
TOWN OF WEST WARWICK

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

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

***James H. Thomas
Town Manager***

***Malcolm A. Moore
Finance Director***

Prepared by: Finance Department

WEST WARWICK, RHODE ISLAND

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

TABLE OF CONTENTS

	<u>PAGE</u>
I. INTRODUCTORY SECTION	
<i>LETTER OF TRANSMITTAL</i>	i
<i>ORGANIZATIONAL CHART</i>	vi
<i>LIST OF TOWN OFFICIALS</i>	vii
<i>CERTIFICATE OF ACHIVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING</i>	viii
II. FINANCIAL SECTION	
<i>INDEPENDENT AUDITORS' REPORT</i>	1
<i>MANAGEMENT'S DISCUSSION AND ANALYSIS</i>	3
<i>BASIC FINANCIAL STATEMENTS</i>	
<u><i>Government Wide Financial Statements</i></u>	
Statement of Net Assets	13
Statement of Activities	14
<u><i>Fund Financial Statements</i></u>	
Balance Sheet – Governmental Funds	15
Statement of Revenues, Expenditures and Changes in Unreserved Fund Balances - Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Unreserved Fund Balances of the Governmental Funds to the Statement of Activities	17
Statement of Net Assets – Proprietary Funds	18
Statement of Revenue, Expenses, and Changes in Fund Net Assets – Proprietary Funds	19
Statement of Cash Flows – Proprietary Funds	20
Statement of Fiduciary Net Assets	21
Statement of Changes in Fiduciary Net Assets	22
<u><i>Notes to the Financial Statements</i></u>	
Required Disclosures and Other Information	23

(continued)

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

TABLE OF CONTENTS

(continued)

	<u>PAGE</u>
<i>REQUIRED SUPPLEMENTARY INFORMATION (RSI)</i>	
Budgetary Comparison Schedule – Schedule of Revenues Budget and Actual (Budgetary Basis) - General Fund	55
Budgetary Comparison Schedule – Schedule of Expenditures Budget and Actual (Budgetary Basis) - General Fund	56
Budgetary Comparison Schedule – Schedule of Revenues Budget and Actual (Budgetary Basis) – School Unrestricted Fund	60
Budgetary Comparison Schedule – Schedule of Expenditures Budget and Actual (Budgetary Basis) – School Unrestricted Fund	61
Notes to Required Supplementary Information	62
 <i>Other Supplementary Information</i>	
Budgetary Comparison Schedule – Schedule of Revenues, and Expenditures– General Fund	63
Budgetary Comparison Schedule – Statement of Revenues, Expenditures and – School Unrestricted Fund	64
Combining Balance Sheet – Non-major Governmental Funds	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	64
Combining Balance Sheet – Restricted Special Revenue Funds Town	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Restricted Special Revenue Funds Town	71
Combining Balance Sheet – Restricted Special Revenue Funds School	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Restricted Special Revenue Funds School	79
Combining Balance Sheet – Capital Project Funds	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Project Funds	84
Combining Balance Sheet – Non – Major Enterprise Funds	85
Combining Statement of Revenues, Expenses and Changes in Net Assets – Non-Major Enterprise Funds	86
Combining Statement of Cash Flows – Non-Major Enterprise Funds	87
Combining Statement of Revenues, Expenditures – Budget and Actual Sewer and Municipal Court – Enterprise Funds	88
Combining Statement of Changes in Assets and Liabilities – Agency Funds	90

(continued)

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

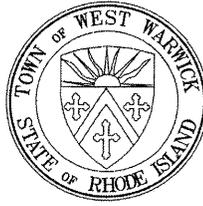
TABLE OF CONTENTS
(continued)

	<u>PAGE</u>
III. STATISTICAL SECTION	
Tax Collectors Annual Report	91
Schedules of General Long-term Debt	92
Schedules of Debt Service Requirements – General Fund	93
Schedules of Debt Service Requirements – Enterprise Funds	94
Schedule of Fixed Assets by Function and Activity	95
Net Assets by Component	96
Changes in Net Assets	97
Fund Balances, Governmental Funds	99
Changes in Fund Balances - Governmental Funds	100
Assessed and Estimated Actual Value of Taxable Property	101
Property Tax rates	102
Principal Taxpayers	103
Property Tax Levies and Collections	104
Ratio of Net General Bond Debt to Assessed Value	105
Computation of Legal Debt Margin	106
Ratio of Annual Debt Service Expenditures for Bond	
General Bonded Debt to Total General Expenditures	107
Principal Employers	108
Public Schools Miscellaneous Statistics	109
Town of West Warwick Miscellaneous Statistics	110
IV. SINGLE AUDIT SECTION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	111
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	113
Schedule of Expenditures of Federal Awards	115
Schedule of Findings and Questioned Costs	116
Schedule of Prior Year Findings and Questioned Costs	118
Notes to Schedule of Expenditures of Federal Awards	119

INTRODUCTORY SECTION

This Section Contains the Following Subsections:

Letter of Transmittal
Organizational Chart
List of Town Officials
Certificate of Achievement for Excellence in Financial Reporting



TOWN OF WEST WARWICK

Town Hall • 1170 Main Street
West Warwick, Rhode Island 02893-40829
Phone: (401) 822-9216 Fax: (401) 822-9263
E-Mail: mmoore@westwarwickri.org
www.westwarwickri.org

December 31, 2009

To: Citizens of West Warwick, Rhode Island
West Warwick Town Council
West Warwick Town Manager

The comprehensive annual financial report of the Town of West Warwick, Rhode Island for the fiscal year ended June 30, 2009, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to fairly present the financial position and results of operations of the various funds of the Town of West Warwick. The reader should see the following Management Discussion & Analysis section of this report in order to gain a broader understanding of the Town and its activities.

