
TOWN OF COVENTRY

***ANNUAL
FINANCIAL REPORT***

***FOR THE FISCAL YEAR ENDED
JUNE 30, 2012***

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

Prepared by: Finance Department

COVENTRY, RHODE ISLAND

**TOWN OF COVENTRY, RHODE ISLAND
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

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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, 2012

TOWN COUNCIL

Gary P. Cote – President
Kerry L. McGee – Vice President
Raymond E. Spear
Carl L. Mattson Jr.
Thaddeus Jendzejec

TOWN MANAGER

Thomas R. Hoover

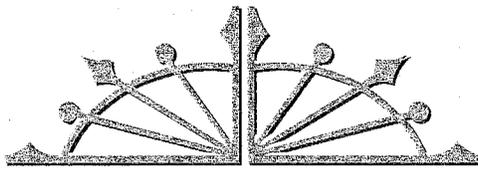
FINANCE DIRECTOR

Theodore J. Przybyla

FINANCIAL SECTION

This Section Contains the Following Subsections:

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



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

Partners

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

INDEPENDENT AUDITOR'S REPORT

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

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, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Coventry, Rhode Island's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the Town of Coventry, Rhode Island as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 21, 2013 on our consideration of the Town of Coventry, Rhode Island's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 68 through 74 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 management discussion and analysis information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The introductory section, combining and individual non-major fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying 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 financial statements. The combining and individual non-major fund financial statements, the budgetary comparison schedules on pages 68-74 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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.


Baxter Dansereau & Associates, LLP
January 21, 2013

Management's Discussion and Analysis

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(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, 2012. Please read it in conjunction with the Town's financial statements that follow this section.

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

Financial Highlights

- ❖ The net assets of the Town's primary government decreased \$1,547,498 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 \$5,505,518. Net assets of business activities increased by \$1,536,254 or 17.6%, while net assets of Governmental Activities decreased by \$3,083,752 or 23.6%.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$101,773,618 a 2.67% increase from the prior year, while revenues collected were \$100,226,120 a 3.55% increase.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,046,418. Over 82% of this amount, \$9,965,564 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 \$11,098,435, or 13.72% of the total general fund expenditures for the fiscal year. The current fiscal year's expenditures and transfers exceeded revenues and transfers by \$2,734,453. On a budgetary basis revenues exceeded expenditures and transfers by \$2,766,420.

Debt Service

The Town has taken advantage of favorable interest rates and refunded a significant portion of its long term debt. General Obligation Refunding Bonds of \$13,770,000 have been issued at a net interest cost of 3.044% which will generate a savings of \$ 752,200 in interest over the life of the new issue.

A short term bond anticipation note of \$4,330,000 associated with the Town's landfill remediation obligation has been replaced with long term general obligation bond at an interest rate of 3.49%.

A short term sewer obligation of \$5,500,000 has been reduced by a principal payment of \$500,000 and the issuance of \$5,000,000 Tax Anticipation Note in the 2012-2013 fiscal year. It is management's intent to take advantage of the favorable long term interest rates and seek long term financing of this debt in FY 2013.

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

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

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

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

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

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

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(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 two categories-governmental funds and proprietary funds.

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

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

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

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

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

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

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

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

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 23 through 67.

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 68 through 75.

The combining statements referred to earlier in connection with non-major governmental funds, are presented on pages 76 through 111.

Government-wide Financial Analysis

Analysis of the Town of Coventry's Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. The Town of Coventry, governmental activities liabilities exceeded assets by \$14,932,163 as of June 30, 2012. The cumulative deficit in the governmental activities net assets was increased by \$3,083,752 from current year activity.

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

	<i>Town of Coventry</i>			<i>Net Assets</i>		
	<i>June 30, 2012</i>			<i>June 30, 2011</i>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Current and Other Assets	\$ 25,462,942	\$ 13,198,876	\$ 38,661,818	\$ 24,979,952	\$ 13,019,818	\$ 37,999,770
Capital assets	33,489,473	23,844,046	57,333,519	33,750,531	24,091,619	57,842,150
Total Assets	58,952,415	37,042,922	95,995,337	58,730,483	37,111,437	95,841,920
Other Liabilities	10,365,515	7,761,859	18,127,374	8,923,636	10,345,260	19,268,896
Long-Term Liabilities	63,519,063	19,854,418	83,373,481	62,866,450	18,070,911	80,937,361
Total Liabilities	73,884,578	27,616,277	101,500,855	71,790,086	28,416,171	100,206,257
Net Assets:						
Invested in Capital						
Net of Related Debt	11,039,473	4,009,437	15,048,910	10,320,531	3,967,209	14,287,740
Restricted for:						
Education programs	285,822	-	285,822	364,029	-	364,029
Public safety programs	97,918	-	97,918	285,897	-	285,897
Culture and recreation	59,441	-	59,441	77,113	-	77,113
Health & human services	38,256	-	38,256	89,993	-	89,993
Unrestricted	(26,453,073)	5,417,208	(21,035,865)	(24,197,166)	4,728,057	(19,469,109)
Total Net Assets	\$ (14,932,163)	\$ 9,426,645	\$ (5,505,518)	\$ (13,059,603)	\$ 8,695,266	\$ (4,364,337)

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

The largest portion of the Town's Governmental net assets, \$11,039,473 consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any debt used to acquire these assets, which is still outstanding. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities.

The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to its citizens and creditors. The unrestricted net assets for governmental activities reported a \$26,453,073 deficit while the business-type activities reported a \$5,417,208 positive balance.

As of June 30, 2012 the Town of Coventry reports positive balances in the invested in capital assets, net of debt category.

Analysis of the Town of Coventry's Operations

The following analysis provides a summary of the Town's operations for the year ended June 30, 2012. The Town first implemented GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments for the fiscal year June 30, 2003. Therefore, comparative data is now available and is presented in the following schedules. Governmental activities decreased the Town's net assets by \$3,083,752 for the current period accounting for a 23.6% decrease in the Town's governmental net assets, while business-type activities increased the Town's net assets by \$1,536,254 for the current period. Overall the Town's decrease in net assets was \$1,547,498 for current year activity.

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

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

Town of Coventry
Changes in Net Assets

	June 30, 2012			June 30, 2011		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
<i>Revenues</i>						
<i>Program revenues</i>						
Charges for services	\$ 4,431,093	\$ 3,499,946	\$ 7,931,039	\$ 4,543,788	\$ 2,795,565	\$ 7,339,353
Federal/State grants	28,686,153	-	28,686,153	30,184,321	-	30,184,321
<i>General Revenues</i>						
Property taxes	62,522,392	-	62,522,392	58,162,174	-	58,162,174
Investment earnings	234,881	-	234,881	382,777	-	382,777
Miscellaneous	851,655	-	851,655	724,470	-	724,470
Total revenues	<u>96,726,174</u>	<u>3,499,946</u>	<u>100,226,120</u>	<u>93,997,530</u>	<u>2,795,565</u>	<u>96,793,095</u>
<i>Expenses</i>						
General government	7,299,478	-	7,299,478	6,994,078	-	6,994,078
Public safety	8,841,054	-	8,841,054	8,875,816	-	8,875,816
Education	72,829,217	-	72,829,217	70,981,175	-	70,981,175
Public works	6,198,819	-	6,198,819	5,611,231	-	5,611,231
Community and economic development	336,705	-	336,705	550,312	-	550,312
Health and human services	1,125,816	-	1,125,816	1,136,605	-	1,136,605
Culture and recreation	2,141,346	-	2,141,346	2,048,959	-	2,048,959
Interest on long-term debt	1,037,491	-	1,037,491	992,884	-	992,884
Sewer Fund Expenses	-	1,963,692	1,963,692	-	1,938,801	1,938,801
Total expenses	<u>99,809,926</u>	<u>1,963,692</u>	<u>101,773,618</u>	<u>97,191,060</u>	<u>1,938,801</u>	<u>99,129,861</u>
Change in net assets	(3,083,752)	1,536,254	(1,547,498)	(3,193,530)	856,764	(2,336,766)
Net assets - beginning	(13,059,603)	8,695,266	(4,364,337)	(9,866,073)	7,838,502	(2,027,571)
Prior period adjustments	1,211,192	(804,875)	406,317	-	-	-
Net assets - beginning -restated	<u>(11,848,411)</u>	<u>7,890,391</u>	<u>(3,958,020)</u>	<u>(9,866,073)</u>	<u>7,838,502</u>	<u>(2,027,571)</u>
Net assets - ending	<u>\$ (14,932,163)</u>	<u>\$ 9,426,645</u>	<u>\$ (5,505,518)</u>	<u>\$ (13,059,603)</u>	<u>\$ 8,695,266</u>	<u>\$ (4,364,337)</u>

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(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 \$12,046,418. Over 82.7% of this amount, \$9,965,564 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	\$ 285,822
Public safety programs	97,918
Culture and recreation	59,441
Health & human services	38,256
<i>Committed for:</i>	
Public works programs	270,757
2013 Educational budget	156,533
Culture and recreation	1,172,127
<i>Unassigned:</i>	9,965,564
Total fund balances	<u><u>\$ 12,046,418</u></u>

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

Unrestricted net assets of the Sewer Fund were \$5,417,208.

General Fund Budgetary Highlights

Revenues:

General Property Taxes – were over budget by \$220,508 due to a higher collection rate.

Fines and Interest on Late Payments – was over budget by \$384,711 due to successful collection efforts.

Miscellaneous Receipts – was over budget by 456,568 due to unanticipated revenue.

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(Un-audited)

General Fund Budgetary Highlights – (continued)

Expenses:

Legislative, judicial & general administration – was under budget by \$84,427 due to aggressive cost control.

Public Safety – was under budget by \$564,364 due to open positions mainly from military call ups and delay in filling positions..

General Government – was under budget by \$74,036 due to aggressive budget monitoring and cost containment.

Public Works – was under budget by \$92,064 due to aggressive budget monitoring and cost containment.

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 \$57,333,519 net of accumulated depreciation at June 30, 2012. 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, 2012			June 30, 2011		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Land	9,051,904	-	9,051,904	8,386,110	-	8,386,110
Construction in progress	326,311	2,304,162	2,630,473	-	2,053,499	2,053,499
Infrastructure	614,583	-	614,583	656,699	-	656,699
Buildings & Improvements	21,790,712	-	21,790,712	23,764,837	-	23,764,837
Machinery and equipment	316,210	-	316,210	50,542	-	50,542
Office equipment and furniture	132,618	-	132,618	187,383	-	187,383
Vehicles	1,257,135	-	1,257,135	704,960	-	704,960
Wastewater collection system	-	21,539,884	21,539,884	-	22,038,120	22,038,120
Total	<u>33,489,473</u>	<u>23,844,046</u>	<u>57,333,519</u>	<u>33,750,531</u>	<u>24,091,619</u>	<u>57,842,150</u>

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(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 \$22,450,000. 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, 2012</i>			<i>June 30, 2011</i>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
General Obligation Bonds	22,450,000	2,580,000	25,030,000	23,430,000	2,735,000	26,165,000
Notes Payable	46,484	17,274,418	17,320,902	68,080	15,335,911	15,403,991
Totals	<u>22,496,484</u>	<u>19,854,418</u>	<u>42,350,902</u>	<u>23,498,080</u>	<u>18,070,911</u>	<u>41,568,991</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 121 and 122.

Economic Factors and Next Year's Budgets and Rates

The Town of Coventry's total budget for fiscal year 2013 amounts to \$89,712,866, which reflects an increase of \$598,499 over fiscal 2012 budget of \$89,114,367. Of the Town's 2013 budget, \$64,169,389, or 72% is budgeted for educational purposes, \$22,207,908 or 24% for municipal government, \$2,171,334 or 3% for debt service and \$1,164,235 or less than 1% for capital improvements and library resource sharing.

The State of Rhode Island is budgeted to contribute \$19,618,698 toward the Town's educational expenses for the fiscal year 2013. This is an increase of \$2,003,420 over the \$17,615,274 contributed by the State in the fiscal year 2012.

The Town's residential and commercial property tax rates for fiscal 2013 are \$18.061 and \$21.76, respectively, with 72% allocated for education, 26% for municipal government, 2% for debt service and capital improvements and library resource sharing. For fiscal 2012 the Town's residential and commercial property tax rates were \$18.061 and \$21.76, respectively, with 72% allocated for education, 24% for municipal government, 3% for debt service and 1% for capital improvements.

TOWN OF COVENTRY, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2012
(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.

Theodore J. Przybyla
Finance Director/Treasurer

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

TOWN OF COVENTRY
Statement of Net Assets
June 30, 2012

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 15,498,533	\$ 361,714	\$ 15,860,247
Investments	3,938,812	-	3,938,812
Real estate and personal property tax receivable, net	2,288,069	-	2,288,069
Water and sewer use fees receivable, net	-	327,106	327,106
Due from federal and state government	1,253,961	2,323,971	3,577,932
Prepaid expenses	993,203	-	993,203
Other receivables, net	1,490,364	-	1,490,364
Total current assets	<u>25,462,942</u>	<u>3,012,791</u>	<u>28,475,733</u>
Noncurrent assets:			
Sewer assessments receivable	-	8,999,869	8,999,869
Capital assets:			
Land	9,051,904	-	9,051,904
Construction in progress	326,311	2,304,162	2,630,473
Property, plant & equipment - net	24,111,258	21,539,884	45,651,142
Capital assets, net	<u>33,489,473</u>	<u>23,844,046</u>	<u>57,333,519</u>
Other assets, net	-	1,186,216	1,186,216
Total noncurrent assets	<u>33,489,473</u>	<u>34,030,131</u>	<u>67,519,604</u>
Total assets	<u>58,952,415</u>	<u>37,042,922</u>	<u>95,995,337</u>
Liabilities:			
Accounts payable and accrued liabilities	7,601,254	247,637	7,848,891
Internal balances	1,351,448	(1,351,448)	-
Unearned revenues	475,834	8,865,670	9,341,504
Other	936,979	-	936,979
Total current liabilities	<u>10,365,515</u>	<u>7,761,859</u>	<u>18,127,374</u>
Long-term liabilities:			
Due within one year	1,522,676	6,130,265	7,652,941
Due in more than one year	61,996,387	13,724,153	75,720,540
Total noncurrent liabilities	<u>63,519,063</u>	<u>19,854,418</u>	<u>83,373,481</u>
Total liabilities	<u>73,884,578</u>	<u>27,616,277</u>	<u>101,500,855</u>
Net Assets:			
Invested in capital assets, net of related debt	11,039,473	4,009,437	15,048,910
Restricted for:			
Education programs	285,822	-	285,822
Public safety programs	97,918	-	97,918
Culture and recreation	59,441	-	59,441
Health & human services	38,256	-	38,256
Unrestricted	(26,453,073)	5,417,208	(21,035,865)
Total net assets	<u>\$ (14,932,163)</u>	<u>\$ 9,426,645</u>	<u>\$ (5,505,518)</u>

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

TOWN OF COVENTRY, RHODE ISLAND
Statement of Activities
For the Year Ended June 30, 2012

	Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Primary Government	
			Governmental Activities	Business-type Activities
		Program revenues		
		Operating		
		Grants and Contributions		
			Governmental Activities	Business-type Activities
				Total
	\$	\$	\$	\$
<i>Functions/ Programs</i>				
<i>Governmental Activities:</i>				
Governmental activities:				
General government	7,299,478	725,924	1,795,897	(4,777,657)
Public safety	8,841,054	110,121	-	(8,730,933)
Education	72,829,217	2,264,039	26,798,839	(43,766,339)
Public works	6,198,819	121,212	-	(6,077,607)
Community and economic development	336,705	1,131,663	-	794,958
Health and human services	1,125,816	-	-	(1,125,816)
Culture and recreation	2,141,346	78,134	91,417	(1,971,795)
Interest on long-term debt	1,037,491	-	-	(1,037,491)
<i>Total governmental activities</i>	<u>99,809,926</u>	<u>4,431,093</u>	<u>28,686,153</u>	<u>(66,692,680)</u>
<i>Business type activities:</i>				
Sewer Fund	1,963,692	3,499,946	-	1,536,254
<i>Total business-type activities</i>	<u>1,963,692</u>	<u>3,499,946</u>	<u>-</u>	<u>1,536,254</u>
<i>Total</i>	<u>\$ 101,773,618</u>	<u>\$ 7,931,039</u>	<u>\$ 28,686,153</u>	<u>(65,156,426)</u>
<i>General revenues:</i>				
Real estate and personal property taxes			62,522,392	62,522,392
Interest on property taxes			584,711	584,711
Investment earnings			234,881	234,881
Miscellaneous			266,944	266,944
<i>Total general revenues</i>			<u>63,608,928</u>	<u>63,608,928</u>
<i>Change in net assets</i>			<u>(3,083,752)</u>	<u>(1,547,498)</u>
Net assets-beginning			(13,059,603)	(4,364,337)
Prior period adjustment see note 20			1,211,192	406,317
Net assets-beginning - restated			(11,848,411)	(3,958,020)
Net assets-ending			<u>\$ (14,932,163)</u>	<u>\$ (5,505,518)</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, 2012

	<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	\$ 14,239,694	\$ 396,450	\$ -	\$ 722,933	\$ 15,359,077
Accounts receivable:					
Real estate and personal property taxes	2,288,069	-	-	-	2,288,069
Due from federal and state governments	-	-	-	1,253,961	1,253,961
Other receivables	783,759	706,605	-	-	1,490,364
Due from other funds	4,328,351	4,653,033	-	2,065,366	11,046,750
Prepaid expenses	-	570,399	-	-	570,399
Total assets	\$ 21,639,873	\$ 6,326,487	\$ -	\$ 4,042,260	\$ 32,008,620
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued expenditures	\$ 441,592	\$ 5,993,611	\$ 1,512	\$ 1,063,797	\$ 7,500,512
Due to other funds	7,048,424	-	113,460	1,963,870	9,125,754
Deferred revenues	2,241,781	-	-	284,514	2,526,295
Other liabilities	809,641	-	-	-	809,641
Total liabilities	10,541,438	5,993,611	114,972	3,312,181	19,962,202
Fund balances:					
Restricted for:					
Educational programs	-	176,343	-	109,479	285,822
Public safety programs	-	-	-	97,918	97,918
Culture and recreation	-	-	-	59,441	59,441
Health & human services	-	-	-	38,256	38,256
Committed for:					
Public works programs	-	-	-	270,757	270,757
2013 Educational budget	-	156,533	-	-	156,533
Culture and recreation	-	-	-	1,172,127	1,172,127
Unassigned:	11,098,435	-	(114,972)	(1,017,899)	9,965,564
Total fund balances	11,098,435	332,876	(114,972)	730,079	12,046,418
Total liabilities and fund balances	\$ 21,639,873	\$ 6,326,487	\$ -	\$ 4,042,260	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (Note 7)	33,260,753
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Note 7)	2,141,039
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (Note 7)	(63,287,579)
Internal service fund equity balance (Note 7)	907,206
Net assets of governmental activities	\$ (14,932,163)

