Total fund balances (deficits)
Total liabilities and fund balances

\$	-	-	-	13,088	-	106,075	-
	-	-	-	-	-	-	-
	-	-	-	13,088	-	106,075	-
	-	-	-	-	-	-	-
	1,885	25,096	-	-	49,682	-	11,730
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	(13,088)	-	(106,075)	-
	1,885	25,096	-	(13,088)	49,682	(106,075)	11,730
\$	1,885	25,096	-	-	49,682	-	11,730

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2014

	333	334	335	336	337	400	404
	RIDOT	Sandy Bottom	EDA	Hurricane	Blizzard	Food	Fire District
	Leap Road	Riverbank	Flat River	Sandy	Nemo	Bank	EMA
	Resurfacing	Restoration	Road				
\$	-	-	-	-	-	-	-
			333,926		4,904		
				6,456		69,040	60,235
\$	-	-	333,926	6,456	4,904	69,040	60,235

ASSETS

Cash
Intergovernmental receivables
Due from other funds
Total assets

LIABILITIES AND FUND BALANCES

Liabilities

Due to other funds
Accounts payable
Total liabilities

Fund balances (deficits)

Restricted for:

Public safety programs
Culture and recreation
Health and human services

Committed for:

Public works programs
Culture and recreation

Unassigned

Total fund balances (deficits)
Total liabilities and fund balances

\$	370,411	-	-	-	102,817	-	-
			625,769			910	
			752,026				
\$	370,411	-	1,377,795	-	102,817	910	-
							60,235
						68,130	
				6,456			
	(370,411)		(1,043,869)		(97,913)		
\$	(370,411)	-	(1,043,869)	6,456	(97,913)	68,130	60,235
			333,926	6,456	4,904	69,040	60,235

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2014

	408	420	273, 279, 287 and 291	290	293	109
	Coventry Cares	Impact Fees	CDBG Funds	Health & Wellness	Help America Vote Act	Recycling Grant
\$	-	\$ 633,911	-	-	-	-
			28,327	1,728		
	8,618	-	-	-		93,897
Total assets	\$ 8,618	\$ 633,911	\$ 28,327	\$ 1,728	\$ -	\$ 93,897

ASSETS

Cash
Intergovernmental receivables
Due from other funds
Total assets

LIABILITIES AND FUND BALANCES

Liabilities

Due to other funds
Accounts payable
Total liabilities

Fund balances (deficits)

Restricted for:

Public safety programs
Culture and recreation
Health and human services

Committed for:

Public works programs
Culture and recreation
Unassigned

Total fund balances (deficits)
Total liabilities and fund balances

\$	-	\$ 8,508	28,327	\$ 1,728	\$ 194	-
	-	45,900	-	-	-	420
	-	54,408	28,327	1,728	194	420
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	93,477
	8,618	579,503	-	-	-	-
	-	-	-	-	(194)	-
	8,618	579,503	-	-	(194)	93,477
Total fund balances (deficits)	\$ 8,618	\$ 633,911	\$ 28,327	\$ 1,728	\$ -	\$ 93,897

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2014

	104 Town Gym	106 Personal Watercraft	107 Pilot Program	144 Land Trust	146 Cell Phone Tower Fund	Total Special Revenue Town
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 970,485
Intergovernmental receivables	-	-	-	-	-	512,576
Due from other funds	-	-	-	-	-	643,567
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,126,628</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,446,595
Accounts payable	-	-	-	-	-	1,240,079
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,686,674</u>
Fund balances (deficits)						
<i>Restricted for:</i>						
Public safety programs	-	-	-	-	-	180,043
Culture and recreation	-	-	-	-	-	105,921
Health and human services	-	-	-	-	-	85,008
<i>Committed for:</i>						
Public works programs	-	-	-	-	-	101,433
Culture and recreation	-	-	-	-	-	795,102
<i>Unassigned</i>	-	-	-	-	-	(1,827,553)
Total fund balances (deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(560,046)</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,126,628</u>

(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, 2014

	209	210	211	225	230	245	246
	Legislative Grant Inman	Friends of Human Services	Project Friends	Anthony Village	Bramley Grant	Paine Field Skatepark	Mapleroot Cemetery
REVENUES							
Intergovernmental	\$ -	\$ -	429,163	36,895	17,385	-	2,000
Charges for services	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Revenues	-	-	429,163	36,895	17,385	-	2,000
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	-
Public safety	-	-	-	-	26,362	-	-
Public works	-	-	-	-	-	-	2,000
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	-	299,349	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-
Capital expenditures	-	-	-	44,191	-	-	-
Total Expenditures	-	-	299,349	44,191	26,362	-	2,000
Excess of revenues over (under) Expenditures	-	-	129,814	(7,296)	(8,977)	-	-
Other Financing Sources (uses)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	(26,000)	-
Total other financing sources	-	-	-	-	-	(26,000)	-
Excess of revenues and other sources over (under) expenditures and other uses	-	-	129,814	(7,296)	(8,977)	(26,000)	-
FUND BALANCE - July 1, 2013	10,000	4,000	73,167	(66,924)	1,013	26,000	1,500
Prior period adjustment	-	-	-	-	-	-	-
FUND BALANCE - July 1, 2013 Restated	10,000	4,000	73,167	(66,924)	1,013	26,000	1,500
FUND BALANCE - June 30, 2014	\$ 10,000	\$ 4,000	\$ 202,981	\$ (74,220)	\$ (7,964)	\$ -	\$ 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, 2014

	255	262	265	267	276	277	278
	Document	Drug Seizure	Teen Center	Byrne	Resource	E-Citation	Anthony
	Preservation	Fund	Operations	Grant	Sharing	Grant	Village Green
							Project
REVENUES							
Intergovernmental		28,309 \$	- \$	29,350 \$	118,423 \$	- \$	- \$
Charges for services	34,221	-	-	-	-	-	-
Investment income	-	348	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Revenues	34,221	28,657	-	29,350	118,423	-	-
EXPENDITURES							
Executive and administration	44,819	-	-	-	118,423	-	-
Public safety	-	19,089	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-
Capital expenditures	-	-	-	30,382	-	-	-
Total Expenditures	44,819	19,089	-	30,382	118,423	-	-
Excess of revenues over (under) Expenditures	(10,598)	9,568	-	(1,032)	-	-	-
Other Financing Sources (uses)							
Operating transfers in	-	-	-	-	-	21	13,146
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	21	13,146
Excess of revenues and other sources over (under) expenditures and other uses	(10,598)	9,568	-	(1,032)	-	21	13,146
FUND BALANCE - July 1, 2013	9,861	48,828	6,878	267	(163)	(21)	(13,146)
Prior period adjustment	-	-	-	-	-	-	-
FUND BALANCE - July 1, 2013 Restated	9,861	48,828	6,878	267	(163)	(21)	(13,146)
FUND BALANCE - June 30, 2014	(737) \$	58,396 \$	6,878 \$	(765) \$	(163) \$	- \$	- \$

(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, 2014

	280	281	282	283	285	288	205
	Beaudojn Property Acquisition	RIEMA Maple Valley & Franklin	RIEMA Industrial Drive	RIEMA Hammet Road	RIEMA Johnson Blvd Drainage	Recreational Trail Equipment	Legislative Grant Raptakis
REVENUES							
Intergovernmental	-	-	-	-	14,397	-	4,000
Charges for services	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	14,397	-	4,000
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	1,903	3,497	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	4,000
Culture & recreation	-	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	20,000	-
Total Expenditures	-	1,903	3,497	-	-	20,000	4,000
Excess of revenues over (under) Expenditures	-	(1,903)	(3,497)	-	14,397	(20,000)	-
Other Financing Sources (uses)							
Operating transfers in	4,292	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources	4,292	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	4,292	(1,903)	(3,497)	-	14,397	(20,000)	-
FUND BALANCE - July 1, 2013	(4,292)	(16,393)	(8,030)	(6,462)	(35,476)	-	-
Prior period adjustment	-	-	-	-	-	-	-
FUND BALANCE - July 1, 2013 Restated	(4,292)	(16,393)	(8,030)	(6,462)	(35,476)	-	-
FUND BALANCE - June 30, 2014	-	(18,296)	(11,527)	(6,462)	(21,079)	(20,000)	-

(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, 2014

	206	302	303	306	289	309	310
	Senior Center Operations	Calea ETC Grant	Bulletproof Vests	DUI/Speed Click it or Ticket	Isle of Capri Road	US Fish & Wildlife Sandy Acre	Laurel Ave/Anthony Mill River
REVENUES							
Intergovernmental	\$ 8,311	\$ -	\$ 5,241	\$ 43,407	\$ -	\$ -	\$ 128,464
Charges for services	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	843
Total Revenues	8,311	-	5,241	43,407	-	-	129,307
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	-
Public safety	-	-	2,652	45,442	-	-	-
Public works	-	-	-	-	520	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	796	-
Capital expenditures	-	-	-	-	-	-	150,100
Total Expenditures	-	-	2,652	45,442	520	796	150,100
Excess of revenues over (under) Expenditures	8,311	-	2,589	(2,035)	(520)	(796)	(20,793)
Other Financing Sources (uses)							
Operating transfers in	-	40	-	-	-	-	-
Operating transfers out	(8,311)	-	-	-	-	-	-
Total other financing sources	(8,311)	40	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	40	2,589	(2,035)	(520)	(796)	(20,793)
FUND BALANCE - July 1, 2013	-	(40)	(5,100)	(8,645)	-	79,736	(286)
Prior period adjustment	-	-	-	-	-	-	-
FUND BALANCE - July 1, 2013 Restated	-	(40)	(5,100)	(8,645)	-	79,736	(286)
FUND BALANCE - June 30, 2014	\$ -	\$ -	\$ (2,511)	\$ (10,680)	\$ (520)	\$ 78,940	\$ (21,079)