The independent audit of the financial statements of the Town of West Warwick, Rhode Island included in section IV was part of broader, federal and state "Single Audits" designed to meet the special needs of the federal and state grantor agencies. The standards governing the Federal and State Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards.

THE TOWN OF WEST WARWICK

In February 1994, the Town of West Warwick adopted a Home Rule Charter that provides for a Council/Town Manager form of government with the Town Manager as head of the administrative branch of government. The superintendent of Schools and a five member School Committee oversee the operation of the public school system.

The Town of West Warwick's municipal government provides a full range of services including education, police and fire, planning, zoning, construction and maintenance of highways, streets, storm and sanitary sewers and infrastructure, social services, parks and recreational activities and cultural activities. Approximately 800 full-time municipal employees provide services to a community of 8.2 square miles and 29,581 residents.

The Town of West Warwick was incorporated as a Town in 1913. It is located about eleven miles south of the City of Providence and is bounded by the City of Cranston on the north, the City of Warwick on the east, by the Town of East Greenwich on the south and the Town of Coventry on the west.

The Town of West Warwick is a residential community with considerable industry. Villages in the Town developed very early as industrial and textile centers. Progress has been made in industrial diversification, with several larger former textile mills converted to multiple tenancies by smaller, newer businesses. Only two of the top twenty taxpayers in the Town are in the textile business. The Town has good transportation facilities and an abundant water supply.

LOCAL ECONOMIC CONDITIONS AND OUTLOOK

The economic outlook for the Town of West Warwick, along with the State of Rhode Island has slowed substantially. West Warwick is considered to be a densely populated community with its 8 square miles of land and a population of 30,000 residents. The long range planning effort of the current administration calls for a more diverse population from its current trend of 65% low to moderate income residents and 35% above low to moderate.

The Town Council recognizes the benefit of a diversified Commercial/Industrial tax base and support economic development efforts which will broaden the tax base. The Town has finalized the tax increment financing project that will promote a \$150 million hotel/indoor/outdoor water park resort which will reside in the Business Park off Interstate 95 with great visibility. Construction for the facility should begin in the summer of 2010.

The Administration is working closely with the State of Rhode Island Legislative leadership, as the Speaker of the House of Representatives is from West Warwick, to ensure all financial avenues are being considered in supporting economic development opportunities related to our ethnic diverse population. The Town has developed master plans for our downtown business district which emphasizes the present of the Arctic Village historical character. Discussion has centered around expanding the commercial development of the downtown with goods and services which would allow for residents to support local businesses.

The Town currently is investing \$5 million in repaving and upgrading local roads and storm water projects. The need for additional capital dollars supporting our infrastructure will require substantial investment going forward. The community is nearing its centennial celebration which will allow for a focused review of our future capital needs.

West Warwick's biggest concern relates to the affordability of a quality educational system. Current projections show a \$3 million deficit in school financial operations for fiscal year 2009. The Administration has commissioned a review of the school operations as we try to address long range strategic planning objectives. The Superintendent of Schools and the Town Manager have engaged in lengthy conversations relating to consolidation of administrative functions which are compatible to both school and administrative responsibilities.

The Administration continues to be concerned with high property tax rates and their affect on marketing West Warwick as an affordable community for young families or retirees. Our property tax structure takes into consideration the individual impacts of residential verses commercial and industrial properties. The Town Council adopted a tax policy which allows for market adjustments and tax classifications for property groupings ensuring a more equitable property tax distribution formula.

The amount of State aid for both the municipal and school operations has been reduced substantially in years FY 2009, and projected reductions in FY 2010 and 2011.

West Warwick's future is at the crossroads as it tries to develop new strategies which will provide its citizens the kind of responsive and affordable government in coming years. The current administration has taken on a conservative fiscal approach to the growth in government, consolidation of departments and creating efficiencies which will allow for fewer employees.

Fiscal strategic planning of the costs relating to labor contracts will be the standard which has been overlooked in the past. All decisions will be made with a fiscal note attached to ensure both elected and appointed officials understand the financial impact for today as well as tomorrow.

To weather the current recession it will be in the best interest of both management and labor to engage in conversations regarding the future on a quarterly basis rather than past practice of once every three years. The same can be said of relationships with the School District Administration and School Committee. The past practice of the Town Administration picking up a higher annual percentage cost for education can no longer be sustained under the current financial strain being placed on the residents.

The Administration is optimistic if the concepts of teamwork and communication became the standard by which organizations measure success, we shall prevail.