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, 2012

	<i>General Fund</i>	<i>School Unrestricted Fund</i>	<i>Coventry Landfill Fund</i>	<i>Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues					
Real estate and personal property taxes	\$ 61,536,664	\$ -	\$ -	\$ -	\$ 61,536,664
Other taxes	847,927	-	-	-	847,927
Penalties and interest on taxes	584,711	-	-	-	584,711
Licenses, fees and permits	752,440	-	-	-	752,440
Investment income	95,956	-	-	158	96,114
Intergovernmental	1,692,241	21,464,935	-	6,109,876	29,267,052
Federal revenue - SFSF	152,258	-	-	-	152,258
Contributions and private grants	-	-	-	51,658	51,658
Charges for services	-	740,107	-	1,099,628	1,839,735
Miscellaneous	1,054,103	193,204	-	65,716	1,313,023
Total revenues	<u>66,716,300</u>	<u>22,398,246</u>	<u>-</u>	<u>7,327,036</u>	<u>96,441,582</u>
Expenditures					
Current:					
General government	4,071,112	-	149,201	168,049	4,388,362
Public safety	8,783,880	-	-	92,321	8,876,201
Education	-	66,336,980	-	4,699,250	71,036,230
Public works	5,011,982	-	-	902,805	5,914,787
Community and economic development	278,192	-	-	58,513	336,705
Health and human services	764,073	-	-	344,118	1,108,191
Culture and recreation	1,851,723	-	-	234,067	2,085,790
Capital outlay	-	-	-	1,897,215	1,897,215
Debt service	-	-	-	-	-
Principal payments	14,750,000	-	4,330,000	-	19,080,000
Interest and fiscal charges	911,364	-	107,949	-	1,019,313
Cost of issuance of debt	345,273	-	112,058	-	457,331
Total expenditures	<u>36,767,599</u>	<u>66,336,980</u>	<u>4,699,208</u>	<u>8,396,338</u>	<u>116,200,125</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>29,948,701</u>	<u>(43,938,734)</u>	<u>(4,699,208)</u>	<u>(1,069,302)</u>	<u>(19,758,543)</u>
Other financing sources (uses)					
Transfers from other funds	3,035,785	43,962,819	-	1,239,639	48,238,243
Transfers to other funds	(43,948,017)	-	-	(1,434,026)	(45,382,043)
Transfer to other funds - Federal SFSF	(152,258)	152,258	-	-	-
Issuance of debt	13,770,000	-	4,330,000	-	18,100,000
Premium on issuance of debt	80,242	-	119,102	-	199,344
Total other financing sources (uses)	<u>(27,214,248)</u>	<u>44,115,077</u>	<u>4,449,102</u>	<u>(194,387)</u>	<u>21,155,544</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>2,734,453</u>	<u>176,343</u>	<u>(250,106)</u>	<u>(1,263,689)</u>	<u>1,397,001</u>
Fund balances - beginning	<u>8,363,982</u>	<u>156,533</u>	<u>135,134</u>	<u>1,968,434</u>	<u>10,624,083</u>
Prior period adjustment see note 20	-	-	-	25,334	25,334
Fund balances - ending	<u>\$ 11,098,435</u>	<u>\$ 332,876</u>	<u>\$ (114,972)</u>	<u>\$ 730,079</u>	<u>\$ 12,046,418</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, 2012

Net change in fund balances-total governmental funds \$ 1,397,001

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	2,319,487
Depreciation expense	<u>(2,572,625)</u>
Change to Net Assets	<u>(253,138)</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 137,801

Interest expenses in the statement of activities includes accrued interest calculated for bonds payable (18,178)

Repayment of debt principal, leases and other debt related activity is an expenditure in the governmental funds, but the repayments and other expenses reduces long-term liabilities in the statement of net assets. This is the net amount by which these activities affected net assets. 1,233,080

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. (2,740,251)

Other certain accrued expenditures that do not use current financial resources are not reported in the fund financial statements. However, in the statement of activities these accrued expenses are recognized and charged to current activities. (2,840,067)

Change in net assets of governmental activities. \$ (3,083,752)

Please see Note 8 for a more detailed explanation of the differences between the Government-Wide Financial Statements and the Fund Financial Statements

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

TOWN OF COVENTRY, RHODE ISLAND
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Enterprise Fund	Internal Service Fund
	Sewer Fund	Self Insurance Reserve
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 361,714	\$ 139,456
Investments	-	3,938,812
Accounts receivable, net:		
Water and sewer use fees	327,106	-
Due from RI clean water	2,323,971	-
Due from other funds	1,351,448	-
Total current assets	4,364,239	4,078,268
Non-current assets:		
Capital assets		
Land	-	141,600
Construction in progress	2,304,162	-
Depreciable assets - net	21,539,884	87,120
Sewer assessments	8,999,869	-
Other assets, net	1,186,216	-
Total noncurrent assets	34,030,131	228,720
Total assets	38,394,370	4,306,988
LIABILITIES		
Current liabilities:		
Accounts payable and accrued expenses	247,637	-
Due to other funds	-	3,399,782
Current portion of long term debt	6,130,265	-
Total current liabilities	6,377,902	3,399,782
Non-current liabilities:		
Deferred revenue	8,865,670	-
Bonds and loans payable	13,724,153	-
Total noncurrent liabilities	22,589,823	-
Total liabilities	28,967,725	3,399,782
NET ASSETS		
Invested in Capital assets, net of related debt	4,009,437	228,720
Unrestricted	5,417,208	678,486
Total net assets	\$ 9,426,645	\$ 907,206

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

TOWN OF COVENTRY, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Enterprise Funds	Internal Service Fund
	Sewer Fund	Self Insurance Reserve
<i>Operating revenues</i>		
Assessments and user fees	\$ 3,458,952	\$ -
Other revenues	40,994	-
<i>Total operating revenues</i>	<u>3,499,946</u>	<u>-</u>
<i>Operating expenses</i>		
Contract services	27,777	1,698
Operations & Maintenance	1,040,121	-
Depreciation and amortization	518,509	7,920
Claims Paid	-	13,200
<i>Total operating expenses</i>	<u>1,586,407</u>	<u>22,818</u>
<i>Operating income (loss)</i>	<u>1,913,539</u>	<u>(22,818)</u>
<i>Non-operating revenues (expenses)</i>		
Interest and dividend income	-	138,767
Interest expense	(377,285)	-
<i>Total non-operating revenues (expenses)</i>	<u>(377,285)</u>	<u>138,767</u>
Income (loss) before transfers	<u>1,536,254</u>	<u>115,949</u>
Transfers		
Transfers out	-	(2,856,200)
<i>Total transfers</i>	<u>-</u>	<u>(2,856,200)</u>
Change in Net Assets	<u>1,536,254</u>	<u>(2,740,251)</u>
Total Net Assets - Beginning	8,695,266	3,647,457
Prior Period Adjustment - See Note 20	(804,875)	-
Total Net Assets - Ending	<u>\$ 9,426,645</u>	<u>\$ 907,206</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, 2012

	<u>Enterprise Funds</u> <u>Sewer</u> <u>Fund</u>	<u>Internal Service</u> <u>Fund</u> <u>Self Insurance</u> <u>Reserve</u>
Cash flows from operating activities		
Cash received from customers	\$ 4,031,143	\$ -
Cash payments to suppliers for goods and services	(1,136,549)	(14,898)
Other operating receipts	40,994	-
Net cash provided by (used for) operating activities	<u>2,935,588</u>	<u>(14,898)</u>
Cash flows from non-capital financing activities		
Interfund loans	(1,715,754)	2,871,093
Transfers to other funds	-	(2,856,200)
Net cash provided by (used for) non-capital financing activities	<u>(1,715,754)</u>	<u>14,893</u>
Cash flows from capital and related financing activities		
Additions to capital assets	(250,662)	-
Principal paid on bonds, notes and loans	(6,116,493)	-
Note proceeds	5,722,648	-
Capitalized bond cost	(198,032)	-
Interest paid on notes	(377,285)	-
Net cash provided (used for) capital and related financing activities	<u>(1,219,824)</u>	<u>-</u>
Cash flows from investing activities		
Interest and dividends on investment	-	138,767
Change in market value	-	(542,939)
Net cash provided by (used for) investing activities	<u>-</u>	<u>(404,172)</u>
Net increase (decrease) in cash and cash equivalents	10	(404,177)
Cash and cash equivalents at beginning of year	361,704	543,633
Cash and cash equivalents at end of year	<u>\$ 361,714</u>	<u>\$ 139,456</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income (Loss)	\$ 1,913,539	\$ (22,818)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	518,509	7,920
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	572,191	-
Increase (decrease) in accounts payable	(68,651)	-
Total adjustments	<u>1,022,049</u>	<u>7,920</u>
Net cash provided by operating activities	<u>\$ 2,935,588</u>	<u>\$ (14,898)</u>

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

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

For the Fiscal Year Ended June 30, 2012

	Police Pension Fund	Municipal Pension Fund	Private Purpose Trust Funds	Agency Funds
ASSETS				
Cash	\$ 2,717,933	\$ 872,489	\$ 234,992	\$ 1,922,058
Receivables:				
Internal balances	-	-	665,988	-
Total receivables	-	-	665,988	-
Investments, at fair value:				
Fixed income	290,365	354,915	1,798,550	-
Mutual funds	1,695,601	1,087,371	-	-
Equities	1,642,433	2,200,176	-	-
Total investments	3,628,399	3,642,462	1,798,550	-
Total Assets	6,346,332	4,514,951	2,699,530	1,922,058
LIABILITIES				
Internal balances	-	-	42,000	496,650
Accounts Payable	-	-	4,000	-
Deposits held in custody for others	-	-	-	1,425,408
Total liabilities	-	-	46,000	1,922,058
NET ASSETS				
Held in trust for other purposes	\$ 6,346,332	\$ 4,514,951	\$ 2,653,530	

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

TOWN OF COVENTRY, RHODE ISLAND
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2012

	<u>Police Pension Fund</u>	<u>Municipal Pension Fund</u>	<u>Private Purpose Trust Funds</u>
Additions			
Contributions			
Employer contributions	\$ 2,274,733	\$ 559,077	\$ -
Plan members contributions	274,950	371,664	-
Other contributions	10,247	473	-
Total contributions	<u>2,559,930</u>	<u>931,214</u>	<u>-</u>
Investment earnings			
Interest and dividends	131,296	116,122	82,883
Net increase (decrease) in fair value of investments	<u>(361,434)</u>	<u>(224,203)</u>	<u>(63,635)</u>
Total investment earnings	<u>(230,138)</u>	<u>(108,081)</u>	<u>19,248</u>
Total additions	<u>2,329,792</u>	<u>823,133</u>	<u>19,248</u>
Deductions			
Benefits paid	3,175,640	643,206	-
Operating expenses	39,011	31,278	78,895
Total deductions	<u>3,214,651</u>	<u>674,484</u>	<u>78,895</u>
Change in net assets	(884,859)	148,649	(59,647)
Net assets - beginning of year	7,231,191	4,366,302	2,713,177
Net assets - end of year	<u>\$ 6,346,332</u>	<u>\$ 4,514,951</u>	<u>\$ 2,653,530</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, 2012

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, 2012

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 2012:

* Coventry School System

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

BASIS OF PRESENTATION

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

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

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

Measurement Focus – Government Wide Financial Statements

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

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

The accounting and financial reporting treatment applied to the *fund financial statements* is determined by its measurement focus. All Governmental Fund Types and Expendable Trust Funds are accounted for using a “current financial resources” measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All Proprietary Fund Types and Fiduciary Fund Types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary Fund Type operating statements present increases (i.e., revenues) and decreases (i.e. expenses) in net total assets.

All Governmental Fund Types and Agency Funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e. both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Licenses and permits, charges for services, fines, forfeits, and miscellaneous revenue are recorded as revenues when received in cash. Those revenues susceptible to accrual are property taxes and investment earnings. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service and other long-term obligations, which are recognized when paid.

Non-current portions of long-term receivables of Governmental Fund Types are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate however, that they should not be considered “available expendable resources” since they do not represent net current assets. Recognition of Governmental Fund Type revenues represented by non-current receivables is deferred until they become current receivables.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Because of their spending measurement focus, expenditure recognition for Governmental Fund Types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as Governmental Fund Type expenditures or fund liabilities. They are instead reported as Long-term Liabilities – Governmental Activities.

In applying the “susceptible to accrual” concept to intergovernmental revenues the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of such revenues. For one type, amounts must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore revenues are recognized based upon the expenditures recorded.

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

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

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

Cash Equivalents

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

Investments

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

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

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase. No significant inventory balances were on hand at June 30, 2012.

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, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

defines capital assets as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost (for certain assets acquired prior to 1960). Donated assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are recorded as expenditures as incurred.

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

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

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

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

Deferred Revenues

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

Equity Classifications

Government-Wide Statements - Equity is classified as net assets and displayed in three components:

- ***Invested in capital assets, net of related debt*** - 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 net assets*** - Consists of net assets 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 net assets*** - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds – Equity is classified into five categories:

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

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

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

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

Revenues, Expenditures and Expenses

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

Program Revenues and Expenses

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

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Taxes

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 98.49% of the total December 31, 2010 levy.

The Town's fiscal 2012 property taxes were levied in July of 2011 on assessed valuation as of December 31, 2010. 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 Assets of the Government-Wide Financial Statements.

Inter-fund Transactions

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

Interfund Receivables and Payables

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

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

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

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures / expenses during the reporting period. Actual results could differ from those estimates and the differences may be material.

NOTE 2 – BUDGETARY DATA AND BUDGETARY COMPLIANCE

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

The General Fund is subject to an annual operating budget adopted at the financial Town Meeting. The School Unrestricted Fund is subject to an annual operating budget approved by the School Committee and adopted at the financial Town meeting. The annual operating budgets' appropriation amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. Appropriations which are not expended or encumbered lapse at year end.

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

The General Fund and Special Revenue - School Unrestricted Fund's annual operating budgets are in conformity with generally accepted accounting principles. The budget to actual presentation in the financial statements is reflected on the budgetary basis. The only Special Revenue fund that has a legally enacted budget is the School Unrestricted Fund. Therefore, the budget and actual figures presented for Special Revenue Funds in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual only include this fund.

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Legal Debt Margin

The Town's legal debt margin as set forth by State Statute is limited to three percent of total assessed value, which approximates \$101,930,488 based on the December 31, 2010 assessment. As of June 30, 2012 the Town's debt is under the debt limit by \$79,480,488.

In addition to the bonding authority granted under §45-12-2 of the RI General Laws, the Town of Coventry can authorize bond issues pursuant to a special act of the RI General Assembly. Bond issues authorized by a special act of the General Assembly are normally not subject to any legal debt limit, but are subject to financial constraints such as the Town's ability and willingness to service the bonded debt.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012, \$4,260,744 of the Town's bank balance of \$15,860,247 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, 2012

NOTE 4 – CASH AND INVESTMENTS (continued)

Cash and investments of the Town consist of the following at June 30, 2012

<i>Cash and Cash Equivalents</i>	
Deposits with financial institutions	\$ 21,607,719
<i>Investments</i>	
<i>Private Purpose Trust Funds:</i>	
Fixed Income Pool	1,798,550
Total Private Purpose Trust Funds	1,798,550
<i>Pension Trust Funds:</i>	
Fixed Income	645,280
Mutual Funds	2,782,972
Equities	3,842,609
Total Pension Trust Funds	7,270,861
<i>Internal Service Fund:</i>	
Certificates of Deposits	345,302
Mutual Funds	3,363,522
Corporate Bonds	229,988
Total Internal Service	3,938,812
Total Cash and Investments	\$ 34,615,942

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

<i>Statement of Net Assets</i>	
Cash and cash equivalents	\$ 15,860,247
Investments	3,938,812
	19,799,059
<i>Fiduciary Funds</i>	
Cash	5,747,472
Investments	9,069,411
	14,816,883
Total Cash and Investments	\$ 34,615,942

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, 2012

NOTE 4 – CASH AND INVESTMENTS (continued)

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
Certificates of Deposit	\$ 646,991	\$ 303,213	\$ 100,337	\$ 243,441	\$ -
Corporate Bonds	229,988	101,067	25,788	103,133	-
Total	<u>\$ 876,979</u>	<u>\$ 404,280</u>	<u>\$ 126,125</u>	<u>\$ 346,574</u>	<u>\$ -</u>

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

<u>Average Rating</u>	<u>Corporate Bonds</u>
A	\$ 51,223
A-	128,921
BBB-	49,844
	<u>\$ 229,988</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, 2012

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, 2012 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 8,244,510	\$ 665,794	\$ -	\$ 8,910,304
Construction in Progress	-	326,311	-	326,311
Total capital assets not being depreciated	<u>8,244,510</u>	<u>992,105</u>	<u>-</u>	<u>9,236,615</u>
Depreciable assets				
Infrastructure	33,005,324	-	-	33,005,324
Buildings & improvements	94,898,279	143,210	-	95,041,489
Machinery and equipment	974,220	313,929	-	1,288,149
Office equipment and furniture	6,657,302	-	-	6,657,302
Vehicles	6,348,688	870,243	-	7,218,931
Total other capital assets at historical cost	<u>141,883,813</u>	<u>1,327,382</u>	<u>-</u>	<u>143,211,195</u>
Less accumulated depreciation for:				
Infrastructure	32,348,625	42,116	-	32,390,741
Buildings & improvements	71,228,482	2,109,415	-	73,337,897
Machinery and equipment	923,678	48,261	-	971,939
Office equipment and furniture	6,469,919	54,765	-	6,524,684
Vehicles	5,643,728	318,068	-	5,961,796
Total accumulated depreciation	<u>116,614,432</u>	<u>2,572,625</u>	<u>-</u>	<u>119,187,057</u>
Net Depreciable Assets	<u>25,269,381</u>	<u>(1,245,243)</u>	<u>-</u>	<u>24,024,138</u>
Governmental activities capital assets, net	<u>\$ 33,513,891</u>	<u>\$ (253,138)</u>	<u>\$ -</u>	<u>\$ 33,260,753</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General Government	\$ 21,594
Public safety	136,361
Public Works	284,032
Health and Human Services	17,625
Education	1,916,840
Culture and Recreation	196,173
Total governmental activities depreciation expense	<u>\$ 2,572,625</u>

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6 – CAPITAL ASSETS (continued)

Capital asset activity for business-type activity for the fiscal year ended June 30, 2012 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	2,053,499	250,663	-	2,304,162
Total capital assets not being depreciated	<u>2,195,099</u>	<u>250,663</u>	<u>-</u>	<u>2,445,762</u>
Other capital assets:				
Buildings	158,400	-	-	158,400
Wastewater collection system	24,588,337	-	-	24,588,337
Total other capital assets at historical cost	<u>24,746,737</u>	<u>-</u>	<u>-</u>	<u>24,746,737</u>
Less accumulated depreciation for:				
Buildings	63,360	7,920	-	71,280
Wastewater collection system	2,550,217	498,236	-	3,048,453
Total accumulated depreciation	<u>2,613,577</u>	<u>506,156</u>	<u>-</u>	<u>3,119,733</u>
Business-type activities capital assets, net	<u>\$ 24,328,259</u>	<u>\$ (255,493)</u>	<u>\$ -</u>	<u>\$ 24,072,766</u>

Depreciation expense was charged to functions as follows:

Business-type activities:	
Sewer	\$ 498,236
Internal Service Fund	7,920
Total business-type activities depreciation expense	<u>\$ 506,156</u>

TOWN OF COVENTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012
(CONTINUED)

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

"Total fund balances" of the Town's governmental funds \$12,046,418 differs from "net assets" of governmental activities (\$14,932,163) reported in the statement of net assets. This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets. The effect of the differences is illustrated below.