(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, 2014

	321	322	323	326	327	330	332
	Federal Energy Grant I	MEDS Grant	East Shore Drive Stormwater	Federal Energy Grant 2	Federal Energy Grant 3	March Flood Disaster	Tropical Storm Irene 2011
REVENUES							
Intergovernmental	\$ -	3,500	27,243	-	44,520	-	-
Charges for services	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Revenues	-	3,500	27,243	-	44,520	-	-
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	4,996	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	99	-	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-
Total Expenditures	-	99	-	-	4,996	-	-
Excess of revenues over (under) Expenditures	-	3,401	27,243	-	39,524	-	-
Other Financing Sources (uses)							
Operating transfers in	-	-	21,085	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources	-	-	21,085	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	3,401	48,328	-	39,524	-	-
FUND BALANCE - July 1, 2013	1,885	21,695	(48,328)	(13,088)	10,158	(106,075)	11,730
Prior period adjustment	-	-	-	-	-	-	-
FUND BALANCE - July 1, 2013 Restated	1,885	21,695	(48,328)	(13,088)	10,158	(106,075)	11,730
FUND BALANCE - June 30, 2014	\$ 1,885	\$ 25,096	\$ -	\$ (13,088)	\$ 49,682	\$ (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, 2014

	333	334	335	336	337	400	404
	RIDOT Leap Road Resurfacing	Sandy Bottom Riverbank Restoration	EDA Flat River Road	Hurricane Sandy	Blizzard Nemo	Food Bank	Fire District EMA
REVENUES							
Intergovernmental							
Charges for services	\$ 2,429	\$ -	\$ 1,290,601	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	45,347	-
Other	-	-	-	-	-	-	-
Total Revenues	2,429	-	1,290,601	-	-	45,347	-
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	11,176
Public works	215,777	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	35,412	-
Culture & recreation	-	-	-	-	-	-	-
Capital expenditures	-	-	1,749,597	-	-	-	-
Total Expenditures	215,777	-	1,749,597	-	-	35,412	11,176
Excess of revenues over (under) Expenditures	(213,348)	-	(458,996)	-	-	9,935	(11,176)
Other Financing Sources (uses)							
Operating transfers in	-	9,350	-	-	-	-	10,000
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources	-	9,350	-	-	-	-	10,000
Excess of revenues and other sources over (under) expenditures and other uses	(213,348)	9,350	(458,996)	-	-	9,935	(1,176)
FUND BALANCE - July 1, 2013	(157,063)	(9,350)	(584,873)	6,456	(97,913)	58,195	61,411
Prior period adjustment	-	-	-	-	-	-	-
FUND BALANCE - July 1, 2013 Restated	(157,063)	(9,350)	(584,873)	6,456	(97,913)	58,195	61,411
FUND BALANCE - June 30, 2014	\$(370,411)	\$ -	\$(1,043,869)	\$ 6,456	\$(97,913)	\$ 68,130	\$ 60,235

(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, 2014

	408	420	239-291	290	293	109
	Coventry	Impact	CDBG	Health &	Help	Recycling
	Cares	Fees	Funds	Wellness	America	Grant
					Vote Act	
REVENUES						
Intergovernmental	\$ -	\$ -	\$ 48,911	\$ 8,395	\$ -	\$ 28,599
Charges for services	-	523,807	-	-	-	-
Investment income	-	525	-	-	-	-
Contributions and private grants	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Revenues	-	524,332	48,911	8,395	-	28,599
EXPENDITURES						
Executive and administration	-	-	-	-	194	-
Public safety	-	-	-	-	-	-
Public works	-	125,048	-	-	-	81,108
Community and economic development	-	-	15,393	-	-	-
Health and human services	7,815	-	-	8,395	-	-
Culture & recreation	-	-	-	-	-	-
Capital expenditures	-	117,290	16,060	-	-	-
Total Expenditures	7,815	242,338	31,453	8,395	194	81,108
Excess of revenues over (under) Expenditures	(7,815)	281,994	17,458	-	(194)	(52,509)
Other Financing Sources (uses)						
Operating transfers in	8,311	-	-	-	-	-
Operating transfers out	-	-	(9,498)	-	-	-
Total other financing sources	8,311	-	(9,498)	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	496	281,994	7,960	-	(194)	(52,509)
FUND BALANCE - July 1, 2013	8,122	297,509	(7,960)	-	-	145,986
Prior period adjustment	-	-	-	-	-	-
FUND BALANCE - July 1, 2013 Restated	8,122	297,509	(7,960)	-	-	145,986
FUND BALANCE - June 30, 2014	\$ 8,618	\$ 579,503	\$ -	\$ -	(194)	\$ 93,477

(continued)

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, 2014

	104 Town Gym	106 Personal Watercraft	107 Pilot Program	144 Land Trust	146 Cell Phone Tower Fund	TOTAL Special Revenue Restricted Town
REVENUES						
Intergovernmental	-	-	-	-	-	2,319,543
Charges for services	-	-	-	-	-	558,028
Investment income	-	-	-	-	-	873
Contributions and private grants	-	-	-	-	-	45,347
Other	-	-	-	-	-	843
Total Revenues	-	-	-	-	-	2,924,634
EXPENDITURES						
Executive and administration	-	-	-	-	-	163,436
Public safety	-	-	-	-	-	104,721
Public works	-	-	-	-	-	434,849
Community and economic development	-	-	-	-	-	15,393
Health and human services	-	-	-	-	-	355,070
Culture & recreation	-	-	-	-	-	796
Capital expenditures	-	-	-	-	-	2,127,620
Total Expenditures	-	-	-	-	-	3,201,885
Excess of revenues over (under) Expenditures	-	-	-	-	-	(277,251)
Other Financing Sources (uses)						
Operating transfers in	-	-	-	-	-	66,245
Operating transfers out	-	-	-	-	-	(43,809)
Total other financing sources (uses)	-	-	-	-	-	22,436
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-	-	(254,815)
FUND BALANCE - July 1, 2013	8,779	40	907	743,073	2,698	450,266
Prior period adjustment	(8,779)	(40)	(907)	(743,073)	(2,698)	(755,497)
FUND BALANCE - July 1, 2013 Restated	-	-	-	-	-	(305,231)
FUND BALANCE - June 30, 2014	-	-	-	-	-	(560,046)

(concluded)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2014

	21011100	21011200	21021100	21031100	21091100	21092104	21092105
	IDEA	IDEA	Title I	Title II	Perkins Vocational Ed.	Perkins VTA	Perkins VTA
	Part B	Pre School					Odd Year
\$	458,523	13,356	216,146	89,700	61,136	-	-
	-	-	-	-	3,295	-	-
	-	-	-	-	-	-	-
\$	458,523	13,356	216,146	89,700	64,431	-	16,828

ASSETS

Intergovernmental receivables
Due from other funds
Miscellaneous receivables
Total assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable
Due to other funds
Accrued salaries
Unearned Revenues
Total liabilities

\$	-	-	-	-	3,500	-	-
	361,112	8,136	144,032	55,547	60,858	126	1,064
	97,411	5,220	72,114	34,153	-	-	-
	-	-	-	-	-	-	-
\$	458,523	13,356	216,146	89,700	64,358	126	16,915
							1,064

Fund balances (deficits)

Restricted for:
Educational programs
Unassigned

Total fund balances (deficits)
Total liabilities and fund balances

-	-	-	-	-	73	-	-
-	-	-	-	-	-	(126)	(87)
-	-	-	-	-	73	(126)	(87)
\$	458,523	13,356	216,146	89,700	64,431	-	16,828
							-

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2014

	21243100	21264100	21264101	21264102	21264105	21264106	21264110	23112003
	RIDE	RTTT - Standard	RIIT - Inst.	RIIT - Educator	RIIT - IIS	RIIT -	RIIT - PLC	Leg. Grant
	Fellows Grant	& Curriculum	Improvement	Effectiveness	Set Aside	Set Aside	Mini Grant	HH Art Club
\$	88,142	\$ 11,816	\$ -	\$ 33,197	\$ -	\$ -	\$ 1,644	\$ -
	-	-	-	-	-	-	-	164
	-	-	-	-	-	-	-	-
Total assets	\$ 88,142	\$ 11,816	\$ -	\$ 33,197	\$ -	\$ -	\$ 1,644	\$ 164

ASSETS
Intergovernmental receivables
Due from other funds
Miscellaneous receivables
Total assets

LIABILITIES AND FUND BALANCES

\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	63,762	11,816	-	33,218	-	-	1,551	-
	21,847	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total liabilities	\$ 85,609	\$ 11,816	\$ -	\$ 33,218	\$ -	\$ -	\$ 1,551	\$ -

Liabilities
Accounts payable
Due to other funds
Accrued salaries
Unearned Revenue
Total liabilities

	2,533	-	-	-	-	-	93	164
	-	-	-	(21)	-	-	-	-
	2,533	-	-	(21)	-	-	93	164
Total fund balances (deficits)	\$ 88,142	\$ 11,816	\$ -	\$ 33,197	\$ -	\$ -	\$ 1,644	\$ 164