ECONOMIC CHARACTERISTICS

Population

Ranked tenth in population among the thirty-nine cities and towns in State, the Town's 2000 population was 29,581, according to the U.S. census of that year.

	<u>Town</u> <u>Population</u>	<u>% Change</u>	<u>State</u> <u>Population</u>	<u>% Change</u>
2000	29,581	1.1%	1,048,319	4.5%
1990	29,268	7.7	1,003,464	5.6
1980	27,026	10.0	947,154	0.3
1970	24,323	12.0	949,723	9.5
1960	21,414	10.8	859,488	7.9
1950	19,096	4.8	791,896	10.0
1940	18,188	2.7	713,346	3.6
1930	17,696	12.6	687,497	12.1

Source: U.S. Bureau of the Census, 2000.

Income Levels

The following table lists the per capita and median family income according to the 2000 U.S. Census.

	<u>Per Capita</u>	<u>Median Family</u>
West Warwick	\$14,392	\$48,320
Rhode Island	14,981	48,100
United States	14,420	35,225

Source: U.S. Bureau of the Census, 2000.

Unemployment

The most recent labor market information summary indicates that annualized unemployment for the years indicated was as shown in the following table:

	<u>Annualized</u>									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Town of West Warwick	5.6%	5.6%	4.7%	4.6%	4.9%	5.2%	5.8%	5.7%	5.7%	5.5%
State of Rhode Island	5.1	4.9	4.1	4.3	4.8	5.3	5.4	5.1	5.2	5.1
United States	4.9	4.5	4.2	4.0	4.7	5.8	6.0	5.5	5.1	4.6

Source: Department of Labor, Bureau of Labor Statistics.

Employment

Through the 12 months ended December 31, 2008, the Town had 624 private business and industrial firms subject to the payment of employment security taxes. During that period, the average number of persons employed was 13.72. The following is a listing of the various types of industry in the Town covered by the Rhode Island Economic Development Corporation for the 12 months ended December 31, 2008.

	<u>12 Months Ended December 31, 2006</u>	
	<u>No. of</u>	<u>No. of</u>
	<u>Units</u>	<u>Employees</u>
Agr., Forestry, Fishing	12	38
Construction	95	391
All Manufacturing	40	1,838
Trans., Comm., Utils.	18	1,157
Wholesale Trade	37	381
Retail Trade	177	1,566
Fin., Ins., Real Estate	55	1,118
Service Industries	<u>190</u>	<u>2,073</u>
Total	624	8,562

Housing

According to the 2000 U.S. Census, there were 13,186 housing units in the Town as of April 2000 as compared to 12,488 in 1990. This represents an increase of 698 housing units or 5.6%.

Occupied housing units totaled 12,498 in 2000, an increase of 776 units or 6.6% from the 11,722 occupied units reported in 1990. In 2000, 52% of the occupied housing units were owner-occupied.

Internal Controls

In developing and evaluating the Town's accounting control system, consideration is given to the adequacy of internal accounting controls. Accounting control comprises the plan of organization, procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and consequently is designed to provide reasonable assurance that:

Transactions are executed in accordance with management's general or specific authorization.

Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria, such as finance – related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability of assets.

Access to assets is permitted only in accordance with management's authorization.

The recorded accountability of assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

The definition of accounting control presumes reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits to be derived. The benefits consist of reductions in the risk of failing to achieve the objectives implicit in the definition of accounting control.

All internal control evaluations occur within the above framework. We believe that the Town's internal accounting control adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

GFOA Certificate of Achievement

The Government finance Officers Associations of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of West Warwick, Rhode Island for its comprehensive annual financial report for the fiscal years ended June 30, 2008. This was the fifth year that the government applied and received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