Balance Sheet / Statement of Net Assets				
	Total Governmental Funds	Long-term Assets/ Liabilities (1)	Reclassifications and Eliminations (2)	Statement Net Assets Totals
Assets				
Cash and cash equivalents	\$ 15,359,077	-	\$ 139,456	\$ 15,498,533
Investments	-	-	3,938,812	3,938,812
Accounts receivable:				
Real estate & personal property taxes receivable	2,288,069	-	-	2,288,069
Due from federal and state governments	1,253,961	-	-	1,253,961
Other receivables	1,490,364	-	-	1,490,364
Due from other funds	11,046,750	-	(11,046,750)	-
Prepaid expenses	570,399	422,804	-	993,203
Land	-	8,910,304	141,600	9,051,904
Construction in progress	-	326,311	-	326,311
Depreciable capital assets - net	-	24,024,138	87,120	24,111,258
Total assets	32,008,620	33,683,557	(6,739,762)	58,952,415
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	7,500,512	100,742	-	7,601,254
Due to other funds	9,125,754	-	(7,774,306)	1,351,448
Deferred revenues	2,526,295	(2,050,461)	-	475,834
Other liabilities	809,641	-	127,338	936,979
Long-term liabilities				
Due within one year	-	1,522,676	-	1,522,676
Due in more than one year	-	61,996,387	-	61,996,387
Total liabilities	19,962,202	61,569,344	(7,646,968)	73,884,578
Fund Balances/Net Assets				
Total fund balances/net assets	12,046,418	(27,885,787)	907,206	(14,932,163)
Total liabilities and fund balances/net assets	\$ 32,008,620	\$ 33,683,557	\$ (6,739,762)	\$ 58,952,415

TOWN OF COVENTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012
(CONTINUED)

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

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

Land	\$ 8,910,304
Construction in progress	326,311
Cost of capital assets	143,211,195
Accumulated depreciation	(119,187,057)
	\$ 33,260,753

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

Adjustment of deferred revenue	\$ 2,241,781
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Interest on long-term debt is accrued in the statement of net assets but is not accrued in governmental funds, rather it is recognized as an expenditure when due.

Adjustment of accrued interest expense	\$ (100,742)
--	--------------

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

Bonds & notes payable	22,496,484
Cost of issuance	(422,804)
Bond premium	191,320
Accrued compensated absences	3,530,812
Net pension obligation	36,027,887
Net OPEB obligation	1,463,880
	\$ 63,287,579

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

\$	907,206
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The elimination of internal balances of governmental and business type activities.

\$	7,774,306
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The reclassification of monies owed to and from fiduciary funds

\$	127,338
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TOWN OF COVENTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012
(continued)

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

The "net change in the fund balances" for governmental funds \$1,397,001 differs from the "change in net assets" for governmental activities (\$3,083,752) 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	\$ 61,536,664	\$ 137,801	\$ -	\$ -	\$ -	\$ 61,674,465
Other taxes	847,927	-	-	-	-	847,927
Penalties and interest on taxes	584,711	-	-	-	-	584,711
Licenses, fees and permits	752,440	-	-	-	-	752,440
Investment income	96,114	-	-	138,767	-	234,881
Intergovernmental	29,267,052	-	-	-	-	29,267,052
Federal revenue - State Fiscal Stabilization Fund	152,258	-	-	-	-	152,258
Contributions and private grants	51,658	-	-	-	-	51,658
Charges for services	1,839,735	-	-	-	-	1,839,735
Miscellaneous	1,313,023	-	-	-	8,024	1,321,047
Total revenues	<u>96,441,582</u>	<u>137,801</u>	<u>-</u>	<u>138,767</u>	<u>8,024</u>	<u>96,726,174</u>
Expenditures						
Current:						
General government	4,388,362	-	13,704	22,818	2,874,594	7,299,478
Public safety	8,876,201	-	(35,147)	-	-	8,841,054
Education	71,036,230	-	1,792,987	-	-	72,829,217
Public works	5,914,787	-	284,032	-	-	6,198,819
Community and economic development	336,705	-	-	-	-	336,705
Health and human services	1,108,191	-	17,625	-	-	1,125,816
Culture and recreation	2,085,790	-	77,152	-	(21,596)	2,141,346
Capital outlay	1,897,215	-	(1,897,215)	-	-	-
Debt service	-	-	-	-	(19,080,000)	-
Principal payments	19,080,000	-	-	-	-	-
Interest and fiscal charges	1,019,313	18,178	-	-	-	1,037,491
Cost of bond issuance	457,331	-	-	-	(457,331)	-
Total expenditures	<u>116,200,125</u>	<u>18,178</u>	<u>253,138</u>	<u>22,818</u>	<u>(16,684,333)</u>	<u>99,809,926</u>
Other financing uses/changes in net assets						
Net transfers (to) from other funds	2,856,200	-	-	(2,856,200)	-	-
Issuance of debt	18,100,000	-	-	-	(18,100,000)	-
Premium on Ban	192,344	-	-	-	(192,344)	-
Total other financing uses	<u>21,155,544</u>	<u>-</u>	<u>-</u>	<u>(2,856,200)</u>	<u>(18,299,344)</u>	<u>-</u>
Net change for the year	\$ 1,397,001	\$ 119,623	\$ (253,138)	\$ (2,740,251)	\$ (1,606,987)	\$ (3,083,752)

TOWN OF COVENTRY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012
(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.

	137,801
	<u>\$ 137,801</u>

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

	\$ (18,178)
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Accrued interest expenditure adjustment

(2) When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net assets decrease by the amount of depreciation expense charged for the year.

	2,319,487
	<u>(2,572,625)</u>
	<u>\$ (253,138)</u>

Capital outlay
 Depreciation expense
 Difference

(3) Internal service funds are used by management to charge the cost of certain activities, such as workers compensation insurance coverage to individual funds. The adjustments for internal service funds "close" those funds by charging additional amounts or reducing expenditures to the governmental funds thus eliminating any surplus or deficit on the internal service fund.

	\$ (2,740,251)
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(4) Other accrued expenditures are not recorded on the funds statement but are shown on the statement of activities in order to present the true financial position of the City on its long-term contracts.

	\$ (355,381)
	<u>(2,058,011)</u>
	<u>(426,675)</u>
	<u>\$ (2,840,067)</u>

Net increase in compensated absences
 Net increase in net pension obligation
 Net increase in net OPEB obligation
 Difference

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

	19,080,000
	<u>(18,100,000)</u>
	457,331
	<u>(199,344)</u>
	<u>(34,527)</u>
	8,024
	<u>21,596</u>
	<u>\$ 1,233,080</u>

Bond principal payments
 Issuance of debt
 Bond cost of issuance
 Bond premium
 Bond cost of issuance amortization
 Bond premium amortization
 Note principal payments
 Total principal payments made

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 –LONG-TERM LIABILITIES

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

Long-term liability activity for the fiscal year ended June 30, 2012 was as follows:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Amounts</u> <u>Due within</u> <u>One Year</u>
Governmental Activities					
Bonds Payable	\$ 23,430,000	\$ 18,100,000	\$ 19,080,000	\$ 22,450,000	\$ 1,500,000
Total bonds payable	<u>23,430,000</u>	<u>18,100,000</u>	<u>19,080,000</u>	<u>22,450,000</u>	<u>1,500,000</u>
Other liabilities:					
Notes payable	68,080	-	21,596	46,484	22,676
Accrued compensated absences	4,361,289	355,381	1,185,858	3,530,812	-
Net pension obligation	33,969,876	2,058,011	-	36,027,887	-
Net OPEB obligation	1,037,205	426,675	-	1,463,880	-
Total other liabilities	<u>39,436,450</u>	<u>2,840,067</u>	<u>1,207,454</u>	<u>41,069,063</u>	<u>22,676</u>
Governmental Activities long-term liabilities	<u>\$ 62,866,450</u>	<u>\$ 20,940,067</u>	<u>\$ 20,287,454</u>	<u>\$ 63,519,063</u>	<u>\$ 1,522,676</u>
Business-Type Activities					
Sewer Department bonds payable	\$ 2,735,000	\$ -	\$ 155,000	\$ 2,580,000	\$ 160,000
Rhode Island Clean Water	2,794,000	-	142,000	2,652,000	144,000
Rhode Island Clean Water	4,581,000	-	215,000	4,366,000	219,000
Rhode Island Clean Water	2,460,911	-	104,493	2,356,418	106,265
Rhode Island Clean Water	-	2,400,000	-	2,400,000	1,000
Total bonds and notes payable	<u>12,570,911</u>	<u>2,400,000</u>	<u>616,493</u>	<u>14,354,418</u>	<u>630,265</u>
Other liabilities:					
GO Tax Anticipation Notes	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000
Total other liabilities	<u>5,500,000</u>	<u>5,500,000</u>	<u>5,500,000</u>	<u>5,500,000</u>	<u>5,500,000</u>
Total enterprise funds	<u>\$ 18,070,911</u>	<u>\$ 7,900,000</u>	<u>\$ 6,116,493</u>	<u>\$ 19,854,418</u>	<u>\$ 6,130,265</u>

The following schedule summarizes the Town's bonds and notes

	Interest Rates	Principal	Due Dates
Governmental bonds	2.00% - 4.00%	\$ 22,450,000	2013-2027
Enterprise Funds bonds and notes payable	.47% - 5.08%	19,854,418	2013-2033
Total All Funds		<u>\$ 42,304,418</u>	

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 –LONG-TERM LIABILITIES (continued)

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

Fiscal Year Ended June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	1,500,000	669,453	2,169,453
2014	2,145,000	634,920	2,779,920
2015	2,125,000	582,320	2,707,320
2016	2,110,000	522,595	2,632,595
2017	2,095,000	459,876	2,554,876
2018	2,085,000	397,107	2,482,107
2019	2,070,000	332,457	2,402,457
Thereafter	8,320,000	827,175	9,147,175
TOTALS	<u>\$ 22,450,000</u>	<u>\$ 4,425,903</u>	<u>\$ 26,875,903</u>

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

Fiscal Year Ended June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	6,130,265	276,539	6,406,804
2014	649,035	302,796	951,831
2015	666,807	291,373	958,180
2016	792,463	277,341	1,069,804
2017	809,120	261,735	1,070,855
2018	831,777	245,238	1,077,015
2019	859,433	227,699	1,087,132
Thereafter	9,115,518	1,240,057	10,355,575
TOTALS	<u>\$ 19,854,418</u>	<u>\$ 3,122,778</u>	<u>\$ 22,977,196</u>

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 10 – FUND DEFICIT

The following individual funds had deficit fund equity balances as of June 30, 2012:

Governmental Funds

Special Revenue Funds

School Food Service	\$ 241,701	*
Project Friends	6,073	**
Anthony Village	16,520	**
Bramley Grant	208	**
Byrne Grant	42,442	**
E-Citation Grant	21	**
Anthony Village Green Project	131,460	**
Beaudoin Property Aquisition	4,292	**
RIEMA Maple Valley & Franklin	12,734	**
RIEMA Industrial Drive	7,935	**
RIEMA Hammet Ave	6,367	**
CDBG Funds	13,819	**
RIEMA Johnson Blvd	35,476	**
Traffic Grant	12,126	**
Calea ETC Grant	29,247	**
Bullet Proof Grant	3,224	**
Click it or Click it	7,060	**
Water Resource Section 319	60,000	**
US Fish & Wildlife	66,409	**
East Shore Drive Stormwater	47,743	**
March Flood Disater	104,927	**
RIDOT Leap Road	250,752	**
Sandy Bottom River Bank	9,350	**
EDA Flat River Road	20,000	**
Direct Reimbursement	34,519	**
<i>Capital Project Funds</i>		
Coventry Landfill	114,972	*
Total	\$ 1,279,377	

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

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

NOTE 11 – MORTGAGES RECEIVABLE

As of June 30, 2012, a balance of \$662,891 is due to the Town of Coventry from two mortgage promissory notes. These notes were issued by the Maple Root Corporation and Ramblewood Housing Cooperative Corporation. The original, amount of the notes were for \$560,912 and \$439,088 respectively, and were issued on February 3, 2004 with an interest rate of 3.5% per annum. The notes are to be paid with 240 monthly installments of \$3,523.06 and \$2,546.53 respectively, commencing March 1, 2004. The above receivables are secured by land.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012.

	<u>Due from other funds</u>		<u>Due to other funds</u>	
General Fund		\$ 4,328,351		\$ 7,048,424
Special Revenue Funds:				
School Unrestricted	4,653,033		-	
School Restricted	436,909		801,644	
School Food Service	23,789		-	
Town Restricted	1,157,056		922,804	
Coventry Landfill Fund	-	6,270,787	113,460	1,837,908
	<u> </u>		<u> </u>	
Capital Projects:				
School Improvement	250,000		239,422	
Town Capital Improvement	197,612	447,612	-	239,422
	<u> </u>		<u> </u>	
Fiduciary Funds:				
Permanent Funds	665,988		42,000	
Agency Funds	-	665,988	496,650	538,650
	<u> </u>		<u> </u>	
Proprietary Funds				
Sewer Fund	1,351,448		-	
Internal Service	-	1,351,448	3,399,782	3,399,782
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals		<u>\$ 13,064,186</u>		<u>\$ 13,064,186</u>

NOTE 13 - FUND EQUITY

The following fund balance category reservations are recorded in the financial statements at June 30, 2012:

- **Non-spendable** – are balances that are permanently precluded from conversion to cash such as permanent funds and inventories. \$-0-
- **Restricted** – requires that inflows and outflows of resources and balances be constrained to a specific purpose of enabling legislation, external parties or constitutional provisions. \$481,437
- **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. \$1,559,417
- **Assigned** – are balances intended for a specific purpose by the government’s management and are also appropriations of existing fund balances. \$-0-
- **Unassigned** – are balances available for any purpose. They are not precluded by a management decision, law constitutional provision in the general fund. \$9,965,564

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 14 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. Litigation

The Town has been named as a responsible party in connection with the investigation and remediation of the former Coventry landfill owned and operated by the Town and located off Arnold Road in Coventry. The Town is one of a number of persons to whom a Letter of Responsibility was issued in June, 2003 by the Rhode Island Department of Environmental Management requiring such persons to conduct the investigation and remediation of the landfill under applicable state and federal law and regulations. The Town is one of a number of such persons who executed and delivered that certain Partial Consent Decree in 2005 in the case of State of Rhode Island, Department of Environmental Management v. Town of Coventry, pursuant to which the signatories agree to conduct and pay for an environmental investigation of the site.

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

The current estimate of the cost of the remediation of the landfill is approximately \$6.5 million (of which the Town is obligated under the Agreement to pay 60% thereof). However, the Rhode Island Department of Environmental Management has not issued its final approval of the remedy for the landfill, and no firm estimate of the cost can be obtained at this time. Therefore, it is not possible at this time to determine the cost that the Town will incur in connection therewith.

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

B. Federally Assisted Programs - Compliance Audits

The Town participates in a number of federally assisted programs. The audits of these programs through the year ended June 30, 2012 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, 2012

NOTE 15 - PENSION PLANS

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

1. Municipal Employees Retirement Plan (Town Plan)

Plan Description

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

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

As of July 1, 2011, employee membership data related to this plan was as follows:

Active Members	104
Inactive Members	38
Retired Members	<u>65</u>
TOTAL	<u>207</u>

Under the provisions of the plan, benefits vest after ten years of creditable service. An employee may retire at age 62 with ten years of creditable service for full benefits, or at age 55 with ten years of creditable services for reduced benefits. This pension plan also provides disability and death benefits. Benefits begin vesting after four years of service and become fully vested after ten years of service. An employee's annual pension is determined by multiplying 2% of his average monthly pay by a benefit service rate. The average monthly pay is determined using the five highest consecutive pay years out of the ten latest pay years which give the highest average. The benefit service rate is the sum of the total periods of service. Under the provisions of the plan, employees who become active members on or after July 1, 1991 are required to contribute 7% of total pay.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - PENSION PLANS – (continued)

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

Plan Description

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

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

Summary of Significant Accounting Policies

Basis of Accounting

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

Valuation of Investments

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

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

Contributions

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

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - PENSION PLANS – (continued)

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

Summary of Significant Accounting Policies

Basis of Accounting

Actuarial Cost Method

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

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

Actuarial Assumptions

- Mortality is assumed to be in accordance with the Group Annuity Mortality Table for 1983, with ages set back six years for females.
- Investment return on current assets and future contributions is assumed to be at the rate of 8.00% per year, compounded annually. This return includes interest, dividends and realized and unrealized gains.
- The spouse of a male participant is assumed to be three years younger. The spouse of a female participant is assumed to be three years older.
- It is assumed that 75% of participants are married.
- Salaries are assumed to be in accordance with Table S-5 from the Actuary's Pension Handbook.
- Disabilities are assumed to be in accordance with the Commissioner's Group Disability Table for 1987, with a six month elimination period.
- Rates of turnover (terminations of employment before becoming eligible for retirement) are in accordance with Table V published in Pension Forum: Society of Actuaries, August 1992, multiplied by 0.90.
- Normal retirement age is 62 or age at the valuation date, if later then age 62.
- Actuarial value of assets is market value adjusted by spreading the expected value minus the actual value over 4 years.
- Plan expenses are assumed to be deducted from the fund according to expense scales provided in the service agreement. An estimated expense charge is included in Normal Cost.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - PENSION PLANS (continued)

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

Annual Pension Cost and Net Pension Obligation: Below are the required pension obligation presentations per GASB 25 and 27 for the period ending June 30, 2012.

Annual required contribution	\$ 986,087
Interest on net pension obligation	735,539
Adjustment to annual required contribution	<u>(633,845)</u>
Annual pension cost	1,087,781
Contributions made	<u>559,077</u>
Increase in net pension obligation	<u>528,704</u>
Net pension obligation beginning of year	<u>9,194,236</u>
Net pension obligation end of year	<u><u>\$ 9,722,940</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

Trend Information Municipal Retirement Plan (Town Plan)

Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Net Pension Obligation	Actual Contribution
2012	986,087	56.70%	9,722,940	559,077
2011	887,077	49.92%	9,194,236	442,837
2010	806,558	68.19%	8,638,902	550,000

2. Police Pension Plan

Plan Description

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

As of July 1, 2011 employee membership data related to this plan was as follows:

Active members	54
Inactive members	0
Retired members	<u>74</u>
	<u>128</u>

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - PENSION PLANS (continued)

2. Police Pension Plan

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

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

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

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

Summary of Significant Accounting Policies

Basis of Accounting

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

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - PENSION PLANS (continued)

2. Police Pension Plan

Valuation of Investments

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

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

Contributions

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

Actuarial Cost Method

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

- The actuarial cost method used to determine liabilities and costs and to project future funding requirements is known as the Entry Age Normal – Frozen Initial Liability method. This method spreads the total cost of the projected pension benefits for each employee from the date he is first employed to his normal retirement date. If benefits are related to compensation, the cost is spread as a level percentage of compensation. If benefits are not related to compensation, the cost is spread as a level dollar amount each year. The total of annual amounts for all employees combined is called the **Normal Cost**. This Normal Cost may be shared by the employer and the employees in accordance with plan provisions. The employee's Entry Age is determined as if the plan had always been in existence. Thus, as of the plan effective date, there are some accumulated Normal Costs for past years that have not been paid. The value of these past Normal Costs is called the **Frozen Initial Liability**. In subsequent years the Frozen Initial Liability is reduced by the employer deposits to the plan in excess of employer Normal Cost and interest requirements. This reduced amount is known as the **Unfunded Frozen Initial Liability**.
- Mortality is assumed to be in accordance with the Group Annuity Mortality Table for 1983, with ages set back six years for females.
- Investment return on current assets and future contributions is assumed to be at the rate of 8.00% per year, compounded annually. This return includes interest, dividends and realized and unrealized gains.
- The spouse of a male participant is assumed to be three years younger. The spouse of a female participant is assumed to be three years older.
- It is assumed that 75% of participants are married.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - PENSION PLANS (continued)

2. Police Pension Plan

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

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, 2012.