Fund balances (deficits)
Restricted for:
Educational programs
Unassigned
Total fund balances (deficits)
Total liabilities and fund balances

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2014

	23612000	23112004	23112006	23142000	23183000	23183001	23183002	23523000
	Full Day	Leg. Grant	Western After	RISCA	RISCA	RISCA	RISCA Arts	Teacher Quality
Kindergarten	WC Wireless	School Academy			Give Me 5	Big Yellow Bus	Talk HS	Recruitment
\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,438
-	12	-	225	800	245	-	1,661	-
-	-	-	-	-	-	-	-	-
\$ 10,000	\$ 12	\$ -	\$ 225	\$ 800	\$ 245	\$ -	\$ 1,661	\$ 18,438

ASSETS

Intergovernmental receivables
Due from other funds
Miscellaneous receivables
Total assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable
Due to other funds
Accrued salaries
Unearned Revenue
Total liabilities

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	3	-	-	-	-	-	18,438
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	3	-	-	-	-	-	18,438

Fund balances (deficits)

Restricted for:

Educational programs
Unassigned

Total fund balances (deficits)

Total liabilities and fund balances

10,000	12	-	225	800	245	245	1,661	-
-	-	(3)	-	-	-	-	-	-
10,000	12	(3)	225	800	245	245	1,661	-
\$ 10,000	\$ 12	\$ -	\$ 225	\$ 800	\$ 245	\$ 245	\$ 1,661	\$ 18,438

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2014

	23523001	23581000	23581001	23582000	23582001	24012004	24012005	24012025
CCSS Math	CTE	CTE	CTE	CTE	CTE Develop.	Feinstein	Feinstein Comm.	Feinstein 2014
	Fund	Fund	Fund - Even Year	Fund 2	& Implement	Support	Support	
	\$ 17,566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables								
Due from other funds	29,613	16,584	8,229	25,000	164,400	10,315		48,000
Miscellaneous receivables	-	-	-	-	2,000	-	-	-
Total assets	\$ 17,566	\$ 29,613	\$ 16,584	\$ 8,229	\$ 25,000	\$ 166,400	\$ 10,315	\$ 48,000

ASSETS

Intergovernmental receivables
Due from other funds
Miscellaneous receivables
Total assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable
Due to other funds
Accrued salaries
Unearned Revenue
Total liabilities

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17,531	-	-	-	-	-	-	-	-
-	3,126	3,969	-	-	-	-	-	-
17,531	3,126	3,969	-	-	-	-	-	-

Fund balances (deficits)

Restricted for:
Educational programs
Unassigned
Total fund balances (deficits)
Total liabilities and fund balances

35	26,487	12,615	8,229	25,000	166,400	10,315	48,000
-	-	-	-	-	-	-	-
35	26,487	12,615	8,229	25,000	166,400	10,315	48,000
\$ 17,566	\$ 29,613	\$ 16,584	\$ 8,229	\$ 25,000	\$ 166,400	\$ 10,315	\$ 48,000

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2014

	24012009	24012024	24012035	24012044	24012072	24030023	24030052	24040010
	United Way	Feinstein Restricted Fund	Angen	CPEF Fund	Whole Kids Foundation	Kids Consortium	Schwab Scholarship	RI Center for the Arts
\$	-	-	-	1,005	-	-	-	-
Intergovernmental receivables								
Due from other funds	436	-	663	-	1,163	224	575	586
Miscellaneous receivables	-	3,600	-	-	-	-	-	-
Total assets	436	3,600	663	1,005	1,163	224	575	586

ASSETS

Intergovernmental receivables
Due from other funds
Miscellaneous receivables
Total assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable
Due to other funds
Accrued salaries
Unearned Revenue
Total liabilities

\$	-	-	-	11	-	-	-	-
Accounts payable								
Due to other funds	-	3,600	-	994	-	-	-	-
Accrued salaries	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	1,163	-	-	-
Total liabilities	-	3,600	-	1,005	1,163	-	-	-

Fund balances (deficits)

Restricted for:

Educational programs
Unassigned

Total fund balances (deficits)
Total liabilities and fund balances

436	-	663	-	-	-	224	575	586
Educational programs								
<i>Unassigned</i>								
Total fund balances (deficits)	436	-	663	-	-	224	575	586
Total liabilities and fund balances	436	3,600	663	1,005	1,163	224	575	586

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2014

	24040059	24040137	24050005	24050006	24050008	24050037	24050048	90000001
	New England Dairy & Food	Trout Unlimited	Transportation Fundraiser	Learn & Serve Raffle	Athletic Field Fund	Sports Program	Transitions Donations	Direct Reimbursement
\$	-	-	-	-	-	-	-	\$
	4,927	1,500	2,047	185	5,501	-	288	-
	1,211	-	-	-	-	5,952	-	45,117
\$	6,138	1,500	2,047	185	5,501	5,952	288	\$ 45,117

ASSETS

Intergovernmental receivables
Due from other funds
Miscellaneous receivables
Total assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable
Due to other funds
Accrued salaries
Unearned Revenue
Total liabilities

\$	-	-	-	-	-	565	-	\$
	-	-	-	-	-	7,152	-	49,911
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	7,717	-	49,911

Fund balances (deficits)

Restricted for:

Educational programs
Unassigned

Total fund balances (deficits)

Total liabilities and fund balances

6,138	1,500	2,047	185	5,501	-	-	288	-
-	-	-	-	-	(1,765)	-	-	(4,794)
6,138	1,500	2,047	185	5,501	(1,765)	-	288	(4,794)
\$ 6,138	\$ 1,500	\$ 2,047	\$ 185	\$ 5,501	\$ 5,952	\$ 288	\$ 288	\$ 45,117

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2014

	24012006	24012008	24030025	24030060	24030061	60020000	60060000	Total
	Kiducation	RI	RI Interlocal	IBM	LISC	Adult Ed	Remedial	Spec. Revenue
	Foundation	Trust	Summer School					Restricted School
Intergovernmental receivables	- \$	- \$	- \$	- \$	- \$	- \$	-	\$ 1,037,497
Due from other funds	33	37	-	-	271	50,221	9,641	383,546
Miscellaneous receivables	-	-	-	-	-	-	19,230	80,405
Total assets	\$ 33	\$ 37	\$ -	\$ -	\$ 271	\$ 50,221	\$ 28,871	\$ 1,501,448

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,076
Due to other funds	-	-	-	-	-	-	-	855,766
Accrued salaries	-	-	-	-	-	-	-	237,840
Unearned Revenue	-	-	-	-	-	-	-	1,163
Total liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,098,845

Fund balances (deficits)

Restricted for:								
Educational programs	33	37	-	-	271	50,221	28,871	410,463
Unassigned	-	-	-	-	-	-	-	(7,860)
Total fund balances (deficits)	\$ 33	\$ 37	\$ -	\$ -	\$ 271	\$ 50,221	\$ 28,871	\$ 402,603
Total liabilities and fund balances	\$ 33	\$ 37	\$ -	\$ -	\$ 271	\$ 50,221	\$ 28,871	\$ 1,501,448

(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, 2014

	2101100 IDEA Part B	21011200 IDEA Pre-School	21021100 Title I	21031100 Title II	21091100 Perkins Vocational Ed.	21091101 Perkins Odd Year	21092104 Perkins VTA	21092105 Perkins VTA Odd Year
REVENUES								
Federal Grants	\$ 1,271,981	\$ 32,883	\$ 591,646	\$ 224,490	\$ 198,899	\$ 6,456	\$ 41,005	\$ 455
State Grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	1,271,981	32,883	591,646	224,490	198,899	6,456	41,005	455
EXPENDITURES								
Salaries	885,637	22,356	392,438	154,039	30,253	6,582	29,993	-
Employee benefits	290,258	10,527	138,761	67,751	19,606	-	1,549	-
Purchased services	83,541	-	42,308	2,700	71,053	-	3,447	1,519
Supplies and materials	6,018	-	18,139	-	11,983	-	6,103	-
Property and equipment	6,527	-	-	-	65,339	-	-	-
Capital expenses	-	-	-	-	665	-	-	-
Total expenditures	1,271,981	32,883	591,646	224,490	198,899	6,582	41,092	1,519
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	(126)	(87)	(1,064)
FUND BALANCE - July 1, 2013	-	-	-	-	73	-	-	-
FUND BALANCE - June 30, 2014	-	-	-	-	73	(126)	(87)	(1,064)

(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, 2014

	21243100	21264100	21264101	21264102	21264105	211264106	21264110	23112003
	RIDE	RITT - Standard	RITT - Inst.	RITT - Educator	RITT - IIS	RITT -	RITT - PLC	Leg. Grant
	Fellows Grant	& Curriculum	Improvement	Effectiveness	Set Aside	Set Aside	Mini Grant	HH Art Club
\$	135,124	32,196	87	62,910	1,213	1,475	4,199	\$ -
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total revenues	135,124	32,196	87	62,910	1,213	1,475	4,199	-
EXPENDITURES								
Salaries	95,609	23,911	-	40,000	-	-	4,018	-
Employee benefits	39,483	4,635	-	22,931	-	-	88	-
Purchased services	-	3,650	-	-	1,213	1,475	-	-
Supplies and materials	-	-	87	-	-	-	-	-
Property and equipment	-	-	-	-	-	-	-	-
Capital expenses	-	-	-	-	-	-	-	-
Total expenditures	135,092	32,196	87	62,931	1,213	1,475	4,106	-
Excess (deficiency) of revenues over (under) expenditures	32	-	-	(21)	-	-	93	-
FUND BALANCE - July 1, 2013	2,501	-	-	-	-	-	-	164
FUND BALANCE - June 30, 2014	2,533	-	-	(21)	-	-	93	164