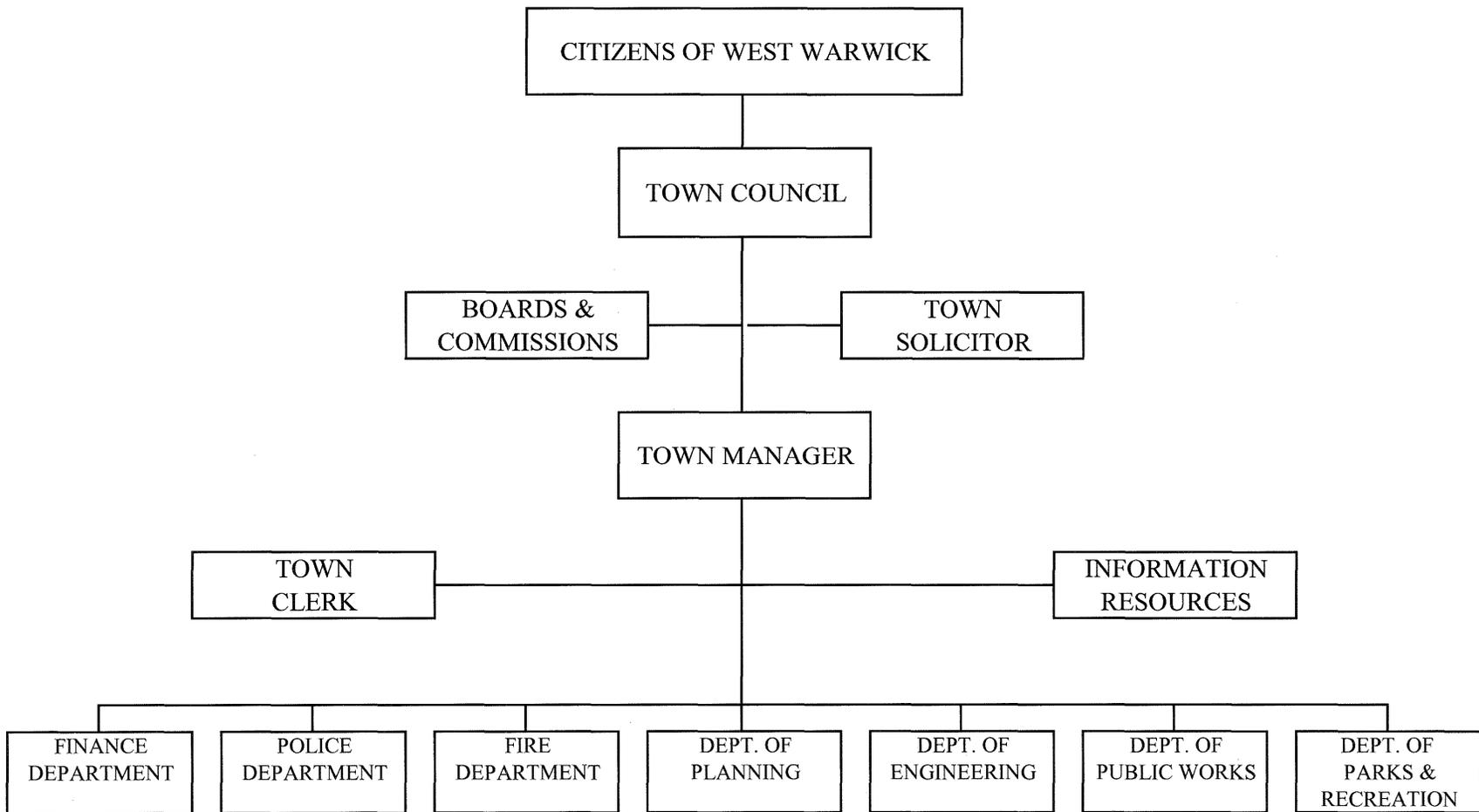
The preparation of this report could not have been accomplished without the dedication and hard work of the entire staff of the Finance Department. I also appreciate the assistance and dedication of the audit team from Parmelee, Poirier & Associates, LLP. Finally I would like to thank the Town Manager and the members of the Town Council for their professionalism and dedication to the Town of West Warwick.

Respectfully Submitted,



Malcolm A. Moore
Finance Director

THE TOWN OF WEST WARWICK
GOVERNMENTAL ORGANIZATION



TOWN OF WEST WARWICK, RHODE ISLAND

as of June 30, 2009

TOWN COUNCIL

David Gosselin - President
Angelo A. Padula, Jr. – Vice President
Edward A. Giroux
Peter F. Calci
Filomena Gustafson

TOWN MANAGER

James H. Thomas

FINANCE DIRECTOR

Malcolm A. Moore

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of West Warwick
Rhode Island

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION

This Section Contains the Following Subsections:

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

INDEPENDENT AUDITORS' REPORT

The Honorable President and
Members of the Town Council
Town of West Warwick
West Warwick, 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 West Warwick, Rhode Island (Town) as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of West Warwick, 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 West Warwick, Rhode Island as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 15 to the basic financial statements, the Town adopted GASB Statement 45 as of July 1, 2008.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 6, 2010 on our consideration of the Town of West Warwick, Rhode Island's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis, and budgetary comparison information on pages 3 through 12 and 55 through 62 respectively, are not a required part of the financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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


Parmelee, Poirier & Associates, LLP
January 6, 2010

Management's Discussion and Analysis

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

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

Financial Highlights

- ❖ The Town's net assets decreased \$15,393,821 as a result of this year's current operations. On a government-wide basis the assets of the Town of West Warwick exceeded its liabilities at the close of the most recent fiscal year by \$63,901,646. Net assets of business activities increased by \$296,701 or .49%, while net assets of Governmental Activities decreased by \$15,690,522 or 86%. Most of this decrease was attributable to the first time Town application of the Governmental Accounting Standards Boards (GASB 45) (see note 15 to the financial statements) which caused net assets to decrease by \$5,772,282 and also an increase in the Town's Net Pension Obligation of \$4,081,796.
- ❖ The Town's Government-wide (governmental and business activities) operating expenses were \$109,151,624 an 8.8% increase from the prior year, while revenues collected were \$93,757,803 a 0.92% decrease.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,377,096. Over 91% of this amount, \$3,096,568 is unreserved and available for use within the Town's designation and fiscal policies.
- ❖ At the end of the current fiscal year, the general fund unreserved fund balance was \$3,413,110 or 4.4% of the total general fund expenditures for the fiscal year. The current fiscal year's expenditures and transfers exceeded revenues and transfers by \$(614,305). On a budgetary basis expenditures exceeded revenues and transfers by the same amount.