Annual required contribution	\$ 3,530,006
Interest on net pension obligation	1,982,051
Adjustment to annual required contribution	<u>(1,708,017)</u>
Annual pension cost	3,804,040
Contributions made	<u>2,274,733</u>
Increase in net pension obligation	<u>1,529,307</u>
Net pension obligation beginning of year	<u>24,775,640</u>
Net pension obligation end of year	<u><u>\$ 26,304,947</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

Trend Information Police Pension Plan

Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Net Pension Obligation	Actual Contribution
2012	3,530,006	64.44%	26,304,947	2,274,733
2011	3,278,626	69.38%	24,775,640	2,274,733
2010	3,084,953	73.74%	23,469,929	2,274,733

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - PENSION PLANS – (continued)

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

Plan Description

The Coventry Teacher’s Alliance School Related Personnel Pension Plan covers school related personnel (non-teaching personnel) who are members of the bargaining unit. As of the September 1, 2011 actuarial valuation date, there were 349 plan members of which 196 were active members. Each school employee who is a member of the Union or pays an agency fee shall be a participant of the plan. Participants who became active members of the plan after April 1, 1996, contribute specified percentages of their annual compensation to the plan. For the year ended June 30, 2012, the percentage was 8%. The Town makes annual contributions to the plan, such amount as is set forth under the relevant terms of the collective bargaining agreement between the Employer and the Union as in effect for such period and, for the year ended June 30, 2012, was equal to 12.75% of the regular payroll of employees subject to the plan

The pension plan is considered to be a single-employer defined benefit pension plan administered by an independent board of trustees. This plan, originally established in April 1977, was restated as of September 10, 2008 by the School Committee of the Town of Coventry and the CTA/SRP Local 1075 (the “Union”) in accordance with Federal and State Statutes. The Employer and the Union, upon mutual agreement, shall have the right to amend, alter or modify Section 7.1 (Employer Contributions). The Trustees shall have the right to amend, alter or modify all other provisions of the agreement at any time, or from time to time, in whole or in part.

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

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

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

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

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - PENSION PLANS – (continued)

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

Plan Description

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

Under the provisions of the plan, benefits vest after ten years of creditable service. A participant may retire at age 58 with ten years of creditable service or upon completion of thirty years of creditable service, regardless of age, for full benefits, or age 60 with fifteen years of creditable service for reduced benefits. This plan also provides disability and death benefits. Benefits fully vest after ten years of service. An employee’s annual pension is determined by multiplying specified percentage to the average compensation and the number of years of service. A participant’s average compensation is computed using the three highest consecutive plan years that produce the highest average prior to the earlier of either the termination of service or termination of the plan. In the event a participant has completed less than thirty-six consecutive months of compensation the average compensation shall be determined based upon all completed calendar months of employment.

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

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

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
2012	640,323	401,771	100%
2011	685,572	444,404	100%
2010	672,228	421,790	100%

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

Town of Coventry certified school personnel participate in the Employees' Retirement System of the State of Rhode Island ("System"), a cost-sharing multiple-employer retirement system. The System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Employees Retirement System of Rhode Island, 50 Service Ave, Warwick, Rhode Island, 02886, by calling (401) 462-7600 or by accessing their website at www.ersri.org.

Legislative Changes

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

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

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

- The accumulated benefit multiplier as of June 30, 2012 will be preserved and any changes to accruals will only be made prospectively.
- The final average compensation as calculated on June 30, 2012 will be preserved and any changes to the definition of salary or to the averaging period will not impact the final average compensation used to determine the retirement benefit until after the new calculation is greater than the preserved calculation.
- The calculated accrued benefit as of June 30, 2012 using the accumulated benefit multiplier as of that date and the final average compensation as of that date can be commenced on the date the member would have reached retirement eligibility prior to the Act if the member retires on that retirement date.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - PENSION PLANS – (continued)

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

- Any past post-retirement benefit adjustments that have been given will be preserved. Only future adjustments will be modified and/or suspended.
- All members currently eligible to retire will retain the ability to retire in accordance with the provisions prior to the Act.
- Current State Employees and Teachers who have five years of service as of June 30, 2012 will have a new retirement age delayed in proportion to the amount of service they have earned as of June 30, 2012 and to their current expected retirement age, but not less than age 59. In no circumstance will the retirement age of the member reduce from the retirement age prior to the Act.
- Current Public Safety personnel who are age 45 with ten years of service as of June 30, 2012, and had a retirement age prior to the act based on continued service prior to age 52, will have unreduced retirement eligibility at age 52.
- A plan that has had four consecutive benefit adjustments suspended due to the 80% funding criteria will be eligible to receive an adjustment in the fifth year regardless of the funding level.

The changes to the defined benefit plan instituted by the Act have been fully reflected in this actuarial valuation as of June 30, 2011 as the contribution rates from this valuation will be applicable after the new provisions are effective. As noted above for further information the financial report may be obtained by writing to Employees Retirement System of Rhode Island, 50 Service Ave, Warwick, Rhode Island, 02886, by calling (401) 462-7600 or by accessing their website at www.ersri.org.

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

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

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

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.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - PENSION PLANS – (continued)

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

Employee Contributions: State Employees generally contribute 8.75% of their salary per year. Teachers contribute 9.50% per year. The state —picks up" the members' contributions for its employees under the provisions of Internal Revenue Code (IRC) Section 414(h). At their option, the city or town employing a Teacher may also pick up their members' contributions.

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

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

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

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

Retirement Benefits

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

- Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement date.
- Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's Article 7 Retirement Date, described in Section 11(c) below, and the retirement age applicable to members hired after June 30, 2012 in (i) above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's Article 7 Retirement Date. The minimum retirement age is 59.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - PENSION PLANS – (continued)

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

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

Article 7 Retirement Date (member's retirement date as of September 30, 2009):

- Grandfathered Schedule A members – members with at least 10 years of contributory service at June 30, 2005 and eligible for retirement at September 30, 2009 – are eligible to retire on or after age 60 if they have credit for 10 years of service, or at any age if they have credit for 28 years of service.
- Correctional officers who have reached age 50 and have credit for 20 years of service as of September 30, 2009 are eligible to retire and are grandfathered.
- Nurses (RNs) employed by MHRH who have reached age 50 with 25 years of service by September 30, 2009 are eligible to retire and are grandfathered.
- Schedule B members – members with less than 10 years of contributory service at June 30, 2005 and members hired on or after that date – are eligible for retirement on or after age 65 if they have credit for 10 years of service, on or after age 62 if they have credit for 29 years of service. In addition, a member who attains age 62 with at least 20 years of service credit may retire with an actuarially reduced retirement benefit. The reduction is based on the difference between 65 and the member's age at retirement.
- Correctional officers who are hired after September 30, 2009 become eligible to retire when they have reached age 55 and have credit for 25 years of service.
- Nurses (RNs) employed by MHRH who are hired after September 30, 2009 become eligible when they have reached age 55 and have credit for 25 years of service.
- Schedule A members who are not grandfathered, i.e., members who had at least 10 years of creditable service at June 30, 2005 but who were not eligible to retire on September 30, 2009, will be eligible for retirement at an individually determined age. This age is the result of interpolating between the retirement age under the rules applicable to grandfathered employees in (i) above and the retirement age applicable to members hired after September 30, 2009 in (iv) above. The interpolation is based on service as of September 30, 2009 divided by projected service at the retirement age under (i) above.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - PENSION PLANS – (continued)

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

- Correctional officers hired on or before September 30, 2009 who are not eligible for retirement at that date will have an individually determined retirement age. This age is the result of interpolating between the retirement age for grandfathered employees in (ii) above and the retirement age applicable to member hired after September 30, 2009 in (v) above.
- Similarly, MHRH nurses (RNs) hired on or before September 30, 2009 who are not eligible to retire at that date will have an individually determined retirement age. This age is the result of interpolating between the retirement age for grandfathered employees in (iii) above and the retirement age applicable to members hired after September 30, 2009 in (vi) above.

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

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

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

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

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

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

The maximum benefit is 80% of FAC.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - PENSION PLANS – (continued)

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

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

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

The maximum benefit is 75% of FAC.

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

Retirement Benefits

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

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - PENSION PLANS – (continued)

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

Retirement Benefits

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

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

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

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

As prescribed by Rhode Island general law, the State pays the entire portion of the annual required contribution attributable to the costs of contributions deferred by the State in prior years plus 40% of contributions assessed to employers on payroll not reimbursable through Federal programs. This resulted in contribution rates paid by the State on behalf of the School Department of 7.78% of non-federally reimbursable payrolls totaling \$3,095,783 for the fiscal year ended June 30, 2012. These on-behalf payments of fringe benefits have been recognized as revenues and expenditures in the fiscal period. The School Department does not have any investments or related party investment with the State Plan.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - PENSION PLANS (continued)

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

The amounts contributed to the plan are as follows:

Required Contributions:

Fiscal Yr Ended June 30	Annual Required Pension Cost	Percentage Contributed
2012	4,516,004	100%
2011	3,837,061	100%
2010	4,088,664	100%

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

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2011
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level Percent of Payroll -- Closed 30-yr period
Remaining amortization period	18 Years
Asset valuation method	5 Year Smoothed Market
Actuarial assumptions:	
Investment rate of return	7.50%, Compounded Annually
Projected salary increases	3.00-7.00%
Cost-of-living adjustments	2.75%
Inflation Rate	2.75% Annually

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

5. School Administration Pension Plan

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

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - PENSION PLANS (continued)

5. School Administration Pension Plan (continued)

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

As of June 30, 2012, employee membership data related to this plan was as follows:

Active members	7
Inactive members	<u>2</u>
Total	9

Required Contributions:

Fiscal Yr Ended June 30,	Annual Required Pension Cost	Percentage Contributed
2012	53,588	100%
2011	46,734	100%
2010	41,550	100%
2009	55,484	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 2012, with contributions of \$ 15,603 being made on their behalf.

The Town of Coventry contributes up to a 4% match for certain town employees who do not participate in other town pension plans. The plan provides for 100% vesting from the day of enrollment. Two employees were enrolled in FY 2012, with matching contributions of \$ 2,493 being made on their behalf.

Required Contributions:

Fiscal Yr Ended June 30,	Annual Required Pension Cost	Percentage Contributed
2012	18,096	100%
2011	9,439	100%
2010	2,330	100%

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS

Plan Description

In addition to the pension benefits described above, the Town provides post-employment health care benefits in accordance with Town union contracts. These benefits are for continued full family or individual health care for the employee groups as described below. Retiree medical coverage is only to age 65, while dental continues post-65.

Town Hall Employees

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

Membership as of July 1, 2011

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

Police Employees

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

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

The cost of benefits is 100% retiree-paid.

Membership as of July 1, 2011

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

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

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

The cost of benefits is as follows:

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

Membership as of July 1, 2011

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

School Others

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

Membership as of July 1, 2011

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

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, 2012 was \$76,908 for Town employees and \$317,965 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)	UAAL as a 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%

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (continued)

Annual OPEB Cost and Net OPEB Obligation

Actuarial Methods and Assumptions

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

Valuation Date:	July 1, 2011
Actuarial Cost Method:	Projected Unit Credit Cost Method
Asset Valuation Method:	Plan is currently unfunded
Payroll Growth Rate:	4.00%
Amortization Method:	Level dollar 25 year open amortization basis
Remaining Amortization Period:	25 years

THREE YEAR TREND INFORMATION

Fiscal Yr Ended June 30,	Annual OPEB Cost	Actual Contribution	% of OPEB Cost Contributed
2012	1,253,675	827,000	65.97%
2011	1,222,084	846,000	69.23%
2010	1,192,121	859,000	72.06%

Annual OPEB Cost and Net OPEB Obligation: Below are the required OPEB obligation presentations per GASB 45 for the period ending June 30, 2012:

Annual Required Contribution	\$ 1,282,000
Interest on OPEB	41,488
Adjustments to ARC	(69,813)
Annual OPEB Cost	1,253,675
Contributions made	<u>827,000</u>
Increase (decrease) in Net Pension Obligation	<u>426,675</u>
Net OPEB obligation beginning of year	<u>1,037,205</u>
Net OPEB obligation end of year	<u>\$ 1,463,880</u>

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.

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 17 - RISK MANAGEMENT (continued)

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

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

NOTE 18 - SUBSEQUENT EVENT

Management has evaluated subsequent events through January 21, 2013 the date the financial statements were available to be issued.

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

NOTE 19 - STATE FISCAL STABILIZATION FUNDS

State education aid to school districts was reduced as part of a State budget crisis. To offset this reduction in state aid, an equal amount of State Fiscal Stabilization Funds (SFSF) were allocated to each school district. The fiscal impact to school district operations aid was intended to be neutral. These Stabilization Funds were part of the American Recovery and Reinvestment Act of 2009 (ARRA) and under guidance provided by Rhode Island General Law R.I.G.L. 45-12-22.2, school districts were required to account for Stabilization Funds in a separate restricted fund, however for financial statement purposes districts are required to include expenditures covered by the Stabilization Funds as part of the School Unrestricted Fund. For fiscal year 2012, the Coventry School Department was awarded and received \$152,258 in Stabilization Funding.

NOTE 20 - PRIOR PERIOD ADJUSTMENT

Sewer Fund – The Town entered into an agreement with one of the Sewer Funds larger users that prior years user fees would be abated and a new billing calculation would be used going forward. The amount \$804,875 represents user fee charges that have been abated in prior years.

Special Revenue Fund – The prior period fund balance of \$25,303 has been adjusted to reflect the addition of this fund to the special revenue fund classification.

Statement of Net Assets and Statement of Activities – The School Department changed the method used for vesting in accrued compensated absences. This change was not reflected in the prior year's audit report resulting in a reduction of the accrued liability in the amount of \$1,185,858.

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, 2012

	<u>Original Budgeted</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
General property taxes	\$ 61,316,156	\$ 61,316,156	\$ 61,536,664	\$ 220,508
Other taxes	776,998	776,998	847,927	70,929
Intergovernmental revenue	1,698,008	1,698,008	1,692,241	(5,767)
Federal Revenue - State Fiscal Stabilization	-	-	152,258	152,258
Licenses, fees and permits	773,525	773,525	752,440	(21,085)
Fines and interest on late payments	200,000	200,000	584,711	384,711
Interest on investments	200,000	200,000	95,956	(104,044)
Other revenue	600,322	600,322	1,054,103	453,781
Total revenues	<u>65,565,009</u>	<u>65,565,009</u>	<u>66,716,300</u>	<u>1,151,291</u>
Expenditures:				
Legislative, judicial and general administrative	1,455,229	1,455,229	1,370,802	84,427
Financial administrative	700,644	700,644	679,597	21,047
Public safety	9,348,244	9,348,244	8,783,880	564,364
Public works	5,104,046	5,104,046	5,011,982	92,064
Parks & Recreation	1,927,768	1,927,768	1,851,723	76,045
Human resources	782,526	782,526	764,073	18,453
Planning & Development	292,404	292,404	278,192	14,212
General government	2,062,782	2,062,782	1,988,746	74,036
Debt service:				
Principal payments	1,700,000	1,700,000	14,750,000	(13,050,000)
Interest and fiscal charges	873,013	873,013	911,364	(38,351)
Cost of debt issuance	-	-	345,273	(345,273)
Total expenditures	<u>24,246,656</u>	<u>24,246,656</u>	<u>36,735,632</u>	<u>(12,488,976)</u>
Excess/(deficiency) of revenues over expenditures	<u>41,318,353</u>	<u>41,318,353</u>	<u>29,980,668</u>	<u>(11,337,685)</u>
Other financing sources/(uses):				
Issuance of debt	-	-	13,770,000	13,770,000
Bond premium	-	-	80,242	80,242
Transfers from other funds	2,831,200	2,831,200	2,995,785	164,585
Transfers (to) other funds	(2,568,825)	(2,568,825)	(2,367,289)	201,536
School appropriation	(41,580,728)	(41,580,728)	(41,580,728)	-
Transfer from Impact Fees & Cell Tower	-	-	40,000	40,000
Transfer out to others - Federal SFSF	-	-	(152,258)	(152,258)
Total other financing sources	<u>(41,318,353)</u>	<u>(41,318,353)</u>	<u>(27,214,248)</u>	<u>14,104,105</u>
Excess/(deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,766,420</u>	<u>\$ 2,766,420</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, 2012

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
General property taxes				
Real Estate Taxes - Current	\$ 54,911,993	\$ 54,911,993	\$ 54,841,753	\$ (70,240)
Real Estate Taxes - Prior	400,000	400,000	642,550	242,550
Real Estate Taxes - Debt Service	1,402,051	1,402,051	1,358,751	(43,300)
Motor Vehicle Excise Tax	4,602,112	4,602,112	4,693,610	91,498
Total general property taxes	<u>61,316,156</u>	<u>61,316,156</u>	<u>61,536,664</u>	<u>220,508</u>
Other Taxes				
Telephone Tax	364,531	364,531	421,394	56,863
Hotel Tax	73,109	73,109	73,533	424
Meal and Beverage Tax	339,358	339,358	353,000	13,642
Total other taxes	<u>776,998</u>	<u>776,998</u>	<u>847,927</u>	<u>70,929</u>
Intergovernmental Revenue				
State Aid School Housing	1,214,262	1,214,262	1,316,017	101,755
Payment in Lieu of Taxes	55,000	55,000	63,415	8,415
State Aid to Libraries	203,149	203,149	91,417	(111,732)
State Reimbursement Auto Tax	225,597	225,597	221,392	(4,205)
Total Intergovernmental Revenue	<u>1,698,008</u>	<u>1,698,008</u>	<u>1,692,241</u>	<u>(5,767)</u>
Licenses and Permits				
Building Permits	100,000	100,000	94,320	(5,680)
Plumbing and Heating	20,000	20,000	17,084	(2,916)
Electrical Permits	15,000	15,000	20,468	5,468
Recording Fees	300,000	300,000	325,036	25,036
Probate Fees	40,000	40,000	43,406	3,406
Marriage Licenses	1,500	1,500	1,472	(28)
Dog Licenses	20,000	20,000	16,718	(3,282)
Animal Rescue Fees	10,000	10,000	10,481	481
Realty Fees	40,000	40,000	40,000	-
Alcoholic Beverage Licenses	25,000	25,000	25,370	370
Hunting and Fishing Licenses	25	25	27	2
Library Fees	22,000	22,000	26,476	4,476
Planning Commission Fees	15,000	15,000	9,160	(5,840)
Planning Commission Steno Fees	5,000	5,000	1,210	(3,790)
Miscellaneous Fees	160,000	160,000	121,212	(38,788)
Total Licenses and Permits	<u>773,525</u>	<u>773,525</u>	<u>752,440</u>	<u>(21,085)</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, 2012
(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	200,000	200,000	584,711	384,711
Total Fines and Interest on Late Payments	<u>200,000</u>	<u>200,000</u>	<u>584,711</u>	<u>384,711</u>
Interest on Investments				
Interest Earnings	200,000	200,000	95,956	(104,044)
Total Interest on Investments	<u>200,000</u>	<u>200,000</u>	<u>95,956</u>	<u>(104,044)</u>
Other Revenue				
Police Car Rental	30,000	30,000	110,121	80,121
Municipal Court	75,000	75,000	66,233	(8,767)
Land Trust Fees	250,000	250,000	220,220	(29,780)
Miscellaneous Receipts	195,322	195,322	651,890	456,568
Lease Buy Out	50,000	50,000	5,639	(44,361)
Total Other Revenue	<u>600,322</u>	<u>600,322</u>	<u>1,054,103</u>	<u>453,781</u>
Special Item				
Federal Revenue - State Fiscal Stabilization	-	-	152,258	152,258
Total Special Items	<u>-</u>	<u>-</u>	<u>152,258</u>	<u>152,258</u>
Total Revenue	<u>65,565,009</u>	<u>65,565,009</u>	<u>66,716,300</u>	<u>1,151,291</u>
Other Financing Sources and transfers				
Issuance of debt	-	-	13,770,000	13,770,000
Bond premium	-	-	80,242	80,242
Transfer from Other Funds	-	-	139,585	139,585
Transfer from Impact Fees	150,000	150,000	-	(150,000)
Transfer from Cell Tower Fund	-	-	40,000	40,000
Transfer from Self Insurance Fund	2,681,200	2,681,200	2,856,200	175,000
Total Other Financing Sources	<u>2,831,200</u>	<u>2,831,200</u>	<u>16,886,027</u>	<u>14,054,827</u>
Total Town Revenue	<u>\$ 68,396,209</u>	<u>\$ 68,396,209</u>	<u>\$ 83,602,327</u>	<u>\$ 15,206,118</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, 2012