(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, 2014

	23112004	23112006	23142000	23183000	23183001	23183002	23523000
	Leg. Grant	Western After	RISCA	RISCA	Big Yellow Bus	RISCA Arts	Teacher Quality
	WC Wireless	School Academy	RISCA	Give Me 5	Talk HS	Recruitment	
23612000							
Full Day Kindergarten							
\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
	10,000	-	-	400	1,342	-	19,493
	-	-	-	-	-	-	-
Total revenues	10,000	-	-	400	1,342	-	19,493
EXPENDITURES							
Salaries	-	-	-	-	-	-	15,725
Employee benefits	-	-	-	-	-	-	3,768
Purchased services	-	-	-	180	227	-	-
Supplies and materials	-	-	-	-	-	-	-
Property and equipment	-	-	-	-	227	-	-
Capital expenses	-	-	-	-	-	-	-
Total expenditures	-	-	-	180	454	-	19,493
Excess (deficiency) of revenues over (under) expenditures	10,000	-	-	220	888	-	-
FUND BALANCE - July 1, 2013	-	(3)	225	800	25	773	-
FUND BALANCE - June 30, 2014	10,000 \$	12 \$	(3) \$	225 \$	800 \$	245 \$	1,661 \$

(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, 2014

	23523001	23581000	23581001	23582000	23582001	24012004	24012005	24012025
	CCSS Math	CTE Categorical Fund	CTE Categorical Fund - Even Yr.	CTE Categorical Fund 2	CTE Develop. & Implement	Feinstein	Feinstein Comm. Support	Feinstein 2014
REVENUES								
Federal Grants	-	-	-	-	-	-	-	-
State Grants	19,965	175,243	152,634	50,000	25,000	-	-	-
Other	-	-	-	-	-	-	-	50,000
Total revenues	19,965	175,243	152,634	50,000	25,000	-	-	50,000
EXPENDITURES								
Salaries	14,153	43,246	25,555	-	-	-	-	-
Employee benefits	5,777	20,827	6,189	-	-	-	-	-
Purchased services	-	22,903	3,382	-	-	-	3,095	2,000
Supplies and materials	-	8,707	6,767	742	-	288	-	-
Property and equipment	-	18,656	3,935	19,838	-	33,747	-	-
Capital expenses	-	34,417	94,191	21,191	-	-	-	-
Total expenditures	19,930	148,756	140,019	41,771	-	34,035	3,095	2,000
Excess (deficiency) of revenues over (under) expenditures	35	26,487	12,615	8,229	25,000	(34,035)	(3,095)	48,000
FUND BALANCE - July 1, 2013	-	-	-	-	-	200,435	13,410	-
FUND BALANCE - June 30, 2014	\$ 35	\$ 26,487	\$ 12,615	\$ 8,229	\$ 25,000	\$ 166,400	\$ 10,315	\$ 48,000

(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, 2014

	24012009	24012024	24012035	24012044	24012072	24030023	24030052	24040010
	United Way	Feinstein Restricted Fund	Amgen	CPEF Fund	Whole Kids Foundation	Kids Consortium	Schwab Scholarship	RI Center for the Arts
REVENUES								
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-	-	-	-	-
Other	-	-	-	1,005	837	-	-	-
Total revenues	-	-	-	1,005	837	-	-	-
EXPENDITURES								
Salaries	-	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-	-
Purchased services	-	14,804	-	1,005	-	-	-	-
Supplies and materials	-	-	-	-	837	-	-	-
Property and equipment	-	-	-	-	-	-	-	-
Capital expenses	-	-	-	-	-	-	-	-
Total expenditures	-	14,804	-	1,005	837	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	(14,804)	-	-	-	-	-	-
FUND BALANCE - July 1, 2013	436	14,804	663	-	-	224	575	586
FUND BALANCE - June 30, 2014	\$ 436	\$ -	\$ 663	\$ -	\$ -	\$ 224	\$ 575	\$ 586

(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, 2014

	24040137	24050005	24050006	24050008	24050037	24050048	90000001
	Trout	Transportation	Learn & Serve	Athletic	Sports	Transitions	Direct
	Unlimited	Fundraiser	Raffle	Field Fund	Program	Donations	Reimbursement
24040059							
New England							
Diary & Food							
\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$
	-	-	-	-	-	-	-
Other	9,211	-	-	11	17,973	264	22,437
Total revenues	9,211	-	-	11	17,973	264	22,437
EXPENDITURES							
Salaries	-	-	-	-	4,321	-	-
Employee benefits	-	-	-	-	110	-	-
Purchased services	354	-	-	-	13,253	-	-
Supplies and materials	3,118	-	-	-	1,389	1,478	-
Property and equipment	1,971	-	-	-	1,009	-	-
Capital expenses	-	-	-	-	-	-	-
Total expenditures	5,443	-	-	-	20,082	1,478	-
Excess (deficiency) of revenues over (under) expenditures	3,768	-	-	11	(2,109)	(1,214)	22,437

FUND BALANCE - July 1, 2013	1,500	2,047	185	5,490	344	1,502	(27,231)
FUND BALANCE - June 30, 2014	1,500 \$	2,047 \$	185 \$	5,501 \$	(1,765) \$	288 \$	(4,794)

(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, 2014

	24012006	24012008	24030025	24030060	24030061	60020000	60060000	Total
	Kiducation	RI Foundation	RI Interlocal Trust	IBM	LISC	Adult Education	Remedial Summer School	Special Revenue Restricted School
REVENUES								
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,605,019
State Grants	-	-	-	-	-	-	-	454,077
Other	-	1,935	1,935	2,599	1,000	4,220	19,230	130,722
Total revenues	-	1,935	1,935	2,599	1,000	4,220	19,230	3,189,818
EXPENDITURES								
Salaries	-	-	-	-	-	-	5,794	1,793,630
Employee benefits	-	-	-	-	-	-	288	632,548
Purchased services	-	-	-	-	-	1,957	9,000	283,066
Supplies and materials	-	-	-	-	-	565	-	66,221
Property and equipment	-	-	1,935	2,599	729	-	-	156,512
Capital expenses	-	-	-	-	-	-	-	150,464
Total expenditures	-	-	1,935	2,599	729	2,522	15,082	3,082,441
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	271	1,698	4,148	107,377
FUND BALANCE - July 1, 2013	33	37	-	-	-	48,523	24,723	295,226
FUND BALANCE - June 30, 2014	\$ 33	\$ 37	\$ -	\$ -	\$ 271	\$ 50,221	\$ 28,871	\$ 402,603

(concluded)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Capital Project Funds
Combining Balance Sheet
June 30, 2014

	119 Capital Improvement Fund 07	120 Capital Improvement Fund 09	122 Capital Improvement Fund 12	124 RIHEBC Capital Fund	125 2013-2014 School Capital	561 Landfill Remediation	123 Capital Improvement Fund 14	175 High School AC Unit	Total Capital Projects
ASSETS									
Cash	\$ -	\$ -	\$ -	\$ 1,007,755	\$ -	\$ -	\$ -	\$ -	\$ 1,007,755
Due from other funds	-	-	-	-	86,000	856,528	90,606	42,500	1,075,634
Total assets	\$ -	\$ -	\$ -	\$ 1,007,755	\$ 86,000	\$ 856,528	\$ 90,606	\$ 42,500	\$ 2,083,389
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	3,207	299,575	-	-	-	-	-	302,782
Total liabilities	-	3,207	299,575	-	-	-	-	-	302,782
Fund balances (deficits)									
<i>Committed for:</i>									
Public works programs	-	-	-	1,007,755	86,000	856,528	90,606	42,500	2,083,389
<i>Unassigned</i>	-	(3,207)	(299,575)	-	-	-	-	-	(302,782)
Total fund balances (deficits)	-	(3,207)	(299,575)	1,007,755	86,000	856,528	90,606	42,500	1,780,607
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ 1,007,755	\$ 86,000	\$ 856,528	\$ 90,606	\$ 42,500	\$ 2,083,389

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, 2014

	119 Capital Improvement Fund 07	120 Capital Improvement Fund 09	122 Capital Improvement Fund 12	124 RIHEBC Capital Fund	125 2013-2014 School Capital	561 Landfill Remediation	123 Capital Improvement Fund 14	175 High School AC Unit	TOTAL Capital Projects
REVENUES									
Intergovernmental	-	340	-	-	-	-	-	-	340
Total revenues	-	340	-	-	-	-	-	-	340
EXPENDITURES									
Non-capital	-	-	26,045	25,343	-	3,472	41,142	9,000	105,002
Capital	-	-	53,801	7,268,003	-	-	114,349	182,500	7,618,653
Total expenditures	-	-	79,846	7,293,346	-	3,472	155,491	191,500	7,723,655
Excess of revenues over (under) Expenditures	-	340	(79,846)	(7,293,346)	-	(3,472)	(155,491)	(191,500)	(7,723,315)
Other Financing Sources (uses)									
Transfer from other funds	-	-	-	-	86,000	-	246,682	-	332,682
Transfer (to) other funds	(125,965)	(75,194)	(66,023)	-	-	-	(585)	-	(267,767)
Issuance of debt	-	-	-	-	-	860,000	-	234,000	1,094,000
Total other financing sources (uses)	(125,965)	(75,194)	(66,023)	-	86,000	860,000	246,097	234,000	1,158,915
Excess of revenues and other sources over (under) expenditures and other uses	(125,965)	(74,854)	(145,869)	(7,293,346)	86,000	856,528	90,606	42,500	(6,564,400)
FUND BALANCE - July 1, 2013	125,965	71,647	(153,706)	8,301,101	-	-	-	-	8,345,007
FUND BALANCE - June 30, 2014	-	(3,207)	(299,575)	1,007,755	86,000	856,528	90,606	42,500	1,780,607