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 required supplementary information and supplementary information.

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

The Town's basic financial statements and 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 West Warwick Sewer Commission, the Civic Center, and Municipal Court.

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing

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

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 funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town has three enterprise funds. The West Warwick Sewer Commission, which accounts for the Town's sewer system; the Civic Center, which houses an ice rink and athletic facilities; and Municipal Court which collects and levies fines and fees.

The Town's internal service funds represent an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town is self-insured in its health coverage, and the Internal Service Fund reports the actual claims as well as the Town's contribution to the fund and employee deductions for the benefit program. The Internal Service Fund is combined with the Governmental Activities in the Government-Wide Financial Statements.

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 West Warwick Sewer Commission since it is considered to be a major fund of the Town. The Internal Service Fund is presented as a Major Fund at the Town's request. The Civic Center and Municipal Court funds, which are not major funds, are presented in the proprietary funds

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

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 23 through 54.

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

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 55 through 62.

The combining statements and supplementary information referred to earlier in connection with non-major governmental funds, and proprietary funds are presented on pages 63 through 90.

Government-wide Financial Analysis

Analysis of the Town of West Warwick's Net Assets

As noted earlier, over time net assets may serve 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 West Warwick, governmental activities assets exceeded liabilities by \$2,582,396 as of June 30, 2009. This reflects a decrease of \$15,690,522 from this current years activity. The Business Type Activities had an increase of \$296,701. See page 3 financial highlights for a further explanation.

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

Town of West Warwick
Net Assets

	<u>June 30, 2008</u>			<u>June 30, 2009</u>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Current and Other Assets	\$ 23,251,933	\$ 18,869,953	\$ 42,121,886	\$ 16,841,951	\$ 18,827,221	\$ 35,669,172
Capital assets	<u>54,735,672</u>	<u>83,397,930</u>	<u>138,133,602</u>	<u>54,536,900</u>	<u>82,723,100</u>	<u>137,260,000</u>
Total Assets	<u><u>77,987,605</u></u>	<u><u>102,267,883</u></u>	<u><u>180,255,488</u></u>	<u><u>71,378,851</u></u>	<u><u>101,550,321</u></u>	<u><u>172,929,172</u></u>
Other Liabilities	11,050,370	11,338,334	22,388,704	11,887,734	12,317,071	24,204,805
Long-Term Liabilities	<u>48,664,317</u>	<u>29,907,000</u>	<u>78,571,317</u>	<u>56,908,721</u>	<u>27,914,000</u>	<u>84,822,721</u>
Total Liabilities	<u><u>59,714,687</u></u>	<u><u>41,245,334</u></u>	<u><u>100,960,021</u></u>	<u><u>68,796,455</u></u>	<u><u>40,231,071</u></u>	<u><u>109,027,526</u></u>
Net Assets:						
Invested in Capital						
Net of Related Debt	31,772,672	53,490,930	85,263,602	32,823,900	54,809,100	87,633,000
Restricted	2,075	-	2,075	2,088	-	2,088
Unrestricted	<u>(13,501,829)</u>	<u>7,531,619</u>	<u>(5,970,210)</u>	<u>(30,243,592)</u>	<u>6,510,150</u>	<u>(23,733,442)</u>
Total Net Assets	<u><u>\$ 18,272,918</u></u>	<u><u>\$ 61,022,549</u></u>	<u><u>\$ 79,295,467</u></u>	<u><u>\$ 2,582,396</u></u>	<u><u>\$ 61,319,250</u></u>	<u><u>\$ 63,901,646</u></u>

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

The largest portion of the Town's net assets \$87,633,000 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.

An additional portion of the Town's net assets, \$2,088, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to its citizens and creditors.

Analysis of the Town of West Warwick's Operations

The following analysis provides a summary of the Town's operations for the year ended June 30, 2009. The Town first implemented GASB Statement 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments for the fiscal year June 30, 2003. Therefore, comparative data is now available and is presented in the following schedules. Governmental activities decreased the Town's net assets by \$15,690,522 for the current period, which is a decrease of 86% in the Town's governmental net assets, while business-type activities increased the Town's net assets by \$296,701 accounting for .49% increase in business-type net assets. Overall the Town's net assets decreased by \$15,393,821 which is a 19.4% decrease over the prior years net assets.

The net change in fund balance for the fiscal year ended June 30, 2009 was a decrease of \$(6,994,317) for the Towns governmental fund types. In the statement of activities, expenses for capital items are not recorded as expenses but shown on the balance sheet, which resulted in an decrease of \$(198,772) net of depreciation to our net assets; also increase revenues from the decrease in deferred revenues are recorded as revenues in the fund financial statements but in the statement of activities this resulted in a decrease of \$245,006. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets, which increased net asstes by \$1,250,000. Reductions in net assets included an increase in the Town's net pension obligation of \$4,081,796 and for the first time the Town was required to record their liability for "Other Post Employment Benefits" per GASB 45, this liability resulted in reduction of net assets of \$5,772,282. See page 17 of the basic financial statements for a more detailed explanation of changes in net assets.