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Legislative, Judicial and General Administrative				
Town Council	\$ 25,841	\$ 25,841	\$ 25,866	\$ (25)
Town Manager	282,817	282,817	308,957	(26,140)
Information Technology	258,764	258,764	257,154	1,610
Town Clerk	284,207	284,207	278,904	5,303
Town Solicitor	414,900	414,900	367,206	47,694
Board of Canvassers	123,928	123,928	72,246	51,682
Probate Court	19,197	19,197	16,667	2,530
Municipal Court	45,575	45,575	43,802	1,773
Total Legislative, Judicial and General Administrative	<u>1,455,229</u>	<u>1,455,229</u>	<u>1,370,802</u>	<u>84,427</u>
Financial Administration				
Treasurer	303,716	303,716	299,327	4,389
Board of Assessment Review	3,437	3,437	2,691	746
Tax Assessor	176,927	176,927	166,357	10,570
Tax Collector	216,564	216,564	211,222	5,342
Total Financial Administration	<u>700,644</u>	<u>700,644</u>	<u>679,597</u>	<u>21,047</u>
Public Safety				
Police	9,082,567	9,082,567	8,540,697	541,870
Animal Control	211,546	211,546	199,938	11,608
Emergency Management	22,050	22,050	12,131	9,919
Town Sergeant	2,222	2,222	2,311	(89)
Crossing Guards	29,859	29,859	28,803	1,056
Total Public Safety	<u>9,348,244</u>	<u>9,348,244</u>	<u>8,783,880</u>	<u>564,364</u>
Public Works				
Engineering	99,598	99,598	92,928	6,670
Inspection and Permits	196,310	196,310	191,856	4,454
Roads and Bridges	1,809,100	1,809,100	1,696,122	112,978
Snow Removal	246,238	246,238	198,383	47,855
Building Maintenance	416,084	416,084	433,570	(17,486)
Refuse Collection	747,550	747,550	764,296	(16,746)
Refuse Disposal	640,427	640,427	663,040	(22,613)
Vehicle Maintenance	948,739	948,739	971,787	(23,048)
Total Public Works	<u>5,104,046</u>	<u>5,104,046</u>	<u>5,011,982</u>	<u>92,064</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, 2012
Continued

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Human Resources				
Human Services	782,526	782,526	764,073	18,453
Total Human Resources	<u>782,526</u>	<u>782,526</u>	<u>764,073</u>	<u>18,453</u>
Parks and Recreation				
Public Libraries	875,141	875,141	875,141	-
Recreation	1,052,627	1,052,627	976,582	76,045
Total Parks and Recreation	<u>1,927,768</u>	<u>1,927,768</u>	<u>1,851,723</u>	<u>76,045</u>
Planning and Development				
Planning Commission	17,919	17,919	12,667	5,252
Planning Department	251,256	251,256	250,145	1,111
Zoning Board	12,674	12,674	10,423	2,251
Conservation Commission	1,120	1,120	1,000	120
Land Trust Commission	867	867	193	674
Economic Development	4,515	4,515	384	4,131
Coventry Housing Authority	4,053	4,053	3,380	673
Total Planning and Development	<u>292,404</u>	<u>292,404</u>	<u>278,192</u>	<u>14,212</u>
General Government				
Town General	2,062,782	2,062,782	1,988,746	74,036
Total General Government	<u>2,062,782</u>	<u>2,062,782</u>	<u>1,988,746</u>	<u>74,036</u>
Debt Service				
Principal	1,700,000	1,700,000	14,750,000	(13,050,000)
Interest	873,013	873,013	911,364	(38,351)
Cost of debt issuance	-	-	345,273	(345,273)
Total Debt Service	<u>2,573,013</u>	<u>2,573,013</u>	<u>16,006,637</u>	<u>(13,433,624)</u>
Other Financing Uses				
Transfers to School Unrestricted	41,580,728	41,580,728	41,580,728	-
Transfers to Land Trust	125,000	125,000	130,110	(5,110)
Transfers to School Unrestricted - SFSF	-	-	152,258	(152,258)
Transfers to capital improvement fund	1,171,522	1,171,522	748,586	422,936
Transfers to Other Funds	72,303	72,303	113,593	(41,290)
Transfer to School from Self Insurance Fund	1,200,000	1,200,000	1,375,000	(175,000)
Total Other Uses	<u>44,149,553</u>	<u>44,149,553</u>	<u>44,100,275</u>	<u>49,278</u>
Total Expenditures and Other Financing Uses	<u>\$ 68,396,209</u>	<u>\$ 68,396,209</u>	<u>\$ 80,835,907</u>	<u>\$ (12,439,698)</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, 2012

	Original Budget	Final Budget	Actual	Variance
Revenues				
State Aid	\$ 17,615,274	\$ 17,615,274	\$ 17,841,361	\$ 226,087
Federal Aid	600,000	600,000	527,791	(72,209)
Charges for Service	1,072,884	733,343	740,107	6,764
Miscellaneous	40,000	40,000	193,204	153,204
Total revenues	<u>19,328,158</u>	<u>18,988,617</u>	<u>19,302,463</u>	<u>313,846</u>
Expenditures				
Salaries	41,198,823	41,263,828	41,166,725	97,103
Employee benefits	14,157,600	14,115,078	13,587,760	527,318
Purchased services	5,357,553	4,810,795	5,531,175	(720,380)
Supplies and materials	2,507,763	2,499,255	2,252,887	246,368
Capital outlay	276,301	291,876	647,304	(355,428)
Other	73,149	75,816	55,346	20,470
Total expenditures	<u>63,571,189</u>	<u>63,056,648</u>	<u>63,241,197</u>	<u>184,549</u>
Excess of revenues over (under) expenditures before other financing sources	<u>(44,243,031)</u>	<u>(44,068,031)</u>	<u>(43,938,734)</u>	<u>129,297</u>
Other financing sources (uses)				
Operating transfers - Town appropriation	41,580,728	41,580,728	41,580,728	-
Operating transfers - State fiscal stabilization	-	-	152,258	152,258
Operating transfers - Education Jobs Fund	829,477	829,477	829,477	-
Transfer from other funds	532,826	357,826	352,614	(5,212)
Transfer from Self Insurance Fund	1,200,000	1,200,000	1,200,000	-
Transfer from Impact Fees	100,000	100,000	-	(100,000)
Total other financing sources/(uses)	<u>44,243,031</u>	<u>44,068,031</u>	<u>44,115,077</u>	<u>47,046</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,343</u>	<u>\$ 176,343</u>

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012

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, 2012 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)	\$ 2,766,420	\$ 176,343
State on-behalf pension contributions	-	3,095,783
State on-behalf pension expenditures	-	(3,095,783)
To adjust for change in encumbrances	(31,967)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses (GAAP basis)	<u>\$ 2,734,453</u>	<u>\$ 176,343</u>

TOWN OF COVENTRY, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012

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)
7/1/11	\$ 4,385,296	\$ 15,716,809	\$ 11,331,513	28%	\$ 5,293,859	214%
7/1/10	4,087,545	14,405,245	10,317,700	28%	5,486,026	188%
7/1/09	3,943,263	13,481,036	9,537,773	29%	5,275,025	181%
7/1/08	3,720,455	12,588,606	8,868,151	30%	5,191,786	171%
1/1/07	3,288,650	12,543,674	9,255,024	26%	4,355,527	212%
1/1/06	2,491,657	13,834,699	11,343,042	18%	4,058,723	279%

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)
7/1/11	\$ 7,598,092	\$ 58,545,260	50,947,168	13%	\$ 3,246,617	1569%
7/1/10	7,818,426	49,763,177	41,944,751	16%	3,513,681	1194%
7/1/09	7,901,431	47,748,419	39,846,988	17%	3,378,540	1179%
7/1/08	7,691,937	44,312,196	36,620,259	17%	3,598,498	1018%
1/1/07	7,174,758	44,184,262	37,009,504	16%	3,771,588	981%
1/1/06	3,875,285	49,041,156	45,165,871	8%	3,088,620	1462%

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
June 30, 2012

	Special Revenue Restricted Town	Special Revenue Restricted School	School Food Service	School Improvement Capital Fund	116-121 Town Capital Improvement Funds	Totals
ASSETS						
Cash	\$ 693,924	\$ -	\$ 29,009	\$ -	\$ -	\$ 722,933
Intergovernmental receivables	38,362	1,073,107	142,492	-	-	1,253,961
Due from other funds	1,157,056	436,909	23,789	250,000	197,612	2,065,366
Total assets	\$ 1,889,342	\$ 1,510,016	\$ 195,290	\$ 250,000	\$ 197,612	\$ 4,042,260
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 326,127	\$ 130,086	\$ 436,991	\$ -	\$ -	\$ 893,204
Due to other funds	922,804	801,644	-	239,422	-	1,963,870
Accrued salaries	-	170,593	-	-	-	170,593
Deferred revenue	-	284,514	-	-	-	284,514
Total liabilities	1,248,931	1,386,837	436,991	239,422	-	3,312,181
Fund balances (deficits)						
<i>Restricted for:</i>						
Educational programs	-	109,479	-	-	-	109,479
Public safety programs	97,918	-	-	-	-	97,918
Culture and recreation	59,441	-	-	-	-	59,441
Health & human services	38,256	-	-	-	-	38,256
<i>Committed for:</i>						
Public works programs	73,145	-	-	-	197,612	270,757
Culture and recreation	1,172,127	-	-	-	-	1,172,127
Unassigned	(800,476)	13,700	(241,701)	10,578	-	(1,017,899)
Fund balances (deficits)	640,411	123,179	(241,701)	10,578	197,612	730,079
Total liabilities and fund balances	\$ 1,889,342	\$ 1,510,016	\$ 195,290	\$ 250,000	\$ 197,612	\$ 4,042,260

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, 2012

	Special Revenue Restricted Town	Special Revenue Restricted School	School Food Service	School Improvement Capital Fund	116-121 Town Capital Improvement Funds	Totals
REVENUES						
Intergovernmental	\$ 1,505,451	\$ 3,865,629	\$ 673,487	\$ 65,309	\$ -	\$ 6,109,876
Charges for service	249,183	-	850,445	-	-	1,099,628
Investment income	148	-	10	-	-	158
Contributions and private grants	51,658	-	-	-	-	51,658
Other	-	65,716	-	-	-	65,716
Total Revenues	1,806,440	3,931,345	1,523,942	65,309	-	7,327,036
EXPENDITURES						
Executive and administration	168,049	-	-	-	-	168,049
Public safety	92,321	-	-	-	-	92,321
Public works	859,252	-	-	-	43,553	902,805
Community and economic development	58,513	-	-	-	-	58,513
Health and human services	344,118	-	-	-	-	344,118
Culture & recreation	234,067	-	-	-	-	234,067
Education	-	3,153,513	1,545,737	-	-	4,699,250
Capital expenditures	1,079,458	-	-	51,850	765,907	1,897,215
Total Expenditures	2,835,778	3,153,513	1,545,737	51,850	809,460	8,396,338
Excess of revenues over (under) Expenditures	(1,029,338)	777,832	(21,795)	13,459	(809,460)	(1,069,302)
Other Financing Sources (uses)						
Operating transfers in	460,006	7,258	23,789	-	748,586	1,239,639
Operating transfers out	(462,876)	(860,524)	-	(65,311)	(45,315)	(1,434,026)
Total other financing sources	(2,870)	(853,266)	23,789	(65,311)	703,271	(194,387)
Excess of revenues and other sources over (under) expenditures and other uses	(1,032,208)	(75,434)	1,994	(51,852)	(106,189)	(1,263,689)
FUND BALANCE - July 1, 2011	1,647,285	198,613	(243,695)	62,430	303,801	1,968,434
Prior period adjustment see note 20	25,334	-	-	-	-	25,334
FUND BALANCE - June 30, 2012	\$ 640,411	\$ 123,179	\$ (241,701)	\$ 10,578	\$ 197,612	\$ 730,079

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2012

	104	106	109	144	146	147	205
Town Gym	Personal Watercraft	Recycling Grant DPW	Land Trust	Cell Phone Tower Fund	Inspection Services	Legislative Grant Rapiakis	

\$	-	-	-	-	-	-	-
Cash	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-
Due from other funds	8,761	40	71,645	653,257	178,347	-	-
Total assets	\$ 8,761	\$ 40	\$ 71,645	\$ 653,257	\$ 178,347	\$ -	\$ -

LIABILITIES AND FUND BALANCES

\$	-	-	-	-	-	-	-
Liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	40,000	-	-
Accounts payable	-	-	-	193	-	-	-
Total liabilities	-	-	-	193	40,000	-	-

Fund balances (deficits)

<i>Restricted for:</i>	-	-	-	-	-	-	-
Public safety programs	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>	-	-	-	-	-	-	-
Public works programs	-	-	71,645	-	-	-	-
Culture and recreation	8,761	40	-	653,064	138,347	-	-
<i>Unassigned</i>	-	-	-	-	-	-	-
Total fund balances (deficits)	8,761	40	71,645	653,064	138,347	-	-
Total liabilities and fund balances	\$ 8,761	\$ 40	\$ 71,645	\$ 653,257	\$ 178,347	\$ -	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
 Special Revenue Restricted Town
 Combining Balance Sheet
 June 30, 2012

	237	240	242	244	245	246	255
	RIEMA I	RIEMA III	Resource Sharing 08	Legislative Grant Moffitt	Paine Field Skatepark	Mapleroot Cemetery	Document Preservation
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	26,000	1,500	10,340
Total assets	\$ -	\$ -	\$ -	\$ -	\$ 26,000	\$ 1,500	\$ 10,340

LIABILITIES AND FUND BALANCES

Liabilities							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-	-
Total liabilities	-						

Fund balances (deficits)

<i>Restricted for:</i>							
Public safety programs	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	26,000	-	10,340
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public works programs	-	-	-	-	-	1,500	-
Culture and recreation	-	-	-	-	-	-	-
<i>Unassigned</i>	-	-	-	-	-	-	-
Total fund balances (deficits)	-	-	-	-	\$ 26,000	\$ 1,500	\$ 10,340

Total liabilities and fund balances

	\$ -	\$ -	\$ -	\$ -	\$ 26,000	\$ 1,500	\$ 10,340
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(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2012

	262	265	266	267	274	276	277
Drug Seizure Fund	Teen Center Operations	Rec. Grant	Byrne Grant	Resource Sharing	2011/2012 Resource Sharing	E-Citation Grant	
\$	52,106	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	1,032	-	-	-	-
	466	6,878	-	-	2,190	-	-
Total assets	\$ 52,572	\$ 6,878	\$ -	\$ 1,032	\$ -	\$ 2,190	\$ -

ASSETS

Cash
Intergovernmental receivables
Due from other funds

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, 2012

	278	280	281	282	283	239-279	285
	Anthony Village Green Project	Beadoin Property Acquisition	RIEMA Maple Valley & Franklin	RIEMA Industrial Drive	RIEMA Hammet Road	CDBG Funds	RIEMA Johnson Blvd Drainage

ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	7,897	-	-	-	-	-
Due from other funds	-	-	-	-	-	2,972	-
Total assets	\$ -	\$ 7,897	\$ -	\$ -	\$ -	\$ 2,972	\$ -

LIABILITIES AND FUND BALANCES							
Liabilities							
Due to other funds	\$ 131,460	\$ 12,189	\$ 9,598	\$ 4,799	\$ 4,799	\$ 16,791	\$ 19,796
Accounts payable	-	-	3,136	3,136	1,568	-	15,680
Total liabilities	131,460	12,189	12,734	7,935	6,367	16,791	35,476

Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public works programs	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<i>Unassigned</i>	(131,460)	(4,292)	(12,734)	(7,935)	(6,367)	(13,819)	(35,476)
Total fund balances (deficits)	(131,460)	(4,292)	(12,734)	(7,935)	(6,367)	(13,819)	(35,476)
Total liabilities and fund balances	\$ -	\$ 7,897	\$ -	\$ -	\$ -	\$ 2,972	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2012

	301	302	303	306	307	308	309
	Traffic Grant	Calca ETC Grant	Bulletproof Vests	DUI/Speed Click it or Ticket	Brownfields Subgrant Agreement	Water Resource Section 319	US Fish & Wildlife Sandy Acre

ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

LIABILITIES AND FUND BALANCES							
Liabilities							
Due to other funds	\$ 12,126	\$ 29,247	\$ 3,224	\$ 7,060	\$ -	\$ 60,000	\$ 43,714
Accounts payable	-	-	-	-	-	-	22,695
Total liabilities	12,126	29,247	3,224	7,060	-	60,000	66,409

Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public works programs	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<i>Unassigned</i>	(12,126)	(29,247)	(3,224)	(7,060)	-	(60,000)	(66,409)
Total fund balances (deficits)	(12,126)	(29,247)	(3,224)	(7,060)	-	(60,000)	(66,409)
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2012

	310 Laurel Ave/ Anthony Mill River	321 Federal Energy Grant I	322 MEDS Grant	323 East Shore Drive Stormwater	326 Federal Energy Grant 2	327 Federal Energy Grant 3	330 March Flood Disaster
ASSETS							
Cash	\$ 277,514	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental receivables	-	-	-	-	19,342	-	-
Due from other funds	-	1,885	21,216	-	-	75,828	-
Total assets	\$ 277,514	\$ 1,885	\$ 21,216	\$ -	\$ 19,342	\$ 75,828	\$ -
LIABILITIES AND FUND BALANCES							
Liabilities							
Due to other funds	\$ -	\$ -	\$ -	\$ 47,743	\$ 15,833	\$ -	\$ 104,927
Accounts payable	277,514	-	-	-	-	-	-
Total liabilities	277,514	-	-	47,743	15,833	-	104,927
Fund balances (deficits)							
<i>Restricted for:</i>							
Public safety programs	-	-	-	-	-	-	-
Culture and recreation	-	1,885	21,216	-	-	-	-
Health and human services	-	-	-	-	-	-	-
<i>Committed for:</i>							
Public works programs	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<i>Unassigned</i>	-	-	-	(47,743)	3,509	75,828	(104,927)
Total fund balances (deficits)	-	1,885	21,216	(47,743)	3,509	75,828	(104,927)
Total liabilities and fund balances	\$ 277,514	\$ 1,885	\$ 21,216	\$ -	\$ 19,342	\$ 75,828	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2012

	332	333	334	335	400	404	408
	Tropical Storm Irene 2011	RIDOT Leap Road Resurfacing	Sandy Bottom Riverbank Restoration	EDA Flat River Road	Food Bank	Fire District EMA	Coventry Cares
\$	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	8,372	-	-	-	21,393	45,346	6,618
Total assets	\$ 8,372	\$ -	\$ -	\$ -	\$ 21,393	\$ 45,346	\$ 6,618

ASSETS

Cash
Intergovernmental receivables
Due from other funds

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

\$	-	250,752	9,350	20,000	-	-	-
	-	-	-	-	15	-	-
Total liabilities	\$ -	\$ 250,752	\$ 9,350	\$ 20,000	\$ 15	\$ -	\$ -
	-	-	-	-	-	45,346	-
	-	-	-	-	21,378	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	6,618
	8,372	(250,752)	(9,350)	(20,000)	-	-	-
Total fund balances (deficits)	8,372	(250,752)	(9,350)	(20,000)	21,378	45,346	6,618
Total liabilities and fund balances	\$ 8,372	\$ -	\$ -	\$ -	\$ 21,393	\$ 45,346	\$ 6,618