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Private Purpose Trust Funds
Combining Balance Sheet
June 30, 2014

	Waterman Fund	Fiske Fund	Cemetery Fund	Total
ASSETS				
Cash	\$ 334,696	\$ 4,429	\$ 4,146	\$ 343,271
Investments	1,943,021	241,105	35,818	2,219,944
Due from other funds	450,135	3,097	-	453,232
Total assets	<u>\$ 2,727,852</u>	<u>\$ 248,631</u>	<u>\$ 39,964</u>	<u>\$ 3,016,447</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ 90,000	\$ 90,000
Total liabilities	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>90,000</u>
FUND BALANCES				
Unreserved	2,727,852	248,631	(50,036)	2,926,447
Total fund balances (deficits)	<u>2,727,852</u>	<u>248,631</u>	<u>(50,036)</u>	<u>2,926,447</u>
Total liabilities and fund balances	<u>\$ 2,727,852</u>	<u>\$ 248,631</u>	<u>\$ 39,964</u>	<u>\$ 3,016,447</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, 2014

	600	601	602	Total
	Waterman Fund	Fiske Fund	Cemetery Fund	
REVENUES				
Investment income	\$ 68,564	\$ 5,988	\$ -	\$ 74,552
Other income	-	-	-	-
Net increase(decrease) in fair value of investments	209,205	26,217	6,758	242,180
Total Revenues	<u>277,769</u>	<u>32,205</u>	<u>6,758</u>	<u>316,732</u>
EXPENDITURES				
Social services	64,506	5,264	14,000	83,770
Total Expenditures	<u>64,506</u>	<u>5,264</u>	<u>14,000</u>	<u>83,770</u>
Excess of revenues over (under) Expenditures	213,263	26,941	(7,242)	232,962
FUND BALANCE - July 1, 2013	<u>2,514,589</u>	<u>221,690</u>	<u>(42,794)</u>	<u>2,693,485</u>
FUND BALANCE - June 30, 2014	<u>\$ 2,727,852</u>	<u>\$ 248,631</u>	<u>\$ (50,036)</u>	<u>\$ 2,926,447</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, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
PARKS & RECREATION				
Assets				
Cash	71,494	118,620	141,335	48,779
Total assets	<u>\$ 71,494</u>	<u>\$ 118,620</u>	<u>\$ 141,335</u>	<u>\$ 48,779</u>
Liabilities				
Deposits held in custody for others	\$ 71,494	\$ 118,620	\$ 141,335	\$ 48,779
Total liabilities	<u>\$ 71,494</u>	<u>\$ 118,620</u>	<u>\$ 141,335</u>	<u>\$ 48,779</u>
PERFORMANCE BONDS				
Assets				
Cash	\$ 1,059,380	\$ 277,855	\$ 30,995	\$ 1,306,240
Total assets	<u>\$ 1,059,380</u>	<u>\$ 277,855</u>	<u>\$ 30,995</u>	<u>\$ 1,306,240</u>
Liabilities				
Deposits held in custody for others	\$ 1,059,380	\$ 277,855	\$ 30,995	\$ 1,306,240
Total liabilities	<u>\$ 1,059,380</u>	<u>\$ 277,855</u>	<u>\$ 30,995</u>	<u>\$ 1,306,240</u>
TOTAL				
Assets				
Cash	\$ 1,130,874	\$ 396,475	\$ 172,330	\$ 1,355,019
Total assets	<u>\$ 1,130,874</u>	<u>\$ 396,475</u>	<u>\$ 172,330</u>	<u>\$ 1,355,019</u>
Liabilities				
Deposits held in custody for others	\$ 1,130,874	\$ 396,475	\$ 172,330	\$ 1,355,019
Total liabilities	<u>\$ 1,130,874</u>	<u>\$ 396,475</u>	<u>\$ 172,330</u>	<u>\$ 1,355,019</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, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
COVENTRY HIGH SCHOOL				
Assets				
Cash	\$ 206,760	\$ 561,284	\$ 568,279	\$ 199,765
Total assets	<u>\$ 206,760</u>	<u>\$ 561,284</u>	<u>\$ 568,279</u>	<u>\$ 199,765</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	206,760	561,284	568,279	199,765
Total liabilities	<u>\$ 206,760</u>	<u>\$ 561,284</u>	<u>\$ 568,279</u>	<u>\$ 199,765</u>
FEINSTEIN MIDDLE SCHOOL				
Assets				
Cash	\$ 93,835	\$ 502,511	\$ 497,498	\$ 98,848
Total assets	<u>\$ 93,835</u>	<u>\$ 502,511</u>	<u>\$ 497,498</u>	<u>\$ 98,848</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	93,835	502,511	497,498	98,848
Total liabilities	<u>\$ 93,835</u>	<u>\$ 502,511</u>	<u>\$ 497,498</u>	<u>\$ 98,848</u>
HOPKINS HILL				
Assets				
Cash	\$ 21,831	\$ 23,873	\$ 28,857	\$ 16,847
Total assets	<u>\$ 21,831</u>	<u>\$ 23,873</u>	<u>\$ 28,857</u>	<u>\$ 16,847</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	21,831	23,873	28,857	16,847
Total liabilities	<u>\$ 21,831</u>	<u>\$ 23,873</u>	<u>\$ 28,857</u>	<u>\$ 16,847</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, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
BLACK ROCK				
Assets				
Cash	\$ 18,383	\$ 20,002	\$ 13,343	\$ 25,042
Total assets	<u>\$ 18,383</u>	<u>\$ 20,002</u>	<u>\$ 13,343</u>	<u>\$ 25,042</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	18,383	20,002	13,343	25,042
Total liabilities	<u>\$ 18,383</u>	<u>\$ 20,002</u>	<u>\$ 13,343</u>	<u>\$ 25,042</u>
OAK HAVEN				
Assets				
Cash	\$ 540	\$ 480	\$ -	\$ 1,020
Total assets	<u>\$ 540</u>	<u>\$ 480</u>	<u>\$ -</u>	<u>\$ 1,020</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	540	480	-	1,020
Total liabilities	<u>\$ 540</u>	<u>\$ 480</u>	<u>\$ -</u>	<u>\$ 1,020</u>
REGIONAL CAREER & TECH CTR				
Assets				
Cash	\$ 26,676	\$ 68,668	\$ 64,090	\$ 31,254
Total assets	<u>\$ 26,676</u>	<u>\$ 68,668</u>	<u>\$ 64,090</u>	<u>\$ 31,254</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	26,676	68,668	64,090	31,254
Total liabilities	<u>\$ 26,676</u>	<u>\$ 68,668</u>	<u>\$ 64,090</u>	<u>\$ 31,254</u>
TIOGUE SCHOOL				
Assets				
Cash	\$ 9,108	\$ 45,433	\$ 47,407	\$ 7,134
Total assets	<u>\$ 9,108</u>	<u>\$ 45,433</u>	<u>\$ 47,407</u>	<u>\$ 7,134</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	9,108	45,433	47,407	7,134
Total liabilities	<u>\$ 9,108</u>	<u>\$ 45,433</u>	<u>\$ 47,407</u>	<u>\$ 7,134</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, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
WESTERN COVENTRY				
Assets				
Cash	\$ 9,320	\$ 59,454	\$ 56,167	\$ 12,607
Total assets	<u>\$ 9,320</u>	<u>\$ 59,454</u>	<u>\$ 56,167</u>	<u>\$ 12,607</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	9,320	59,454	56,167	12,607
Total liabilities	<u>\$ 9,320</u>	<u>\$ 59,454</u>	<u>\$ 56,167</u>	<u>\$ 12,607</u>
WASHINGTON OAK SCHOOL				
Assets				
Cash	\$ 41,140	\$ 47,531	\$ 47,282	\$ 41,389
Total assets	<u>\$ 41,140</u>	<u>\$ 47,531</u>	<u>\$ 47,282</u>	<u>\$ 41,389</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	41,140	47,531	47,282	41,389
Total liabilities	<u>\$ 41,140</u>	<u>\$ 47,531</u>	<u>\$ 47,282</u>	<u>\$ 41,389</u>
PHYSICAL PLANT				
Assets				
Cash	\$ 970	\$ 611	\$ 522	\$ 1,059
Total assets	<u>\$ 970</u>	<u>\$ 611</u>	<u>\$ 522</u>	<u>\$ 1,059</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	970	611	522	1,059
Total liabilities	<u>\$ 970</u>	<u>\$ 611</u>	<u>\$ 522</u>	<u>\$ 1,059</u>
LITTLE OAKERS PRE SCHOOL				
Assets				
Cash	\$ 198,831	\$ 95,479	\$ 90,000	\$ 204,310
Total assets	<u>\$ 198,831</u>	<u>\$ 95,479</u>	<u>\$ 90,000</u>	<u>\$ 204,310</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	198,831	95,479	90,000	204,310
Total liabilities	<u>\$ 198,831</u>	<u>\$ 95,479</u>	<u>\$ 90,000</u>	<u>\$ 204,310</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, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
BENEFITS				
Assets				
Cash	\$ 511,578	\$ 2,120,542	\$ 2,311,758	\$ 320,362
Total assets	<u>\$ 511,578</u>	<u>\$ 2,120,542</u>	<u>\$ 2,311,758</u>	<u>\$ 320,362</u>
Liabilities				
Due to other funds	\$ 422,730	\$ 106,839	\$ 292,248	237,321
Deposits held in custody for others	88,848	2,013,703	2,019,510	83,041
Total liabilities	<u>\$ 511,578</u>	<u>\$ 2,120,542</u>	<u>\$ 2,311,758</u>	<u>\$ 320,362</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>
ADMIN CHECKING				
Assets				
Cash	\$ -	\$ 22,686	\$ 10,533	\$ 12,153
Total assets	<u>\$ -</u>	<u>\$ 22,686</u>	<u>\$ 10,533</u>	<u>\$ 12,153</u>
Liabilities				
Due to other funds	\$ -	\$ 2,637	\$ 2,533	104
Deposits held in custody for others	-	20,049	8,000	12,049
Total liabilities	<u>\$ -</u>	<u>\$ 22,686</u>	<u>\$ 10,533</u>	<u>\$ 12,153</u>
TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 1,160,972	\$ 3,568,554	\$ 3,735,736	\$ 993,790
Total assets	<u>\$ 1,160,972</u>	<u>\$ 3,568,554</u>	<u>\$ 3,735,736</u>	<u>\$ 993,790</u>
Liabilities				
Due to other funds	\$ 422,730	\$ 109,476	\$ 294,781	\$ 237,425
Deposits held in custody for others	738,242	3,459,078	3,440,955	756,365
Total liabilities	<u>\$ 1,160,972</u>	<u>\$ 3,568,554</u>	<u>\$ 3,735,736</u>	<u>\$ 993,790</u>