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

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

<i>Town of West Warwick</i>						
<i>Changes in Net Assets</i>						
	June 30, 2008			June 30, 2009		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Revenues						
Program revenues						
Charges for services	\$ 3,372,978	\$ 8,698,561	\$ 12,071,539	\$ 3,328,013	\$ 7,611,256	\$ 10,939,269
Operating Grants and Contributions	27,709,334	-	27,709,334	28,377,670	-	28,377,670
Capital Grants and Contributions	1,057,553	-	1,057,553	25,362	-	25,362
General Revenues						
Property taxes	46,524,536	-	46,524,536	48,286,386	-	48,286,386
Investment earnings	721,446	-	721,446	307,535	-	307,535
State general revenue sharing	3,243,039	-	3,243,039	2,592,566	-	2,592,566
State motor vehicle phase-out	3,170,604	-	3,170,604	3,156,078	-	3,156,078
Miscellaneous	109,579	-	109,579	72,937	-	72,937
<i>Special item - Gain on sale</i>	16,032	-	16,032	-	-	-
Total revenues	85,925,101	8,698,561	94,623,662	86,146,547	7,611,256	93,757,803
Expenses						
Legislative/judicial/admin	14,097,653	-	14,097,653	21,940,197	-	21,940,197
Financial Administrative	699,169	-	699,169	646,800	-	646,800
Public Safety	13,024,765	-	13,024,765	11,743,194	-	11,743,194
Public Works	5,001,565	-	5,001,565	4,465,217	-	4,465,217
Public Health and Welfare	848,328	-	848,328	965,347	-	965,347
Parks and Recreation	700,501	-	700,501	540,698	-	540,698
Library	834,572	-	834,572	752,387	-	752,387
Education	57,630,426	-	57,630,426	59,648,722	-	59,648,722
Interest	827,757	-	827,757	962,963	-	962,963
Sewer Fund Expenses	-	6,062,258	6,062,258	-	6,886,267	6,886,267
Non-major business types	-	586,935	586,935	-	599,832	599,832
Total expenses	93,664,736	6,649,193	100,313,929	101,665,525	7,486,099	109,151,624
Excess/(deficiency) before transfers	(7,739,635)	2,049,368	(5,690,267)	(15,518,978)	125,157	(15,393,821)
Transfers	82,113	(82,113)	-	(171,544)	171,544	-
Change in net assets	(7,657,522)	1,967,255	(5,690,267)	(15,690,522)	296,701	(15,393,821)
Net assets - beginning	25,930,440	59,055,294	84,985,734	18,272,918	61,022,549	79,295,467
Net assets - ending	\$ 18,272,918	\$ 61,022,549	\$ 79,295,467	\$ 2,582,396	\$ 61,319,250	\$ 63,901,646

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

Financial Analysis of the Town of West Warwick's Funds

Governmental Funds - The focus of the Town of West Warwick's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, the unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,377,096. Approximately 91% of the total amount, or \$3,096,568 constituted unreserved fund balances. The remainder of the fund balance is reserved because of future commitments.

Reserved fund balances:

	General Fund	Other Non- Major Funds
Reserved by trust agreements	\$ -	\$ 2,088
Reserved for inventory	23,579	-
Reserved for capital projects	250,873	-
Reserved for prepaid	3,988	-
Total reserved in fund balances:	\$ 278,440	\$ 2,088

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

Unrestricted net assets of the respective proprietary funds are \$6,510,150.

General Fund Budgetary Highlights

Revenues:

Intergovernmental revenues – were under budget by \$3,255,705 due to decreased funding by the state after Town's budget was finalized.

Fines and Interest on Late Payment – were over budget by \$297,342 due to economic downturn leading to high unemployment rates.

Investment income – was under budget by 137,085 due to declining interest rates.

Expenditures:

Legislative, judicial and General Administrative – was over budget by \$283,353 due to additional legal expenses due to the lawsuit between the school and the town.

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

General Fund Budgetary Highlights – (continued)

Expenditures:

Public Safety – was under budget by \$427,799 due to the staff reductions and cost saving measures implemented due to the reduction in state aid.

Public Works – was under budget by \$413,336 due to the staff reductions and cost saving measures implemented due to the reduction in state aid.

Debt service – was under budget by \$155,676, due to low projected interest rates on new bonds.

The Town of West Warwick's Capital Assets

The Town of West Warwick's investment in capital assets for its governmental and business-type activities amounts to \$137,260,000 net of accumulated depreciation at June 30, 2009. Included are land, building and improvements, construction in progress, motor vehicles, furniture and equipment and infrastructure.

Additional information on the Town of West Warwick's capital assets is located in note 7 of the notes to the financial statements.