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Balance Sheet
June 30, 2012

		420			Total Special Revenue Revenue Town
ASSETS		Impact Fees			
Cash	\$	364,304		\$	693,924
Intergovernmental receivables		-			38,362
Due from other funds		-			1,157,056
Total assets		364,304			1,889,342
 LIABILITIES AND FUND BALANCES					
Liabilities					
Due to other funds	\$	3,009		\$	922,804
Accounts payable		-			326,127
Total liabilities		3,009			1,248,931
Fund balances (deficits)					
<i>Restricted for:</i>					
Public safety programs		-			97,918
Culture and recreation		-			59,441
Health and human services		-			38,256
<i>Committed for:</i>					
Public works programs		-			73,145
Culture and recreation		361,295			1,172,127
<i>Unassigned</i>		-			(800,476)
Total fund balances (deficits)		361,295			640,411
Total liabilities and fund balances	\$	364,304		\$	1,889,342
					(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, 2012

	104	106	109	144	146	147	205
	Town Gym	Personal Watercraft	Recycling Grant DPW	Land Trust	Cell Phone Tower Fund	Inspection Services	Legislative Grant Raptakis
REVENUES							
Intergovernmental	-	\$ -	\$ 75,228	\$ -	\$ -	\$ -	\$ -
Charges for services	5,825	40	-	104,735	-	-	-
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-
Total Revenues	5,825	40	75,228	104,735	-	-	-
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	4,261	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Culture & recreation	3,455	-	-	28,015	-	-	-
Capital expenditures	-	-	24,656	-	-	-	-
Total Expenditures	3,455	-	28,917	28,015	-	-	-
Excess of revenues over (under) Expenditures	2,370	40	46,311	(28,015)	104,735	-	-
Other Financing Sources (uses)							
Operating transfers in	-	-	-	130,110	-	-	-
Operating transfers out	-	-	-	(328,605)	(40,000)	(83,513)	(344)
Total other financing sources	-	-	-	(198,495)	(40,000)	(83,513)	(344)
Excess of revenues and other sources over (under) expenditures and other uses	2,370	40	46,311	(226,510)	64,735	(83,513)	(344)
FUND BALANCE - July 1, 2011	6,391	-	-	879,574	73,612	83,513	344
Prior period adjustment	-	-	25,334	-	-	-	-
FUND BALANCE - June 30, 2012	\$ 8,761	\$ 40	\$ 71,645	\$ 653,064	\$ 138,347	\$ -	\$ -

(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, 2012

	206	209	210	211	215	225	230
	Senior Center Operations	Legislative Grant Inman	Friends of Human Services	Project Friends	Rural Health Mini Grant	Anthony Village	Bramley Grant
REVENUES							
Intergovernmental	\$ 8,311	\$ -	\$ -	\$ 247,433	\$ -	\$ 118,262	\$ 21,963
Charges for services	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	4,000	-	-	-	-
Total Revenues	8,311	-	4,000	247,433	-	118,262	21,963
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	33,617
Public works	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	9,331	-	-	288,680	-	-	-
Culture & recreation	-	-	-	-	-	68,377	-
Capital expenditures	-	-	-	-	-	-	-
Total Expenditures	9,331	-	-	288,680	-	68,377	33,617
Excess of revenues over (under) Expenditures	(1,020)	-	4,000	(41,247)	-	49,885	(11,654)
Other Financing Sources (uses)							
Operating transfers in	-	-	-	-	124	-	-
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	124	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(1,020)	-	4,000	(41,247)	124	49,885	(11,654)
FUND BALANCE - July 1, 2011	1,022	10,000	-	35,174	(124)	(66,405)	11,446
Prior period adjustment	-	-	-	-	-	-	-
FUND BALANCE - June 30, 2012	\$ 2	\$ 10,000	\$ 4,000	\$ (6,073)	\$ -	\$ (16,520)	\$ (208)

(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, 2012

	237	240	242	244	245	246	255
	RIEMA I	RIEMA III	Resource Sharing 08	Legislative Grant Moffitt	Paine Field Skafepark	Mapleroot Cemetary	Document Preservation
REVENUES							
Intergovernmental	-	\$	-	\$	-	\$	-
Charges for services	-	-	-	-	-	-	36,048
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	36,048
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	49,785
Public safety	-	-	-	-	-	-	-
Public works	447	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-
Total Expenditures	447	-	-	-	-	-	49,785
Excess of revenues over (under) Expenditures	(447)	-	-	-	-	-	(13,737)
Other Financing Sources (uses)							
Operating transfers in	447	-	207	-	-	-	-
Operating transfers out	-	(2,449)	-	(2,110)	-	-	-
Total other financing sources	447	(2,449)	207	(2,110)	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	(2,449)	207	(2,110)	-	-	(13,737)
FUND BALANCE - July 1, 2011	-	2,449	(207)	2,110	26,000	1,500	24,077
Prior period adjustment	-	-	-	-	-	-	-
FUND BALANCE - June 30, 2012	\$	\$	\$	\$	\$	\$	\$
	-	-	-	-	26,000	1,500	10,340

(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, 2012

	262	265	266	267	274	276	277
	Drug Seizure Fund	Teen Center Operations	Receiptable Grant	Byrne Grant	Resource Sharing	2011/2012 Resource Sharing	E-Citation Grant
REVENUES							
Intergovernmental	\$ 5,596	\$ -	\$ -	\$ 1,988	\$ -	\$ 111,732	\$ -
Charges for services	-	-	-	-	-	-	-
Investment income	148	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	7,892
Total Revenues	5,744	-	-	1,988	-	111,732	7,892
EXPENDITURES							
Executive and administration	-	-	-	-	6,532	111,732	-
Public safety	3,144	-	-	-	-	-	9,886
Public works	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Culture & recreation	-	2,760	-	-	-	-	-
Capital expenditures	6,900	-	-	42,709	-	-	-
Total Expenditures	10,044	2,760	-	42,709	6,532	111,732	9,886
Excess of revenues over (under) Expenditures	(4,300)	(2,760)	-	(40,721)	(6,532)	-	(1,994)
Other Financing Sources (uses)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	-	(3,000)	-	-	-	-
Total other financing sources	-	-	(3,000)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(4,300)	(2,760)	(3,000)	(40,721)	(6,532)	-	(1,994)
FUND BALANCE - July 1, 2011	56,872	9,638	3,000	(1,721)	6,532	-	1,973
Prior period adjustment	-	-	-	-	-	-	-
FUND BALANCE - June 30, 2012	\$ 52,572	\$ 6,878	\$ -	\$ (42,442)	\$ -	\$ -	\$ (21)

(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, 2012

	278 Anthony Village Green Project	280 Beaudoin Property Acquisition	281 RIEMA Maple Valley & Franklin	282 RIEMA Industrial Drive	283 RIEMA Hammet Road	239-279 CDBG Funds	285 RIEMA Johnson Blvd Drainage
REVENUES							
Intergovernmental	\$ -	\$ 332,897	\$ -	\$ -	\$ -	\$ 51,742	\$ -
Charges for services	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-
Total Revenues	-	332,897	-	-	-	51,742	-
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	58,513	-
Health and human services	-	-	-	-	-	-	-
Culture & recreation	131,460	-	-	-	-	-	-
Capital expenditures	-	665,794	12,734	7,935	6,367	-	35,476
Total Expenditures	131,460	665,794	12,734	7,935	6,367	58,513	35,476
Excess of revenues over (under) Expenditures	(131,460)	(332,897)	(12,734)	(7,935)	(6,367)	(6,771)	(35,476)
Other Financing Sources (uses)							
Operating transfers in	-	328,605	-	-	-	513	-
Operating transfers out	-	-	-	-	-	(2,855)	-
Total other financing sources	-	328,605	-	-	-	(2,342)	-
Excess of revenues and other sources over (under) expenditures and other uses	(131,460)	(4,292)	(12,734)	(7,935)	(6,367)	(9,113)	(35,476)
FUND BALANCE - July 1, 2011	-	-	-	-	-	(4,706)	-
Prior period adjustment	-	-	-	-	-	-	-
FUND BALANCE - June 30, 2012	\$ (131,460)	\$ (4,292)	\$ (12,734)	\$ (7,935)	\$ (6,367)	\$ (13,819)	\$ (35,476)

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted Town
Combining Statement of Revenues, Expenditures
and Changes in Fund Balance
For the fiscal year ended June 30, 2012

	301	302	303	306	307	308	309
	Traffic Grant	Calea ETC Grant	Bulletproof Vests	DUI/Speed Click it or Ticket	Brownfields Subgrant Agreement	Water Resource Section 319	US Fish & Wildlife Sandy Acre
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ 32,848	\$ 50,000	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-
Total Revenues	-	-	-	32,848	50,000	-	-
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	-
Public safety	3,348	163	3,735	35,581	-	-	-
Public works	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-
Capital expenditures	-	-	-	-	50,000	60,000	66,409
Total Expenditures	3,348	163	3,735	35,581	50,000	60,000	66,409
Excess of revenues over (under) Expenditures	(3,348)	(163)	(3,735)	(2,733)	-	(60,000)	(66,409)
Other Financing Sources (uses)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(3,348)	(163)	(3,735)	(2,733)	-	(60,000)	(66,409)
FUND BALANCE - July 1, 2011	(8,778)	(29,084)	511	(4,327)	-	-	-
Prior period adjustment	-	-	-	-	-	-	-
FUND BALANCE - June 30, 2012	\$ (12,126)	\$ (29,247)	\$ (3,224)	\$ (7,060)	\$ -	\$ (60,000)	\$ (66,409)

(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, 2012

	310 Laurel Ave/ Anthony Mill River	321 Federal Energy Grant I	322 MEDS Grant	323 East Shore Drive Stormwater	326 Federal Energy Grant 2	327 Federal Energy Grant 3	330 March Flood Disaster
REVENUES							
Intergovernmental	\$ -	\$ -	\$ 4,200	\$ 11,757	\$ 21,462	\$ 142,333	\$ 1,148
Charges for services	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Revenues	-	-	4,200	11,757	21,462	142,333	1,148
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	-
Public safety	-	-	1,603	-	-	-	-
Public works	-	-	-	-	17,953	25,950	270,354
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-
Capital expenditures	-	-	-	59,500	-	-	-
Total Expenditures	-	-	1,603	59,500	17,953	25,950	270,354
Excess of revenues over (under) Expenditures	-	-	2,597	(47,743)	3,509	116,383	(269,206)
Other Financing Sources (uses)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	-	2,597	(47,743)	3,509	116,383	(269,206)
FUND BALANCE - July 1, 2011	-	1,885	18,619	-	-	(40,555)	164,279
Prior period adjustment	-	-	-	-	-	-	-
FUND BALANCE - June 30, 2012	\$ -	\$ 1,885	\$ 21,216	\$ (47,743)	\$ 3,509	\$ 75,828	\$ (104,927)

(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, 2012

	332	333	334	335	400	404	408
	Tropical Storm Irene 2011	RIDOT Leap Road Resurfacing	Sandy Bottom Riverbank Restoration	EDA Flat River Road	Food Bank	Fire District EMA	Coventry Cares
REVENUES							
Intergovernmental	\$ 177,526	\$ -	\$ 89,025	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	18,690	-
Investment income	-	-	-	-	-	-	-
Contributions and private grants	-	-	-	-	38,780	-	986
Other	-	-	-	-	-	-	-
Total Revenues	177,526	-	89,025	-	38,780	18,690	986
EXPENDITURES							
Executive and administration	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,244	-
Public works	169,154	250,752	98,375	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Health and human services	-	-	-	-	46,107	-	-
Culture & recreation	-	-	-	-	-	-	-
Capital expenditures	-	-	-	20,000	-	20,978	-
Total Expenditures	169,154	250,752	98,375	20,000	46,107	22,222	-
Excess of revenues over (under) Expenditures	8,372	(250,752)	(9,350)	(20,000)	(7,327)	(3,532)	986
Other Financing Sources (uses)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	8,372	(250,752)	(9,350)	(20,000)	(7,327)	(3,532)	986
FUND BALANCE - July 1, 2011	-	-	-	-	28,705	48,878	5,632
Prior period adjustment	-	-	-	-	-	-	-
FUND BALANCE - June 30, 2012	\$ 8,372	\$ (250,752)	\$ (9,350)	\$ (20,000)	\$ 21,378	\$ 45,346	\$ 6,618

(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, 2012

	420 Impact Fees	TOTAL Special Revenue Restricted Town
REVENUES		
Intergovernmental	-	1,505,451
Charges for services	83,845	249,183
Investment income	-	148
Contributions and private grants	-	51,658
Total Revenues	83,845	1,806,440
EXPENDITURES		
Executive and administration	-	168,049
Public safety	-	92,321
Public works	22,006	859,252
Community and economic development	-	58,513
Health and human services	-	344,118
Culture & recreation	-	234,067
Capital expenditures	-	1,079,458
Total Expenditures	22,006	2,835,778
Excess of revenues over (under) Expenditures	61,839	(1,029,338)
Other Financing Sources (uses)		
Operating transfers in	-	460,006
Operating transfers out	-	(462,876)
Total other financing sources (uses)	-	(2,870)
Excess of revenues and other sources over (under) expenditures and other uses	61,839	(1,032,208)
FUND BALANCE - July 1, 2011	299,456	1,647,285
Prior period adjustment	-	25,334
FUND BALANCE - June 30, 2012	\$ 361,295	\$ 640,411

(concluded)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2012

	21011100	21011200	21014100	21014200	21021100	21024100	21031100	21032304
	IDEA	IDEA	ARRA IDEA	ARRA IDEA	Title I	ARRA	Title II	E2T2
	Part B	Pre School	Part B	Pre School	Title I	Title I	Title II	Title IID
\$	493,893	\$ 15,978	\$ -	\$ -	\$ 218,648	\$ -	\$ 91,503	\$ -
\$	493,893	\$ 15,978	\$ -	\$ -	\$ 218,648	\$ -	\$ 91,503	\$ -
\$	50,596	\$ 2,300	\$ -	\$ -	\$ 18,523	\$ -	\$ 17,930	\$ -
	374,909	9,173	-	-	154,581	-	50,061	-
	68,388	4,505	-	-	45,544	-	23,512	-
	-	-	-	-	-	-	-	-
\$	493,893	\$ 15,978	\$ -	\$ -	\$ 218,648	\$ -	\$ 91,503	\$ -
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable								
Due to other funds								
Accrued salaries								
Deferred Revenues								
\$	50,596	\$ 2,300	\$ -	\$ -	\$ 18,523	\$ -	\$ 17,930	\$ -
	374,909	9,173	-	-	154,581	-	50,061	-
	68,388	4,505	-	-	45,544	-	23,512	-
	-	-	-	-	-	-	-	-
\$	493,893	\$ 15,978	\$ -	\$ -	\$ 218,648	\$ -	\$ 91,503	\$ -
Fund balances (deficits)								
<i>Restricted for:</i>								
Educational programs								
Unassigned								
\$	-	-	-	-	-	-	-	-
\$	-	-	-	-	-	-	-	-
\$	493,893	\$ 15,978	\$ -	\$ -	\$ 218,648	\$ -	\$ 91,503	\$ -

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2012

21034302 ARRA E2T2	21151100 Title IV	21091100 Perkins Vocational Ed.	21091101 Perkins Odd Year	21092104 VTA	21092105 Perkins VTA Odd Year	21243100 RIDE Fellows Grant	21254100 Education Jobs Fund
\$ -	\$ -	\$ 115,592	\$ -	\$ 18,072	\$ -	\$ 101,187	\$ -
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 115,592	\$ -	\$ 18,072	\$ -	\$ 101,187	\$ -
\$ -	\$ -	\$ 26,493	\$ -	\$ 3,668	\$ -	\$ 4,077	\$ -
-	-	88,767	-	14,032	-	75,165	-
-	-	332	-	372	-	17,173	-
-	-	-	-	-	-	-	-
-	-	115,592	-	18,072	-	96,415	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	4,772	-
-	-	-	-	-	-	4,772	-
\$ -	\$ -	\$ 115,592	\$ -	\$ 18,072	\$ -	\$ 101,187	\$ -

ASSETS

Intergovernmental receivables
Due from other funds

Total assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable
Due to other funds
Accrued salaries
Deferred Revenue

Total liabilities

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, 2012

21264101 RTTT - Inst. Improvement	21264105 RTTT - IIS Set Aside	21264107 RTTT - HCD Set Aside	23021000 RI Literacy	23112001 Gen Assembly Volunteers	23112003 Leg. Grant HH Art Club	23112004 Leg. Grant WC Wireless	23112006 Western After School Academy
\$ -	\$ -	\$ -	\$ -	1,065	\$ -	\$ -	\$ -
-	-	-	-	-	164	13	-
\$ -	\$ -	\$ -	\$ -	1,065	164	13	\$ -
ASSETS							
Intergovernmental receivables							
Due from other funds							
Total assets							
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable							
Due to other funds							
Accrued salaries							
Deferred Revenue							
Total liabilities							
Fund balances (deficits)							
<i>Restricted for:</i>							
Educational programs							
<i>Unassigned</i>							
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, 2012

	23112007	23142000	23183000	23183001	23183002	23523000	24012004	24012005
	Leg. Grant Wash	RISCA	RISCA	RISCA	RISCA Arts	Teacher Quality	Feinstein	Feinstein Comm.
	Oak iPads		Give Me 5	Big Yellow Bus	Talk HS	Recruitment		Support
\$ -	-	-	-	-	-	7,273	2,000	-
-	225	800	25	620	-	-	285,933	13,410
\$ -	225	800	25	620	7,273	287,933	13,410	

ASSETS

Intergovernmental receivables
Due from other funds

Total assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable
Due to other funds
Accrued salaries
Deferred Revenue

Total liabilities

Fund balances (deficits)

Restricted for:

Educational programs

Unassigned

Total fund balances (deficits)

Total liabilities and fund balances

\$ -	-	-	-	-	-	51	-	-
-	-	-	-	-	-	3,722	-	-
-	-	-	-	-	-	3,500	-	-
-	225	800	25	620	-	-	211,821	-
-	225	800	25	620	7,273	211,821	-	-
-	-	-	-	-	-	-	76,112	13,410
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	76,112	13,410
\$ -	225	800	25	620	7,273	287,933	13,410	

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2012

24012006	24012008	24012009	24012024	24012035	24030023	24030052	24040010
Kidnucation	RI Foundation	United Way	Feinstein Restricted Fund	Amgen	Kids Consortium	Schwarab Scholarship	RI Center for the Arts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	37	436	48,197	663	224	575	586
\$ 33	\$ 37	\$ 436	\$ 48,197	\$ 663	\$ 224	\$ 575	\$ 586

ASSETS

Intergovernmental receivables
Due from other funds

Total assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts payable
Due to other funds
Accrued salaries
Deferred Revenue

Total liabilities

Fund balances (deficits)

Restricted for:

Educational programs
Unassigned

Total fund balances (deficits)

Total liabilities and fund balances

\$ -	\$ -	\$ -	\$ 4,750	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
33	37	436	-	663	224	575	586
\$ 33	\$ 37	\$ 436	\$ 4,750	\$ 663	\$ 224	\$ 575	\$ 586

(continued)

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Special Revenue Restricted School
Combining Balance Sheet
June 30, 2012