(concluded)

Funds Combined for GASB 54 Reporting Purposes

General Fund

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Town General Fund Balance Sheet
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2014

	General Fund	104 Town Gymnasium	106 Personal Watercraft	107 Pilot Program	144 Land Trust	146 Cellphone Tower
ASSETS						
Cash and cash equivalents	\$ 15,129,157	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:						
Real estate and personal property taxes	2,496,062	-	-	-	-	-
Other receivables	1,440,114	-	-	-	-	-
Due from other funds	2,367,542	3,972	80	697	864,847	18,421
Total assets	<u>\$ 21,432,875</u>	<u>\$ 3,972</u>	<u>\$ 80</u>	<u>\$ 697</u>	<u>\$ 864,847</u>	<u>\$ 18,421</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenditures	\$ 363,825	-	-	240	-	-
Due to other funds	7,621,045	-	-	-	-	-
Other liabilities	1,205,705	-	-	-	-	-
Total liabilities	<u>\$ 9,190,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240</u>	<u>\$ -</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable tax revenue	2,446,563	-	-	-	-	-
Fund balances:						
Committed for:						
Public works programs	-	-	-	-	-	-
Use of budgeted surplus 2015	265,077	-	-	-	-	-
Public safety programs	-	-	-	-	-	-
Culture and recreation	-	3,972	80	457	864,847	18,421
Unassigned:	9,530,660	-	-	-	-	-
Total fund balances	<u>9,795,737</u>	<u>3,972</u>	<u>80</u>	<u>457</u>	<u>864,847</u>	<u>18,421</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,432,875</u>	<u>\$ 3,972</u>	<u>\$ 80</u>	<u>\$ 697</u>	<u>\$ 864,847</u>	<u>\$ 18,421</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Town General Fund Balance Sheet
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2014

	148 <i>Transfer Station DPW</i>	150 <i>Scrap Metal DPW</i>	151 <i>Scrap Metal Parks & Rec</i>	153 <i>Transportation Programs</i>	154 <i>Low Income Spay/Neuter</i>	155 <i>Animal Care Fund</i>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:						
Real estate and personal property taxes	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Due from other funds	2,376	5,217	1,088	105,807	780	734
Total assets	<u>\$ 2,376</u>	<u>\$ 5,217</u>	<u>\$ 1,088</u>	<u>\$ 105,807</u>	<u>\$ 780</u>	<u>\$ 734</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable tax revenue	-	-	-	-	-	-
Fund balances:						
Committed for:						
Public works programs	2,376	5,217	-	-	-	-
Use of budgeted surplus 2015	-	-	-	-	-	-
Public safety programs	-	-	-	-	780	734
Culture and recreation	-	-	1,088	105,807	-	-
Unassigned:	-	-	-	-	-	-
Total fund balances	<u>2,376</u>	<u>5,217</u>	<u>1,088</u>	<u>105,807</u>	<u>780</u>	<u>734</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,376</u>	<u>\$ 5,217</u>	<u>\$ 1,088</u>	<u>\$ 105,807</u>	<u>\$ 780</u>	<u>\$ 734</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Town General Fund Balance Sheet
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2014

	156 <i>Concession Vendor Parks & Rec</i>	157 <i>Collection Agency Tax Collector</i>	158 <i>Historical Records Trust</i>	<i>TOTAL</i>
ASSETS				
Cash and cash equivalents	-	-	-	-
Accounts receivable:				
Real estate and personal property taxes	-	-	-	-
Other receivables	-	6,134	32,217	38,351
Due from other funds	-	-	-	-
<i>Total assets</i>	\$ -	\$ 6,134	\$ 32,217	\$ 38,351
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenditures	-	-	-	-
Due to other funds	4,796	-	-	4,796
Other liabilities	-	-	-	-
<i>Total liabilities</i>	\$ 4,796	-	-	\$ 4,796
DEFERRED INFLOWS OF RESOURCES				
Unavailable tax revenue	-	-	-	-
Fund balances:				
Committed for:				
Public works programs	-	-	-	-
Use of budgeted surplus 2015	-	-	-	-
Public safety programs	-	-	-	-
Culture and recreation	-	6,134	32,217	38,351
<i>Unassigned:</i>	(4,796)	-	-	(4,796)
<i>Total fund balances</i>	\$ (4,796)	\$ 6,134	\$ 32,217	\$ 33,555
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 6,134	\$ 32,217	\$ 38,351

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balance
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2014

	General Fund	104 Town Gymnasium	106 Personal Watercraft	107 Pilot Program	144 Land Trust	146 Cellphone Tower
Revenues						
Real estate and personal property taxes	\$ 64,396,833	-	\$ -	-	\$ -	-
Other taxes	920,154	-	-	-	-	-
Penalties and interest on taxes	600,709	-	-	-	-	-
Licenses, fees and permits	757,962	-	-	-	-	-
Investment income	178,414	-	-	-	-	-
Intergovernmental	1,556,915	-	-	-	-	-
Charges for services	-	-	40	3,250	-	55,723
Miscellaneous	721,087	-	-	-	-	-
Total revenues	<u>69,132,074</u>	<u>-</u>	<u>40</u>	<u>3,250</u>	<u>-</u>	<u>55,723</u>
Expenditures						
Current:						
General government	5,282,712	-	-	-	-	-
Public safety	11,268,670	-	-	-	-	-
Education	-	-	-	-	-	-
Public works	5,155,030	-	-	-	-	-
Community and economic development	302,133	-	-	-	-	-
Health and human services	775,087	4,807	-	-	-	-
Culture and recreation	2,002,384	-	-	3,700	28,840	-
Debt service	-	-	-	-	-	-
Principal payments	2,165,000	-	-	-	-	-
Interest and fiscal charges	873,155	-	-	-	-	-
Total expenditures	<u>27,824,171</u>	<u>4,807</u>	<u>-</u>	<u>3,700</u>	<u>28,840</u>	<u>-</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>41,307,903</u>	<u>(4,807)</u>	<u>40</u>	<u>(450)</u>	<u>(28,840)</u>	<u>55,723</u>
Other financing sources (uses)						
Transfers from other funds	416,462	-	-	-	154,906	-
Transfers to other funds	(42,929,191)	-	-	-	(4,292)	(40,000)
Total other financing sources (uses)	<u>(42,512,729)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,614</u>	<u>(40,000)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(1,204,826)</u>	<u>(4,807)</u>	<u>40</u>	<u>(450)</u>	<u>121,774</u>	<u>15,723</u>
Fund balances - beginning	11,281,133	-	-	-	-	-
Prior period adjustment see Note 19	(280,570)	8,779	40	907	743,073	2,698
Fund balances - beginning - restated	11,000,563	8,779	40	907	743,073	2,698
Fund balances - ending	<u>\$ 9,795,737</u>	<u>\$ 3,972</u>	<u>\$ 80</u>	<u>\$ 457</u>	<u>\$ 864,847</u>	<u>\$ 18,421</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balance
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2014