Town of West Warwick
Capital Assets (Net of Accumulated Depreciation)

	June 30, 2008			June 30, 2009		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
Land	6,089,514	52,900	6,142,414	6,089,514	52,900	6,142,414
Construction in Progress	3,532,216	1,460,967	4,993,183	3,461,265	2,325,735	5,787,000
Land improvements	96,132	-	96,132	21,804	-	21,804
Infrastructure	19,232,658	-	19,232,658	20,983,802	-	20,983,802
Buildings and improvements	23,540,815	54,207,782	77,748,597	22,254,763	53,228,534	75,483,297
Motor vehicles	980,495	-	980,495	835,492	-	835,492
Office furniture and equipment	862,509	-	862,509	862,509	-	862,509
Extensions and Mains	-	27,676,282	27,676,282	-	27,115,931	27,115,931
Machinery and equipment	401,333	-	401,333	27,751	-	27,751
Total	<u>54,735,672</u>	<u>83,397,931</u>	<u>138,133,603</u>	<u>54,536,900</u>	<u>82,723,100</u>	<u>137,260,000</u>

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

The Town of West Warwick's Debt Administration

At the end of the current fiscal year, the Town of West Warwick's Governmental Activities had a total bonded debt of \$21,713,000. 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 West Warwick
Outstanding Debt
General Obligation Bonds and Notes Payable

	<u>June 30, 2008</u>			<u>June 30, 2009</u>		
	Govern- mental Activities	Business Type Activities	Total	Govern- mental Activities	Business Type Activities	Total
General Obligation Bonds	22,963,000	385,000	23,348,000	21,713,000	-	21,713,000
Notes Payable	-	29,522,000	29,522,000	-	27,914,000	27,914,000
Totals	<u>22,963,000</u>	<u>29,907,000</u>	<u>52,870,000</u>	<u>21,713,000</u>	<u>27,914,000</u>	<u>49,627,000</u>

Additional information on the Town's long-term debt can be found in note 10 of the Notes to the Financial Statements and on pages 92 through 94.

The Town's general obligation bond rating as assigned by Moody's Investors Service in 2005 is A3 and BBB by Fitch Rating Service. The State of Rhode Island imposes a limit of 3 percent of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of West Warwick's limit is \$81,845,241 at year-end. The Town's outstanding general obligation debt is \$21,713,000 at year-end, which is \$60,132,241 under the State imposed limitation.

Several of the Town's bonds are insured and thus hold a Triple A credit rating from both Moody's and Fitch Rating Service.

Economic Factors and Next Year's Budgets and Rates

The Town of West Warwick's total general fund budget for fiscal year 2010 amounts to \$79,782,384 which reflects an increase of \$268,749 from the prior fiscal 2009 budget of \$79,513,635. Of the Town's 2010 budget of \$79,782,384, 62% is budgeted for educational purposes and 38% is budgeted for general government.

The State of Rhode Island is budgeted to contribute \$20,444,547 to the Town's education department based on State Aide for a Town considered depressed due to population of the School District and the average level of wages earned by its citizens.

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

The Town's tax rate for fiscal 2010 is \$16.82, with 38% allocated for general government and 62% allocated for education. For fiscal 2009, the Town's tax rate was \$15.92, with 38% allocated for general government and 62% allocated for education.

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 West Warwick, 1170 Main Street, West Warwick, RI 02893.



Malcolm A. Moore
Finance Director

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

TOWN OF WEST WARWICK, RHODE ISLAND

Statement of Net Assets

June 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 11,457,972	\$ 4,821,817	\$ 16,279,789
Accounts receivable:			
Accounts receivable net	1,827,907	5,291,273	7,119,180
Due from other governments	1,678,285	-	1,678,285
Other receivables	583,363	-	583,363
Inventory at cost	23,579	-	23,579
Deferred charges	1,270,845	-	1,270,845
Other assets			
Other assets - net	-	2,644,983	2,644,983
Long-term sewer assessment receivable	-	6,069,148	6,069,148
Capital assets:			
Property, plant and equipment	44,986,121	80,344,465	125,330,586
Construction in progress	3,461,265	2,325,735	5,787,000
Assets not being depreciated-Land	6,089,514	52,900	6,142,414
Total capital assets	54,536,900	82,723,100	137,260,000
TOTAL ASSETS	71,378,851	101,550,321	172,929,172
LIABILITIES			
Accounts payable	6,236,104	434,405	6,670,509
Accrued expenses	2,995,400	342,961	3,338,361
Unearned revenue	3,274,596	10,921,339	14,195,935
Internal balances	(618,366)	618,366	-
Long-term liabilities			
Due within one year	1,400,851	1,686,000	3,086,851
Due in more than one year	55,507,870	26,228,000	81,735,870
Total liabilities	68,796,455	40,231,071	109,027,526
NET ASSETS			
Invested in capital assets, net of related debt	32,823,900	54,809,100	87,633,000
Restricted for:			
Trust agreements	2,088	-	2,088
Unrestricted (deficit)	(30,243,592)	6,510,150	(23,733,442)
Total net assets	\$ 2,582,396	\$ 61,319,250	\$ 63,901,646