	60020000 Adult Education	60060000 Remedial Summer School	Total Spec. Revenue Restricted School
ASSETS			
Intergovernmental receivables	-	-	\$ 1,073,107
Due from other funds	45,802	23,265	436,909
Total assets	\$ 45,802	\$ 23,265	\$ 1,510,016
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	1,133	-	\$ 130,086
Due to other funds	-	-	801,644
Accrued salaries	-	-	170,593
Deferred Revenue	26,759	23,265	284,514
Total liabilities	27,892	23,265	1,386,837
Fund balances (deficits)			
<i>Restricted for:</i>			
Educational programs	17,910	-	109,479
<i>Unassigned</i>	-	-	13,700
Total fund balances (deficits)	17,910	-	123,179
Total liabilities and fund balances	\$ 45,802	\$ 23,265	\$ 1,510,016

(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, 2012

	21011100 IDEA Part B	21011200 IDEA Pre School	21014100 ARRA IDEA Part B	21014200 ARRA IDEA Pre School	21021100 Title I	21024100 ARRA Title I	21031100 Title II	21032304 E2T2 Title IID
REVENUES								
Federal Grants	\$ 1,416,663	\$ 39,464	\$ 10,230	\$ 36,658	\$ 607,602	\$ 12,793	\$ 225,499	\$ 3,880
State Grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	1,416,663	39,464	10,230	36,658	607,602	12,793	225,499	3,880
EXPENDITURES								
Salaries	924,596	29,630	7,189	-	413,684	5,738	162,173	-
Employee benefits	368,709	9,834	3,041	-	155,921	5,296	66,834	-
Purchased services	86,365	-	-	20,020	5,609	1,474	3,750	-
Supplies and materials	4,978	-	-	5,094	32,388	100	-	-
Property and equipment	32,015	-	-	11,544	-	185	-	3,880
Other objects	-	-	-	-	-	-	-	-
Total expenditures	1,416,663	39,464	10,230	36,658	607,602	12,793	232,757	3,880
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	(7,258)	-
Other Financing Sources (uses)								
Operating transfers in	-	-	-	-	-	-	7,258	-
Operating transfers out	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	7,258	-
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-	-	-	-	-
FUND BALANCE - July 1, 2011	-	-	-	-	-	-	-	-
FUND BALANCE - June 30, 2012	-	-	-	-	-	-	-	-

(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, 2012

	21034302	21051100	21091100	21091101	21092104	21092105	21243100	21254100
	ARRA	Title IV	Perkins	Perkins	VTA	Perkins VTA	RIDE	Education
	E212		Vocational Ed.	Odd Year		Odd Year	Fellows Grant	Jobs Fund
REVENUES								
Federal Grants	\$ 146,853	\$ 7,258	\$ 209,501	\$ 25,855	\$ 44,461	\$ 2,079	\$ 145,992	\$ 829,477
State Grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	146,853	7,258	209,501	25,855	44,461	2,079	145,992	829,477
EXPENDITURES								
Salaries	-	-	34,498	5,032	32,091	1,958	105,120	-
Employee benefits	-	-	30,976	3,979	1,962	121	36,483	-
Purchased services	-	-	61,216	5,623	3,328	-	-	-
Supplies and materials	-	-	2,802	1,527	7,080	-	-	-
Property and equipment	146,853	-	80,009	9,694	-	-	-	-
Other objects	-	-	-	-	-	-	-	-
Total expenditures	146,853	-	209,501	25,855	44,461	2,079	141,603	-
Excess (deficiency) of revenues over (under) expenditures	-	7,258	-	-	-	-	4,389	829,477
Other Financing Sources (uses)								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	-	(7,258)	-	-	-	-	-	(829,477)
Total other financing sources	-	(7,258)	-	-	-	-	-	(829,477)
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-	-	-	4,389	-
FUND BALANCE - July 1, 2011	-	-	-	-	-	-	383	-
FUND BALANCE - June 30, 2012	-	-	-	-	-	-	4,772	\$ -

(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, 2012

	21264101	21264105	21264107	23021000	23112001	23112003	23112004	23112006
	RTTT - Inst.	RTTT - IIS	RTTT - HCD	RI	Gen. Assembly	Leg. Grant	Leg. Grant	Western After
	Improvement	Set Aside	Set Aside	Literacy	Volunteers	HH Art Club	WC Wireless	School Academy
REVENUES								
Federal Grants	1,685	7,810	16,132	\$ -	1,064	\$ -	\$ -	\$ -
State Grants	-	-	-	74,148	-	-	-	-
Other	-	-	-	-	-	-	-	500
Total revenues	1,685	7,810	16,132	74,148	1,064	-	-	500
EXPENDITURES								
Salaries	1,564	-	-	67,255	-	-	-	493
Employee benefits	121	-	-	21,130	-	-	-	7
Purchased services	-	7,810	16,132	-	-	-	-	-
Supplies and materials	-	-	-	-	1,064	-	-	-
Property and equipment	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-	-
Total expenditures	1,685	7,810	16,132	88,385	1,064	-	-	500
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(14,237)	-	-	-	-
Other Financing Sources (uses)								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	(14,237)	-	-	-	-
FUND BALANCE - July 1, 2011	-	-	-	14,237	-	-	-	-
FUND BALANCE - June 30, 2012	-	-	-	-	-	-	-	-

(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, 2012

	23112007	23142000	23183000	23183001	23183002	23523000	24012004	24012005
	Leg. Grant Wash Oak iPads	RISCA	RISCA Give Me 5	RISCA Big Yellow Bus	RISCA Arts Talk HS	Teacher Quality Recruitment	Feinstein	Feinstein Comm. Support
REVENUES								
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	375	150	-	-	-
Other	1,500	-	-	-	-	7,273	24,704	-
Total revenues	1,500	-	-	375	150	7,273	24,704	-
EXPENDITURES								
Salaries	-	-	-	-	-	6,910	-	-
Employee benefits	-	-	-	-	-	363	-	-
Purchased services	-	-	-	375	-	-	500	2,907
Supplies and materials	-	-	-	-	150	-	415	-
Property and equipment	1,500	-	-	-	-	-	-	-
Other objects	-	-	-	-	-	-	-	-
Total expenditures	1,500	-	-	375	150	7,273	915	2,907
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	23,789	(2,907)
Other Financing Sources (uses)								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	(23,789)	-
Total other financing sources	-	-	-	-	-	-	(23,789)	-
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-	-	-	-	(2,907)
FUND BALANCE - July 1, 2011	-	-	-	-	-	-	76,112	16,317
FUND BALANCE - June 30, 2012	-	-	-	-	-	-	76,112	13,410

(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, 2012

	24012006	24012008	24012009	24012024	24012035	24030023	24030052	24040010
	Kiducation	RI Foundation	United Way	Feinstein Restricted Fund	Amgen	Kids Consortium	Schwab Scholarship	RI Center for the Arts
REVENUES								
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Grants	-	-	-	-	-	-	-	-
Other	-	632	-	-	523	-	76	-
Total revenues	-	632	-	-	523	-	76	-
EXPENDITURES								
Salaries	-	-	-	1,860	-	-	-	-
Employee benefits	-	-	-	28	-	-	-	-
Purchased services	-	-	-	27,680	-	-	-	-
Supplies and materials	-	632	-	-	523	-	-	-
Property and equipment	-	-	-	1,985	-	-	-	-
Other objects	-	-	-	-	-	-	76	-
Total expenditures	-	632	-	31,553	523	-	76	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(31,553)	-	-	-	-
Other Financing Sources (uses)								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	(31,553)	-	-	-	-
FUND BALANCE - July 1, 2011	-	-	-	75,000	-	-	-	-
FUND BALANCE - June 30, 2012	-	\$ -	\$ -	\$ 43,447	\$ -	\$ -	\$ -	\$ -

(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, 2012

	24040059	24040137	24050005	24050006	24050008	24050037	24050048	90000001
	New England	Trout	Transportation	Learn & Serve	Athletic	Sports	Transitions	Direct
	Diary & Food	Unlimited	Fundraiser	Raffle	Field Fund	Program	Donations	Reimbursement
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-	-	-
	6,621	-	-	600	-	19,977	2,851	-
Total revenues	6,621	-	-	600	-	19,977	2,851	-
EXPENDITURES								
Salaries	-	-	-	-	-	11,820	-	23,413
Employee benefits	-	-	-	-	-	683	-	2,146
Purchased services	186	-	-	600	-	6,616	-	77
Supplies and materials	6,435	-	-	-	-	369	2,569	-
Property and equipment	-	-	-	-	-	-	-	-
Other objects	-	-	-	-	5,490	489	282	-
Total expenditures	6,621	-	-	600	5,490	19,977	2,851	25,636
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	(5,490)	-	-	(25,636)
Other Financing Sources (uses)								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-	(5,490)	-	-	(25,636)
FUND BALANCE - July 1, 2011	-	-	2,047	-	5,490	-	-	(8,883)
FUND BALANCE - June 30, 2012	-	-	2,047	\$ -	\$ -	\$ -	\$ -	(34,519)

(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, 2012

	60020000 Adult Education	60060000 Remedial Summer School	Total Special Revenue Restricted School
REVENUES			
Federal Grants	-	-	-
State Grants	-	-	-
Other	459	-	459
Total revenues	459	-	459
EXPENDITURES			
Salaries	-	-	-
Employee benefits	-	-	-
Purchased services	459	-	459
Supplies and materials	-	-	-
Property and equipment	-	-	-
Other objects	-	-	-
Total expenditures	459	-	459
Excess (deficiency) of revenues over (under) expenditures	-	-	777,832
Other Financing Sources (uses)			
Operating transfers in	-	-	7,258
Operating transfers out	-	-	(860,524)
Total other financing sources	-	-	(853,266)
Excess of revenues and other sources over (under) expenditures and other uses	-	-	(75,434)
FUND BALANCE - July 1, 2011	17,910	-	198,613
FUND BALANCE - June 30, 2012	\$ 17,910	\$ -	\$ 123,179

(concluded)

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, 2012

	116 Capital Improvement Fund	117 Capital Improvement Fund	118 Capital Improvement Fund	119 Capital Improvement Fund	120 Capital Improvement Fund	122 Capital Improvement Fund	TOTAL Capital Projects
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-	-	-
EXPENDITURES							
Non-capital	-	-	7,800	-	-	35,753	43,553
Capital	-	-	46,790	6,284	6,284	712,833	765,907
Total expenditures	-	-	54,590	6,284	6,284	748,586	809,460
Excess of revenues over (under) Expenditures	-	-	(54,590)	(6,284)	(748,586)		(809,460)
Other Financing Sources (uses)							
Transfer from general fund	-	-	-	-	-	748,586	748,586
Transfer to general fund	(3,138)	(11,030)	(20,000)	(6,887)	(4,260)	-	(45,315)
Total other financing sources (uses)	(3,138)	(11,030)	(20,000)	(6,887)	(4,260)	748,586	703,271
Excess of revenues and other sources over (under) expenditures and other uses	(3,138)	(11,030)	(20,000)	(61,477)	(10,544)	-	(106,189)
FUND BALANCE - July 1, 2011	3,138	11,030	20,000	187,442	82,191	-	303,801
FUND BALANCE - June 30, 2012	\$ -	\$ -	\$ 125,965	\$ 71,647	\$ -	\$ -	\$ 197,612

SUPPLEMENTARY INFORMATION
TOWN OF COVENTRY, RHODE ISLAND
Private Purpose Trust Funds
Combining Balance Sheet
June 30, 2012

	Waterman Fund	Fiske Fund	Cemetery Fund	Total
ASSETS				
Cash	\$ 227,267	\$ 4,429	\$ 3,296	\$ 234,992
Investments	1,576,424	198,144	23,982	1,798,550
Due from other funds	662,891	3,097	-	665,988
Total assets	\$ 2,466,582	\$ 205,670	\$ 27,278	\$ 2,699,530
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ 42,000	\$ 42,000
Accounts Payable	-	-	4,000	4,000
Total liabilities	\$ -	\$ -	\$ 46,000	\$ 46,000
FUND BALANCES				
Unreserved	2,466,582	205,670	(18,722)	2,653,530
Total fund balances (deficits)	2,466,582	205,670	(18,722)	2,653,530
Total liabilities and fund balances	\$ 2,466,582	\$ 205,670	\$ 27,278	\$ 2,699,530

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, 2012

	600 Waterman Fund	601 Fiske Fund	602 Cemetery Fund	Total
REVENUES				
Investment income	\$ 73,576	\$ 9,307	\$ -	\$ 82,883
Other income	-	-	-	-
Net increase(decrease) in fair value of investments	(56,250)	(7,068)	(317)	(63,635)
Total Revenues	<u>17,326</u>	<u>2,239</u>	<u>(317)</u>	<u>19,248</u>
EXPENDITURES				
Social services	42,197	698	36,000	78,895
Total Expenditures	<u>42,197</u>	<u>698</u>	<u>36,000</u>	<u>78,895</u>
Excess of revenues over (under) Expenditures	(24,871)	1,541	(36,317)	(59,647)
FUND BALANCE - July 1, 2011	2,491,453	204,129	17,595	2,713,177
FUND BALANCE - June 30, 2012	<u>\$ 2,466,582</u>	<u>\$ 205,670</u>	<u>\$ (18,722)</u>	<u>\$ 2,653,530</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, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
PARKS & RECREATION				
Assets				
Cash	39,006	118,127	115,942	41,191
Total assets	<u>\$ 39,006</u>	<u>\$ 118,127</u>	<u>\$ 115,942</u>	<u>\$ 41,191</u>
Liabilities				
Deposits held in custody for others	\$ 39,006	\$ 118,127	\$ 115,942	\$ 41,191
Total liabilities	<u>\$ 39,006</u>	<u>\$ 118,127</u>	<u>\$ 115,942</u>	<u>\$ 41,191</u>
 PERFORMANCE BONDS				
Assets				
Cash	\$ 1,067,874	\$ 459	\$ 134,815	\$ 933,518
Total assets	<u>\$ 1,067,874</u>	<u>\$ 459</u>	<u>\$ 134,815</u>	<u>\$ 933,518</u>
Liabilities				
Deposits held in custody for others	\$ 1,067,874	\$ 459	\$ 134,815	\$ 933,518
Total liabilities	<u>\$ 1,067,874</u>	<u>\$ 459</u>	<u>\$ 134,815</u>	<u>\$ 933,518</u>
 TOTAL				
Assets				
Cash	\$ 1,106,880	\$ 118,586	\$ 250,757	\$ 974,709
Total assets	<u>\$ 1,106,880</u>	<u>\$ 118,586</u>	<u>\$ 250,757</u>	<u>\$ 974,709</u>
Liabilities				
Deposits held in custody for others	\$ 1,106,880	\$ 118,586	\$ 250,757	\$ 974,709
Total liabilities	<u>\$ 1,106,880</u>	<u>\$ 118,586</u>	<u>\$ 250,757</u>	<u>\$ 974,709</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, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
COVENTRY HIGH SCHOOL				
Assets				
Cash	\$ 158,249	\$ 671,968	\$ 623,589	\$ 206,628
Total assets	<u>\$ 158,249</u>	<u>\$ 671,968</u>	<u>\$ 623,589</u>	<u>\$ 206,628</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	158,249	671,968	623,589	206,628
Total liabilities	<u>\$ 158,249</u>	<u>\$ 671,968</u>	<u>\$ 623,589</u>	<u>\$ 206,628</u>
FEINSTEIN MIDDLE SCHOOL				
Assets				
Cash	\$ 145,254	\$ 668,984	\$ 722,294	\$ 91,944
Total assets	<u>\$ 145,254</u>	<u>\$ 668,984</u>	<u>\$ 722,294</u>	<u>\$ 91,944</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	145,254	668,984	722,294	91,944
Total liabilities	<u>\$ 145,254</u>	<u>\$ 668,984</u>	<u>\$ 722,294</u>	<u>\$ 91,944</u>
HOPKINS HILL				
Assets				
Cash	\$ 24,244	\$ 35,194	\$ 45,014	\$ 14,424
Total assets	<u>\$ 24,244</u>	<u>\$ 35,194</u>	<u>\$ 45,014</u>	<u>\$ 14,424</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	24,244	35,194	45,014	14,424
Total liabilities	<u>\$ 24,244</u>	<u>\$ 35,194</u>	<u>\$ 45,014</u>	<u>\$ 14,424</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, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
BLACK ROCK				
Assets				
Cash	\$ 21,840	\$ 19,346	\$ 17,445	\$ 23,741
Total assets	<u>\$ 21,840</u>	<u>\$ 19,346</u>	<u>\$ 17,445</u>	<u>\$ 23,741</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	21,840	19,346	17,445	23,741
Total liabilities	<u>\$ 21,840</u>	<u>\$ 19,346</u>	<u>\$ 17,445</u>	<u>\$ 23,741</u>
OAK HAVEN				
Assets				
Cash	\$ 1,020	\$ -	\$ 480	\$ 540
Total assets	<u>\$ 1,020</u>	<u>\$ -</u>	<u>\$ 480</u>	<u>\$ 540</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	1,020	-	480	540
Total liabilities	<u>\$ 1,020</u>	<u>\$ -</u>	<u>\$ 480</u>	<u>\$ 540</u>
REGIONAL CAREER & TECH CTR				
Assets				
Cash	\$ 19,271	\$ 81,671	\$ 83,483	\$ 17,459
Total assets	<u>\$ 19,271</u>	<u>\$ 81,671</u>	<u>\$ 83,483</u>	<u>\$ 17,459</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	19,271	81,671	83,483	17,459
Total liabilities	<u>\$ 19,271</u>	<u>\$ 81,671</u>	<u>\$ 83,483</u>	<u>\$ 17,459</u>
TIOGUE SCHOOL				
Assets				
Cash	\$ 17,188	\$ 30,098	\$ 37,839	\$ 9,447
Total assets	<u>\$ 17,188</u>	<u>\$ 30,098</u>	<u>\$ 37,839</u>	<u>\$ 9,447</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	17,188	30,098	37,839	9,447
Total liabilities	<u>\$ 17,188</u>	<u>\$ 30,098</u>	<u>\$ 37,839</u>	<u>\$ 9,447</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, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
WESTERN COVENTRY				
Assets				
Cash	\$ 11,749	\$ 35,968	\$ 38,324	\$ 9,393
Total assets	<u>\$ 11,749</u>	<u>\$ 35,968</u>	<u>\$ 38,324</u>	<u>\$ 9,393</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	11,749	35,968	38,324	9,393
Total liabilities	<u>\$ 11,749</u>	<u>\$ 35,968</u>	<u>\$ 38,324</u>	<u>\$ 9,393</u>
WASHINGTON OAK SCHOOL				
Assets				
Cash	\$ 43,459	\$ 39,228	\$ 45,005	\$ 37,682
Total assets	<u>\$ 43,459</u>	<u>\$ 39,228</u>	<u>\$ 45,005</u>	<u>\$ 37,682</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	43,459	39,228	45,005	37,682
Total liabilities	<u>\$ 43,459</u>	<u>\$ 39,228</u>	<u>\$ 45,005</u>	<u>\$ 37,682</u>
PHYSICAL PLANT				
Assets				
Cash	\$ 970	\$ 587	\$ 587	\$ 970
Total assets	<u>\$ 970</u>	<u>\$ 587</u>	<u>\$ 587</u>	<u>\$ 970</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	970	587	587	970
Total liabilities	<u>\$ 970</u>	<u>\$ 587</u>	<u>\$ 587</u>	<u>\$ 970</u>
LITTLE OAKERS PRE SCHOOL				
Assets				
Cash	\$ 118,675	\$ 122,235	\$ 90,200	\$ 150,710
Total assets	<u>\$ 118,675</u>	<u>\$ 122,235</u>	<u>\$ 90,200</u>	<u>\$ 150,710</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	118,675	122,235	90,200	150,710
Total liabilities	<u>\$ 118,675</u>	<u>\$ 122,235</u>	<u>\$ 90,200</u>	<u>\$ 150,710</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, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
BENEFITS				
Assets				
Cash	\$ 354,138	\$ 1,329,561	\$ 1,321,288	\$ 362,411
Total assets	<u>\$ 354,138</u>	<u>\$ 1,329,561</u>	<u>\$ 1,321,288</u>	<u>\$ 362,411</u>
Liabilities				
Due to other funds	\$ 296,548	\$ 200,102	\$ -	496,650
Deposits held in custody for others	57,590	1,129,459	1,321,288	(134,239)
Total liabilities	<u>\$ 354,138</u>	<u>\$ 1,329,561</u>	<u>\$ 1,321,288</u>	<u>\$ 362,411</u>
RETIREE MEDICAL				
Assets				
Cash	\$ 20,000	\$ 2,000	\$ -	\$ 22,000
Total assets	<u>\$ 20,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 22,000</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	-
Deposits held in custody for others	20,000	2,000	-	22,000
Total liabilities	<u>\$ 20,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 22,000</u>
TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 936,057	\$ 3,036,840	\$ 3,025,548	\$ 947,349
Total assets	<u>\$ 936,057</u>	<u>\$ 3,036,840</u>	<u>\$ 3,025,548</u>	<u>\$ 947,349</u>
Liabilities				
Due to other funds	\$ 296,548	\$ 200,102	\$ -	\$ 496,650
Deposits held in custody for others	639,509	2,836,738	3,025,548	450,699
Total liabilities	<u>\$ 936,057</u>	<u>\$ 3,036,840</u>	<u>\$ 3,025,548</u>	<u>\$ 947,349</u>