	148 Transfer Station DPW	150 Scrap Metal DPW	151 Scrap Metal Parks & Rec	153 Transportation Programs	154 Low Income Spay/Neuter	155 Animal Care Fund
Revenues						
Real estate and personal property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-
Penalties and interest on taxes	-	-	-	-	-	-
Licenses, fees and permits	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	2,376	20,633	422	133,108	1,570	260
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>2,376</u>	<u>20,633</u>	<u>422</u>	<u>133,108</u>	<u>1,570</u>	<u>260</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	790	132
Education	-	-	-	-	-	-
Public works	-	15,416	-	-	-	-
Community and economic development	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-
Culture and recreation	-	-	-	43,585	-	-
Debt service	-	-	-	-	-	-
Principal payments	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	<u>15,416</u>	-	<u>43,585</u>	<u>790</u>	<u>132</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>2,376</u>	<u>5,217</u>	<u>422</u>	<u>89,523</u>	<u>780</u>	<u>128</u>
Other financing sources (uses)						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	(75,000)	-	-
Total other financing sources (uses)	-	-	-	<u>(75,000)</u>	-	-
Excess of revenues and other sources over (under) expenditures and other uses	<u>2,376</u>	<u>5,217</u>	<u>422</u>	<u>14,523</u>	<u>780</u>	<u>128</u>
Fund balances - beginning	-	-	-	-	-	-
Prior period adjustment see Note 19	-	-	666	91,284	-	606
Fund balances - beginning - restated	-	-	666	91,284	-	606
Fund balances - ending	<u>2,376</u>	<u>5,217</u>	<u>1,088</u>	<u>105,807</u>	<u>780</u>	<u>734</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Schedule of Revenues, Expenditures, Other Financing Sources (Uses) and
Changes in Fund Balance
Funds Combined with Town General Fund for GASB 54 Purposes
June 30, 2014

	156 <i>Concession Vendor Parks & Rec</i>	157 <i>Collection Agency Tax Collector</i>	158 <i>Historical Records Trust</i>	<i>TOTAL</i>
Revenues				
Real estate and personal property taxes	-	-	-	-
Other taxes	-	-	-	-
Penalties and interest on taxes	-	5,088	-	5,088
Licenses, fees and permits	-	5,089	-	10,177
Investment income	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	6,048	6,048
Miscellaneous	1,600	-	-	1,600
Total revenues	<u>1,600</u>	<u>10,177</u>	<u>6,048</u>	<u>6,048</u>
Expenditures				
Current:				
General government	-	4,043	10,065	14,108
Public safety	-	-	-	-
Public works	-	-	-	-
Community and economic development	-	-	-	-
Health and human services	-	-	-	-
Culture and recreation	-	-	-	-
Debt service	6,396	-	-	6,396
Principal payments	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>6,396</u>	<u>4,043</u>	<u>10,065</u>	<u>20,504</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(4,796)</u>	<u>6,134</u>	<u>(4,017)</u>	<u>(2,679)</u>
Other financing sources (uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(4,796)</u>	<u>6,134</u>	<u>(4,017)</u>	<u>(2,679)</u>
Fund balances - beginning	-	-	-	-
Prior period adjustment see Note 19	-	-	36,234	36,234
Fund balances - beginning - restated	-	-	36,234	36,234
Fund balances - ending	<u>(4,796)</u>	<u>6,134</u>	<u>32,217</u>	<u>23,555</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

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, 2014

Real Estate and Property Tax Assessment of	Total Balance Uncollected 7/1/2013	Assessment	Additions Adjustments	Abatements	Refunds and Adjustments	Total Available for Collection	Collections	(a) Balance Uncollected 6/30/2014
2013	\$ -	\$ 59,430,967	\$ 148,290	\$ (257,062)	\$ 81,131	\$ 59,403,326	\$ 58,789,026	\$ 614,300
2012	679,619	-	3,720	(22,999)	38,092	698,432	469,556	228,876
2011	205,669	-	-	(2,473)	5,143	208,339	82,107	126,232
2010	171,600	-	-	(3,019)	3,399	171,980	49,524	122,456
2009	105,835	-	-	(2,360)	(4,475)	99,000	5,152	93,848
2008	78,300	-	-	(2,530)	(2,997)	72,773	1,013	71,760
2007	36,909	-	-	(1,046)	-	35,863	287	35,576
2006	55,493	-	-	(1,005)	-	54,488	276	54,212
2005	52,498	-	-	(902)	-	51,596	263	51,333
2004	56,514	-	-	(675)	-	55,839	292	55,547
2003	49,324	-	-	(10)	-	49,314	283	49,031
2002 and prior	158,009	-	-	6	-	158,015	936	157,079
TOTAL PROPERTY	\$ 1,649,770	\$ 59,430,967	\$ 152,010	\$ (294,075)	\$ 120,293	\$ 61,058,965	\$ 59,398,715	\$ 1,660,250

Auto Excise Tax Assessment of	Total Balance Uncollected 7/1/2013	Assessment	Additions Adjustments	Abatements	Authorized Transfers and Adjustments	Total Available for Collection	Collections	Balance Uncollected 6/30/2014
2013	\$ -	\$ 5,118,101	\$ 5,189	\$ (13,458)	\$ 6,263	\$ 5,116,095	\$ 4,764,611	\$ 351,484
2012	386,052	-	115	(1,233)	(75)	384,859	239,620	145,239
2011	143,964	-	-	(1,000)	44	143,008	43,543	99,465
2010	38,460	-	330	(455)	33	38,368	8,262	30,106
2009	36,931	-	-	(524)	-	36,407	4,053	32,354
2008	46,113	-	-	(945)	-	45,168	3,795	41,373
2007	45,596	-	-	(10)	193	45,779	5,182	40,597
2006	37,880	-	-	(160)	-	37,720	1,866	35,854
2005	34,767	-	-	(433)	-	34,334	582	33,752
2004	25,155	-	-	(302)	(18)	24,835	18	24,817
2003	19,706	-	119	(19,685)	-	140	140	-
2002 and prior	35,627	-	1,324	(35,595)	-	1,356	585	771
TOTAL AUTO	\$ 850,251	\$ 5,118,101	\$ 7,077	\$ (73,800)	\$ 6,440	\$ 5,908,069	\$ 5,072,257	\$ 835,812

TOTAL PROPERTY TAX AND AUTO EXCISE TAX	\$ 2,500,021	\$ 64,549,068	\$ 159,087	\$ (367,875)	\$ 126,733	\$ 66,967,034	\$ 64,470,972	\$ 2,496,062
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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, 2014

	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2004	December 31, 2003
Assessed Property Valuations:										
Real Property	\$ 3,176,709,050	\$ 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
Tangibles	61,396,945	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
Motor Vehicles	320,210,910	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
	<u>3,558,316,885</u>	<u>3,525,429,693</u>	<u>3,502,653,042</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>
Less Exemptions:										
Blindness	455,872	515,722	521,872	488,872	445,500	392,830	409,330	343,330	304,430	254,930
Elderly and Disabled	20,382,000	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
Gold Star Mothers	9,000	9,000	9,000	15,000	15,000	18,000	15,000	15,000	12,000	12,000
Rectories and Parsonages	-	-	-	-	453,400	453,400	480,150	1,326,130	744,910	703,350
State Veterans	126,840	118,000	141,426	120,265	125,415	130,795	127,661	156,177	161,943	161,090
Veterans	17,546,300	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
POW's	15,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	45,000	45,000
100% Disabled Veterans	136,400	135,400	133,400	130,400	133,400	129,400	125,400	132,400	116,400	113,400
Variable	11,296,810	10,000	10,000	2,085,572	-	-	-	-	-	-
Specialty Adapted Housing	-	-	-	-	12,300	30,300	30,300	32,638	20,000	30,000
Motor Vehicle Phase-out	47,139,090	45,879,416	42,749,639	163,838,839	-	-	-	-	-	-
Tax Relief Program	21,537,525	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
	<u>118,644,837</u>	<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>
Total Exemptions										
NET TAXABLE ASSESSED PROPERTY VALUATIONS	\$ 3,439,672,048	\$ 3,418,314,319	\$ 3,397,682,946	\$ 3,872,223,379	\$ 3,982,672,021	\$ 3,993,693,983	\$ 3,548,785,156	\$ 3,501,303,154	\$ 3,419,621,873	\$ 1,976,985,618
Tax Levy:										
Real and personal property and tangible tax	\$ 59,430,967	\$ 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
Motor vehicle tax	5,118,101	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
TOTAL TAXES ASSESSED, NET OF EXEMPTIONS	\$ 64,549,068	\$ 62,327,612	\$ 61,860,248	\$ 59,562,835	\$ 59,014,126	\$ 59,106,603	\$ 56,292,003	\$ 53,614,506	\$ 48,191,587	\$ 45,839,262

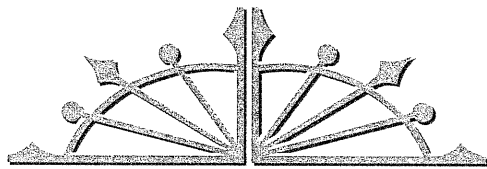
TOWN OF COVENTRY, RHODE ISLAND
Schedule of long-term liabilities - Primary Government
For the fiscal year ended June 30, 2014

Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding July 1, 2013	Additions	Maturities During Year	Outstanding June 30, 2014	Interest Paid
General Obligation Bonds Payable								
10/27/11	2.00% to 3.375%	11/01/21	\$ 13,770,000	\$ 12,645,000	\$ -	\$ 1,495,000	\$ 11,150,000	\$ 339,537
4/23/13	2.00% to 4.00%	04/01/27	12,520,000	12,520,000	-	420,000	12,100,000	383,837
4/11/12	3.00% to 4.00%	04/01/27	4,330,000	4,305,000	-	250,000	4,055,000	148,981
1/28/14	1.91%	1/27/15	234,000	-	234,000	-	234,000	-
6/4/14	1.80%	1/27/15	860,000	-	860,000	-	860,000	-
Total general obligation bonds payable			31,714,000	29,470,000	1,094,000	2,165,000	28,399,000	872,355
Notes Payable								
12/31/07	5.00%	12/31/13	126,892	23,808	-	23,808	-	1,190
Sewer Bonds Payable								
09/01/03	0.49% - 1.49%	9/1/23	3,400,000	2,420,000	-	2,420,000	-	58,375
7/26/12	2.00%	7/25/13	5,000,000	5,000,000	-	5,000,000	-	9,154
12/6/06	1.33%	9/1/27	3,205,000	2,508,000	-	147,000	2,361,000	32,854
12/12/07	3.75% to 5.08%	9/1/28	5,000,000	4,147,000	-	223,000	3,924,000	63,228
6/28/12	0.47% - 2.99%	9/1/32	2,400,000	2,399,000	-	1,000	2,398,000	55,822
6/6/13	0.82% - 3.23%	9/1/34	2,400,000	2,400,000	-	1,000	2,399,000	9,341
10/6/09	.7% - 2.64%	9/1/29	2,564,519	2,250,153	-	108,036	2,142,117	49,556
9/3/13	4.25%	9/1/28	8,225,000	-	8,225,000	-	8,225,000	-
Total Sewer bonds payable			37,694,519	21,124,153	8,225,000	7,900,036	21,449,117	278,330
Total bonds and notes			\$ 69,408,519	50,594,153	9,319,000	10,065,036	49,848,117	1,150,685
Accrued expenses								
Compensated absences				3,154,450	544,674	-	3,699,124	n/a
Net pension Obligation				37,404,840	863,070	-	38,267,910	n/a
Net OPEB obligation				1,797,136	418,785	-	2,215,921	n/a
Total accrued expenses				42,356,426	1,826,529	-	44,182,955	
Total long-term liabilities			\$ 92,950,579	\$ 11,145,529	\$ 10,065,036	\$	94,031,072	

**TOWN OF COVENTRY, RHODE ISLAND
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2014**

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	4,915,000
Legal debt margin	\$ 97,634,430

***TOWN OF COVENTRY, RHODE ISLAND
SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2014***



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, 2014, 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 20, 2015.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. Ref 2014-1

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

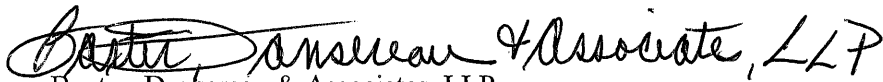
As part of obtaining reasonable assurance about whether Town of Coventry's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

Town of Coventry - Response to Findings

The Town of Coventry's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Coventry's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

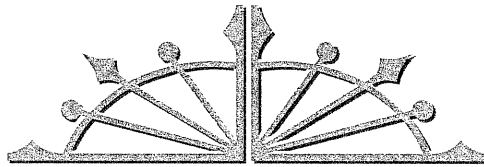
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in 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 20, 2015



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, 2014. 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, 2014.

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 20, 2015

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

<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	\$ 121,511
National School Lunch Program	10.555	N/A	578,102
Special School Milk Program for Children	10.556	N/A	5,765
Food Donation - See Note 4	10.555	N/A	88,553
<i>Direct Award</i>			
Emergency Watershed Protection Program	10.923	N/A	150,100
Total U.S. Department of Agriculture			<u>\$ 944,031</u>
U.S. Department of Commerce			
<i>Direct Award</i>			
Economic Adjustment Assistance	11.307	N/A	\$ 1,749,597
Total U.S. Department of Commerce			<u>\$ 1,749,597</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	\$ 31,453
Total U.S. Department of Housing and Urban Development			<u>\$ 31,453</u>
U.S. Department of the Interior			
<i>Direct Award</i>			
Natural Resources Damage Assessment Restoration and Implementation	15.658	N/A	\$ 796
Total U.S. Department of the Interior			<u>\$ 796</u>
U.S. Department of Justice:			
<i>Pass-Through State of Rhode Island Governor's Justice Commission</i>			
Edward Byrne Memorial Justice Assistance Grant - Grants to Local Gov't	16.738	N/A	\$ 31,414
Bulletproof Vests Partnership Program	16.607	N/A	2,652
Total U.S. Department of Justice			<u>\$ 34,066</u>
U.S. Department of Transportation			
<i>Pass-through State of Rhode Department of Transportation</i>			
<i>Recreation Cluster:</i>			
Highway Planning and Construction	20.205	N/A	\$ 215,777
Recreational Trails Program	20.219	N/A	20,000
<i>Highway Safety Cluster:</i>			
State and Community Highway Safety	20.600	N/A	22,721
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	N/A	22,721
Total U.S. Department of Transportation			<u>\$ 281,219</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
Total U.S. Environmental Protection Agency			<u>\$ 13,735</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	\$ 4,996
Total U.S. Department of Energy			<u>\$ 4,996</u>

continued

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2014

<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 Education:			
<i>Passed through State of Rhode Island Department of Education:</i>			
Title I Grants to Local Education Agencies	84.010	2725-11702-401	\$ 591,646
Career & Technical Education - Basic Grants to States	84.048	2725-15602-401	207,005
Improving Teacher Quality State Grants	84.367	2725-16402-401	224,491
Teacher Quality Partnership Grants	84.336	N/A	135,092
<i>Special Education Cluster:</i>			
Special Education Grants to States	84.027	2725-13202-401	1,271,981
Special Education Preschool Grants	84.173	2725-13502-401	32,883
ARRA - Race to the Top - Instructional Improvement	84.395	4572-13502-120	87
ARRA - Race to the Top - Standards & Curriculum	84.395	4572-13502-110	32,196
ARRA - Race to the Top - Educator Effectiveness	84.395	4572-13502-130	62,931
ARRA - Race to the Top - IIS Set Aside	84.395	4572-13502-160	1,213
ARRA - Race to the Top - HCD Set Aside	84.395	4572-13502-180	1,475
ARRA - Race to the Top - PLC Mini Grant	84.395	4572-13502-150	4,106
Total U.S. Department of Education			<u>\$ 2,565,106</u>
U.S. Department of Health & Human Services			
<i>Passed through State of Rhode Island Department of Health</i>			
Special Programs for the Aging, Title II, Part B Grants for Supportive Services	93.044	N/A	\$ 1,007
ARRA - Special Programs for the Aging, Title IV & Title II Discretionary Spending	93.048	N/A	1,259
National Family Caregiver Support, Title III, Part E	93.052	N/A	4,114
Public Health and Emergency Preparedness	93.069	N/A	99
Medicare Enrollment Assistance Program	93.071	N/A	2,015
Medical Assistance Program	93.778	N/A	299,349
Total U.S. Department of Health & Human Services			<u>\$ 307,843</u>
U.S. Department of Homeland Security			
<i>Pass-through State of Rhode Island Emergency Management Agency:</i>			
Hazard Mitigation Grant	97.039	N/A	\$ 5,402
Severe Repetitive Loss Program	97.110	N/A	522
Total U.S. Department of Homeland Security			<u>\$ 5,924</u>
Total Expenditures of Federal Awards			<u>\$ 5,938,766</u>

concluded

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2014

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness (es) identified? X yes no

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

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness (es) identified? yes X no

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

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

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

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
11.307	Economic Adjustment Assistance

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

Auditee qualified as low risk auditee? X yes no

SECTION II – FINANCIAL STATEMENT FINDINGS X yes none

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

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2014
(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 – Material Weakness

Finding 2014-1 Financial Reporting - Town

Criteria

Accounting systems are designed and dependent upon compliance with established policies and procedures for authorizing and recording transactions properly and consistently in accordance with generally accepted accounting principles.

Condition

During our audit it was noted that the Town did not properly disclose financial activity related to its issuance and subsequent activity for Town issued bonds through the Rhode Island Health and Educational Building Corporation in the amount of \$12,520,000.

Cause

Bond proceeds issued through the Rhode Island Health and Educational Building Corporation are used to pay for project cost when vendor bills are submitted for payment to the financial institution which holds the bond proceeds in escrow. Vendor invoices are not paid through the Town's normal internal control process. It appears that this "off the books" financial activity was not properly recorded on the Town's general ledger until it was disclosed by our audit.

Effect

The financial statements would be materially misstated.

Recommendation

We recommend that the Town review its' accounting and internal control procedures to be ensure proper methods and review procedures are used during the fiscal year and at year end to capture non-standard financial activity that can materially effect the financial statements.

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2014
(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 – Material Weakness

Finding 2014-1 Financial Reporting - Town

Management Response

The Town fully agrees with the audit finding.

The Town's current Finance Director, who started in the position in November 2013, was not aware that the former Finance Director did not notify the auditors of the existence of the RIHEBC Bond.

In response, the Town will establish a list of monthly and annual procedures to account for non-standard financial activity and it will also include a list of existing and new non-standard activity with the documents that it provides to the auditor.

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, 2014

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, 2014

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, 2014, 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

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 \$88,553 represents the market value of such commodities used during the period.