(concluded)

STATISTICAL SECTION

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

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Tax Collections
For the Fiscal Year Ended June 30, 2012

Real Estate and Property Tax Assessment of	Total Balance Uncollected 7/1/2011	Assessment	Additions Adjustments	Abatements	Refunds and Adjustments	Total Available for Collection	Collections	(a) Balance Uncollected 6/30/2012
2011	\$ -	\$ 56,864,263	\$ 179,966	\$ (282,125)	\$ 95,808	\$ 56,857,912	\$ 56,275,619	582,293
2010	776,341	-	2,006	(4,976)	2,120	775,491	575,802	199,689
2009	158,687	-	-	(872)	4	157,819	45,539	112,280
2008	95,246	-	-	(1,111)	(32)	94,103	12,282	81,821
2007	40,627	-	-	-	-	40,627	801	39,826
2006	65,922	-	-	-	-	65,922	1,001	64,921
2005	61,862	-	-	-	-	61,862	545	61,317
2004	68,411	-	-	-	-	68,411	141	68,270
2003	60,841	-	-	-	-	60,841	16	60,825
2002	51,200	-	-	-	-	51,200	-	51,200
2001	71,214	-	-	-	-	71,214	-	71,214
2000	65,849	-	-	-	-	65,849	-	65,849
1999	64,087	-	-	-	-	64,087	-	64,087
1998	35,321	-	-	-	-	35,321	-	35,321
1997	15,689	-	-	-	-	15,689	-	14,447
1996	4,722	-	-	-	-	4,722	1,242	4,722
Prior years	1,592	-	-	-	-	1,592	-	1,592
TOTAL PROPERTY	\$ 1,637,611	\$ 56,864,263	\$ 181,972	\$ (289,084)	\$ 97,900	\$ 58,492,662	\$ 56,912,988	\$ 1,579,674

Auto Excise Tax Assessment of	Total Balance Uncollected 7/1/2011	Assessment	Additions Adjustments	Abatements	Authorized Transfers and Adjustments	Total Available for Collection	Collections	(a) Balance Uncollected 6/30/2012
2011	\$ -	\$ 4,995,985	\$ 10,296	\$ (108,289)	\$ 3,464	\$ 4,901,456	\$ 4,548,255	353,201
2010	146,571	-	361	(286)	309	146,955	87,327	59,628
2009	53,541	-	-	-	296	53,837	12,244	41,593
2008	54,987	-	-	-	-	54,987	5,109	49,878
2007	50,378	-	-	-	496	50,874	2,783	48,091
2006	42,849	-	-	-	145	42,994	4,056	38,938
2005	38,365	-	-	-	-	38,365	2,474	35,891
2004	26,063	-	-	-	(5)	26,058	760	25,298
2003	19,891	-	-	-	-	19,891	175	19,716
2002	14,267	-	-	-	-	14,267	275	13,992
2001	21,854	-	-	-	-	21,854	99	21,755
2000 and Prior	-	-	634	-	432	1,066	652	414
TOTAL AUTO	\$ 468,766	\$ 4,995,985	\$ 11,291	\$ (108,575)	\$ 5,137	\$ 5,372,604	\$ 4,664,209	\$ 708,395

**TOTAL PROPERTY
TAX AND AUTO
EXCISE TAX**

\$ 2,106,377	\$ 61,860,248	\$ 193,263	\$ (397,659)	\$ 103,037	\$ 63,865,266	\$ 61,577,197	\$ 2,288,069
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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, 2012

	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2004	December 31, 2003	December 31, 2002
Assessed Property Valuations:									
Real Property	\$ 3,098,994,584	\$ 3,688,440,259	\$ 3,679,277,325	\$ 3,661,025,184	\$ 3,315,487,502	\$3,281,103,269	\$3,228,273,210	\$1,818,154,563	\$1,784,855,091
Tangibles	94,324,242	114,421,880	116,794,405	116,558,916	27,615,172	21,656,098	22,042,993	18,508,304	16,852,588
Motor Vehicles	309,336,216	298,253,258	250,975,340	283,134,618	271,963,528	271,118,304	241,805,645	214,780,443	212,372,489
	<u>3,502,655,042</u>	<u>4,101,115,397</u>	<u>4,047,047,070</u>	<u>4,060,718,718</u>	<u>3,615,066,202</u>	<u>3,573,877,671</u>	<u>3,492,121,848</u>	<u>2,051,443,310</u>	<u>2,014,080,168</u>
Less Exemptions:									
Blindness	521,872	488,872	445,500	392,830	409,330	343,330	304,430	254,930	94,820
Elderly and Disabled	19,792,580	19,752,580	19,488,580	19,472,580	18,779,111	18,857,004	18,811,924	18,629,004	18,380,900
Gold Star Mothers	9,000	15,000	15,000	18,000	15,000	15,000	12,000	12,000	9,000
Rectories and Parsonages	-	-	453,400	453,400	480,150	1,326,130	744,910	703,350	703,350
State Veterans	141,426	120,265	125,415	130,795	127,661	156,177	161,943	161,090	149,927
Veterans	18,640,480	18,959,180	19,303,080	19,750,880	20,087,370	20,613,470	20,597,110	21,095,110	21,681,480
POW's	30,000	30,000	30,000	30,000	30,000	30,000	45,000	45,000	60,000
100% Disabled	133,400	130,400	133,400	129,400	125,400	132,400	116,400	113,400	31,000
Variable	10,000	2,085,572	-	-	-	-	-	-	-
Specialty Adapted Housing	-	-	12,300	30,300	30,300	32,638	20,000	30,000	30,000
Motor Vehicle Phase-out	42,749,639	163,838,839	-	-	-	-	-	-	-
Tax Relief Program	22,943,699	23,471,310	24,368,374	26,616,550	26,196,724	31,068,368	31,686,258	33,413,808	34,261,492
	<u>104,972,096</u>	<u>228,892,018</u>	<u>64,375,049</u>	<u>67,024,735</u>	<u>66,281,046</u>	<u>72,574,517</u>	<u>72,499,975</u>	<u>74,457,692</u>	<u>75,401,969</u>
NET TAXABLE ASSESSED PROPERTY VALUATIONS	\$ 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	\$1,938,678,199
Tax Levy:									
Real and personal property and tangible tax	\$ 56,864,263	\$ 57,044,768	\$ 56,830,394	\$ 56,350,234	\$ 53,733,335	\$51,033,500	\$45,861,014	\$43,491,250	\$41,183,057
Motor vehicle tax	4,995,985	2,518,067	2,183,732	2,756,369	2,558,668	2,581,006	2,330,573	2,348,012	2,094,363
TOTAL TAXES ASSESSED, NET OF EXEMPTIONS	\$ 61,860,248	\$ 59,562,835	\$ 59,014,126	\$ 59,106,603	\$ 56,292,003	\$53,614,506	\$48,191,587	\$45,839,262	\$43,277,420

TOWN OF COVENTRY, RHODE ISLAND
Schedule of long-term liabilities - Primary Government
For the fiscal year ended June 30, 2012

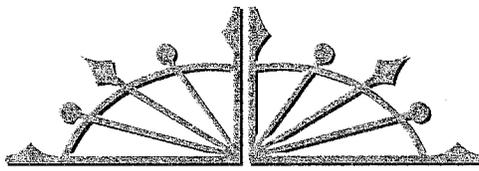
	Date of Issuance	Interest Rate	Date of Maturity	Authorized	Outstanding July 1, 2011	Additions	Maturities During Year	Outstanding June 30, 2012	Interest Paid
General Obligation Bonds Payable									
School Construction Financing	06/15/02	3.50% to 5.00%	06/15/22	\$ 15,000,000	\$ 8,250,000	\$ -	\$ 8,250,000	\$ -	\$ 370,219
School Project Financing	12/01/01	3.50% to 5.00%	11/01/21	11,000,000	6,050,000	-	6,050,000	-	162,594
GO Bond Refunding	10/27/11	2.00% to 3.375%	11/01/21	13,770,000	-	13,770,000	50,000	13,720,000	192,682
School bond	6/15/03	2.00% to 4.00%	06/15/23	8,000,000	4,800,000	-	400,000	4,400,000	170,400
GO Bond Anticipation Notes	4/12/11	2.50%	04/11/12	4,330,000	4,330,000	-	4,330,000	-	107,949
GO Bond	4/11/12	3.00% to 4.00%	04/01/27	4,330,000	-	4,330,000	-	4,330,000	-
Total general obligation bonds payable				56,430,000	23,430,000	18,100,000	19,080,000	22,450,000	1,003,844
Notes Payable									
Whaley Hollow Road Note	12/31/07	5.00%	12/31/13	126,892	68,080	-	21,596	46,484	3,404
Sewer Bonds Payable									
Economic Development Revenue Bonds	09/01/03	0.49% - 1.49%	9/1/23	3,400,000	2,735,000	-	155,000	2,580,000	13,591
GO Tax Anticipation Notes	7/29/11	2.85%	7/26/12	5,500,000	-	5,500,000	-	5,500,000	-
GO Tax Anticipation Notes	7/28/10	2.98%	7/27/11	5,500,000	5,500,000	-	5,500,000	-	156,315
RI Clean Water	12/6/06	1.33%	9/1/27	3,205,000	2,794,000	-	142,000	2,652,000	50,083
RI Clean Water	12/12/07	3.75% to 5.08%	9/1/28	5,000,000	4,581,000	-	215,000	4,366,000	91,363
RI Clean Water	6/28/12	0.47% - 2.99%	9/1/32	2,400,000	-	2,400,000	-	2,400,000	-
RI Clean Water	10/6/09	.7%-2.64%	9/1/29	2,564,519	2,460,911	-	104,493	2,356,418	63,956
Total Sewer bonds payable				27,569,519	18,070,911	7,900,000	6,116,493	19,854,418	375,308
Total bonds and notes				\$ 83,999,519	41,500,911	26,000,000	25,196,493	42,304,418	1,379,152
Accrued expenses									
Compensated absences					4,361,289	355,381	1,185,858	3,530,812	n/a
Net pension Obligation					33,969,876	2,058,011	-	36,027,887	n/a
Net OPEB obligation					1,037,205	426,675	-	1,463,880	n/a
Total accrued expenses					39,368,370	2,840,067	1,185,858	41,022,579	
Total long-term liabilities					\$ 80,869,281	\$ 28,840,067	\$ 26,382,351	\$ 83,326,997	

**TOWN OF COVENTRY, RHODE ISLAND
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2012**

Grossed assessed value	\$ 3,502,655,042
Less: exemptions and adjustments	(104,972,096)
Total taxable assessed value	\$ 3,397,682,946
Debt Limit - 3 percent of total assessed value	\$ 101,930,488
Amount of debt applicable to debt limit:	
Total bonded debt-governmental bonds	22,450,000
Legal debt margin	\$ 79,480,488

TOWN OF COVENTRY, RHODE ISLAND

SINGLE AUDIT SECTION



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***

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Coventry, Rhode Island, as of and for the year fiscal ended June 30, 2012, and have issued our report thereon dated January 21, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

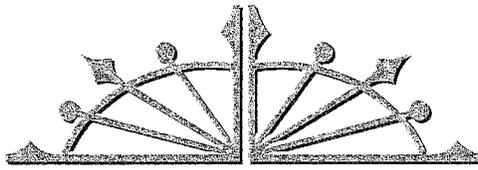
Compliance and Other Matters

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

We noted certain other matters that we reported to management of the Town in a separate letter dated January 21, 2013.

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


Baxter Dansereau & Associates, LLP
January 21, 2013



BAXTER DANSEREAU & ASSOCIATES, LLP

Accounting, Consulting & Tax Services

Partners

William J. Baxter, Jr., CPA

Paul L. Dansereau, CPA

**REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB
CIRCULAR A-133**

INDEPENDENT AUDITOR'S REPORT

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

Compliance

We have audited the Town of Coventry, Rhode Island, 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's major federal programs for the year ended June 30, 2012. The Town of Coventry's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Town of Coventry's management. Our responsibility is to express an opinion on the Town of Coventry's compliance based on our audit.

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

In our opinion, the Town, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with the requirements that could have a direct and material effect on a major federal program

to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 the Town'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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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


Baxter Dansefau & Associates, LLP
January 21, 2013

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2012

<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	\$ 116,829
National School Lunch Program	10.555	N/A	532,378
Special School Milk Program for Children	10.556	N/A	6,977
Food Donation - See Note 4	10.550	N/A	75,834
<i>Direct Award</i>			
ARRA - Emergency Watershed Protection Program	10.923	N/A	98,375
Total U.S. Department of Agriculture			<u>\$ 830,393</u>
U.S. Department of Commerce			
<i>Direct Award</i>			
Economic Adjustment Assistance	11.307	N/A	\$ 20,000
Total U.S. Department of Commerce			<u>\$ 20,000</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	\$ 57,999
Total U.S. Department of Housing and Urban Development			<u>\$ 57,999</u>
U.S. Department of the Interior			
<i>Direct Award</i>			
Natural Resources Damage Assessment Restoration and Implementation	15.658	N/A	\$ 60,559
Total U.S. Department of the Interior			<u>\$ 60,559</u>
U.S. Department of Justice:			
<i>Pass-Through State of Rhode Island Governor's Justice Commission</i>			
Edward Byrne Memorial State & Local Enforcement Assistance			
Discretionary Grants Program	16.580	N/A	\$ 42,709
ARRA - Edward Byrne Memorial Justice Assistance Grant - Grants to Local Gov't	16.804	N/A	3,512
Bulletproof Vests Partnership Program	16.607	N/A	3,735
Total U.S. Department of Justice			<u>\$ 49,956</u>
U.S. Department of Transportation			
<i>Pass-through State of Rhode Department of Transportation</i>			
ARRA - Highway Planning and Construction	20.205	N/A	\$ 194,792
<i>Highway Safety Cluster:</i>			
State and Community Highway Safety	20.600		\$ 17,791
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		17,790
Incentive Grant Program to Prohibit Racial Profiling	20.611	N/A	9,886
Total U.S. Department of Transportation			<u>\$ 240,259</u>
U.S. Environmental Protection Agency			
<i>Direct Award</i>			
ARRA - Capitalization Grant for Clean Water State Revolving Fund	66.458		\$ 13,735
Performance Partnership Grants	66.605		119,500
State and Tribal Response Program Grants	66.817		50,000
Total U.S. Environmental Protection Agency			<u>\$ 183,235</u>
U.S. Department of Energy			
<i>Pass-through State of Rhode Island</i>			
ARRA - Energy Efficiency and Conversion Block Grant Program	81.128		\$ 43,903
Total U.S. Department of Energy			<u>\$ 43,903</u>

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2012

<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>			
ARRA - State Fiscal Stabilization Funds - Education State Grants	84.394	4572-10502-001	\$ 152,258
<i>Education Cluster:</i>			
Title I Grants to Local Education Agencies	84.010A	2725-11702-001	607,602
ARRA - Title I Grants to Local Education Agencies	84.389	4572-10102-001	12,792
Career & Technical Education - Basic Grants to States	84.048A	2725-15602-001	281,897
Improving Teacher Quality State Grants	84.367A	2725-16402-001	232,757
Safe and Drug-Free Schools and Communities - State Grants	84.186A	2725-12602-001	7,258
<i>Education Technology Cluster</i>			
Education Technology States Grants	84.318X	2725-12902-240	3,880
ARRA - Education Technology State Grants	84.386	4572-10702-150	146,853
Teacher Quality Partnership Grants	84.336	N/A	141,604
<i>Special Education Cluster:</i>			
Special Education Grants to States	84.027A	2725-13202-001	1,416,663
Special Education Preschool Grants	84.173A	2725-13502-001	39,464
ARRA - Special Education Grants to States	84.391	4572-10202-001	10,240
ARRA - Special Education Preschool Grants	84.392	4572-10202-001	36,656
ARRA - Race to the Top - Instructional Improvement	84.395	4572-13502-120	1,685
ARRA - Race to the Top - IIS Set Aside	84.395	4572-13502-160	7,809
ARRA - Race to the Top - HCD Set Aside	84.395	4572-13502-180	16,132
ARRA - Education Jobs Fund	84.410	4572-13102-101	829,477
Total U.S. Department of Education			<u>\$ 3,945,027</u>
U.S. Department of Health & Human Services			
<i>Passed through State of Rhode Island Department of Health</i>			
Public Health and Emergency Preparedness	93.069	N/A	\$ 1,603
Medical Assistance Program	93.778	N/A	288,680
Total U.S. Department of Health & Human Services			<u>\$ 290,283</u>
U.S. Department of Homeland Security			
<i>Pass-through State of Rhode Island Emergency Management Agency:</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	439,508
Hazard Mitigation Grant	97.039	N/A	62,512
Total U.S. Department of Homeland Security			<u>\$ 502,020</u>
Total Expenditures of Federal Awards			<u>\$ 6,223,634</u>

concluded

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2012

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness (es) identified? _____ yes X no

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

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: Unqualified

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
	<i>Child Nutrition Cluster</i>
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
	<i>Educational Technology State Grants Cluster</i>
84.318	Education Technology State Grants
84.386	ARRA - Education Technology State Grants
	<i>Special Education Cluster</i>
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants
84.391	ARRA Special Education Grants to States
84.392	ARRA Special Education Preschool Grants
84.410	ARRA – Education Jobs Fund
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2012
(continued)

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

Auditee qualified as a low risk auditee? yes X no

SECTION II – FINANCIAL STATEMENT FINDINGS yes X none

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

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2012
(continued)

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

A. Significant Deficiency in Internal Control

None Reported

B. Compliance

None Reported

SECTION III – FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

TOWN OF COVENTRY, RHODE ISLAND
Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2012

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, 2012

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, 2012, 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>
	<i>Child Nutrition Cluster</i>
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Kids
	<i>Educational Technology State Grants Cluster</i>
84.318	Education Technology State Grants
84.386	ARRA - Education Technology State Grants
	<i>Special Education Cluster</i>
84.027	Special Education Grants to States
84.173	Special Education Preschool Grants
84.391	ARRA Special Education Grants to States
84.392	ARRA Special Education Preschool Grants
84.410	ARRA – Education Jobs Fund
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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 \$75,834 represents the market value of such commodities used during the period.