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

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

	Program revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total
Functions/ Programs							
Primary government							
Governmental activities:							
Legislative, judicial and general administrative	\$ 21,940,197	\$ 596,992	\$ -	\$ -	\$ (21,343,205)		\$ (21,343,205)
Financial administration	646,800	1,166,133	-	-	519,333		519,333
Public safety	11,743,194	676,482	804,583	-	(10,262,129)		(10,262,129)
Public works	4,465,217	316,751	-	-	(4,148,466)		(4,148,466)
Public Health and Welfare	965,347	8,920	120,000	-	(836,427)		(836,427)
Parks and recreation	540,698	1,160	-	25,362	(514,176)		(514,176)
Library	752,387	-	117,254	-	(635,133)		(635,133)
Education	59,648,722	561,575	27,335,833	-	(31,751,314)		(31,751,314)
Interest	962,963	-	-	-	(962,963)		(962,963)
Total governmental activities	101,665,525	3,328,013	28,377,670	25,362	(69,934,480)		(69,934,480)
Business type activities:							
Sewer fund	6,886,267	7,055,762	-	-	-	\$ 169,495	169,495
Non-major business type activities	599,832	555,494	-	-	-	(44,338)	(44,338)
Total business-type activities	7,486,099	7,611,256	-	-	-	125,157	125,157
Total primary government	\$ 109,151,624	\$ 10,939,269	\$ 28,377,670	\$ 25,362	(69,934,480)	125,157	(69,809,323)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					48,286,386	-	48,286,386
Unrestricted investment earnings					307,535	-	307,535
State general revenue sharing					2,592,566	-	2,592,566
State motor vehicle phase-out					3,156,078	-	3,156,078
Miscellaneous					72,937	-	72,937
Transfers					(171,544)	171,544	-
Total general revenues and transfers					54,243,958	171,544	54,415,502
Change in net assets					(15,690,522)	296,701	(15,393,821)
Net assets-beginning					18,272,918	61,022,549	79,295,467
Net assets-ending					\$ 2,582,396	\$ 61,319,250	\$ 63,901,646

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

Fund Financial Statements

TOWN OF WEST WARWICK, RHODE ISLAND
Balance Sheet
Governmental Funds
June 30, 2009

	General Fund	School Special Revenue Unrestricted Fund	Other Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 9,095,508	\$ 624,296	\$ 1,738,168	\$ 11,457,972
Accounts receivable:				
Real estate and personal property taxes (net)	1,827,907	-	-	1,827,907
Due from other governments	-	554,585	1,123,700	1,678,285
Other receivables	235,712	115,840	-	351,552
Internal balances	1,708,414	2,749,898	1,931,265	6,389,577
Inventory	23,579	-	-	23,579
Other Assets - net	950,730	60,522	-	1,011,252
TOTAL ASSETS	\$ 13,841,850	\$ 4,105,141	\$ 4,793,133	\$ 22,740,124
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,637,855	\$ 3,137,837	\$ 1,050,071	\$ 5,825,763
Accrued expenditures	723,146	2,113,750	-	2,836,896
Internal balances	3,038,671	1,924,091	986,979	5,949,741
Deferred revenue	4,750,628	-	-	4,750,628
Total liabilities	10,150,300	7,175,678	2,037,050	19,363,028
 Fund balances:				
Reserve for:				
Reserved by trust agreements	-	-	2,088	2,088
Reserved for inventory	23,579	-	-	23,579
Reserved for capital projects	250,873	-	-	250,873
Reserved for prepaid	3,988	-	-	3,988
Unreserved:				
General fund	3,413,110	-	-	3,413,110
Capital projects funds	-	-	1,783,543	1,783,543
Special revenue funds	-	(3,070,537)	970,452	(2,100,085)
Total fund balances	3,691,550	(3,070,537)	2,756,083	3,377,096
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,841,850	\$ 4,105,141	\$ 4,793,133	

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. (see note 8)	54,536,900
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (see note 8)	1,577,121
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. (see note 8)	(56,908,721)
Net assets of governmental activities	\$ 2,582,396

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

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

	<u>General Fund</u>	<u>School Special Revenue Unrestricted Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
General property tax	\$ 48,531,392	\$ -	\$ -	\$ 48,531,392
Intergovernmental and departmental revenues	25,392,449	2,378,114	4,764,540	32,535,103
Federal revenue - SFSF	-	1,109,170	-	1,109,170
License and permits	1,900,402	-	-	1,900,402
Fines and interest on late payments	547,342	-	-	547,342
Interest on investments	262,915	-	44,620	307,535
Other revenues	18,035	381,941	1,055,731	1,455,707
Total revenues	<u>76,652,535</u>	<u>3,869,225</u>	<u>5,864,891</u>	<u>86,386,651</u>
Expenditures				
Current:				
Legislative, judicial and general administrative	10,466,369	-	-	10,466,369
Financial administration	625,375	-	-	625,375
Public safety	10,919,273	-	357,905	11,277,178
Public works	4,012,524	-	352,105	4,364,629
Public Health and Welfare	193,200	-	883,876	1,077,076
Parks and recreation	287,471	-	-	287,471
Library	732,762	-	-	732,762
Education	-	53,848,712	5,212,965	59,061,677
Capital	-	-	3,088,676	3,088,676
Debt service:				
Principal	1,250,000	-	-	1,250,000
Interest	971,463	-	-	971,463
Other expenditures	6,748	-	-	6,748
Total expenditures	<u>29,465,185</u>	<u>53,848,712</u>	<u>9,895,527</u>	<u>93,209,424</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>47,187,350</u>	<u>(49,979,487)</u>	<u>(4,030,636)</u>	<u>(6,822,773)</u>
Other financing sources (uses)				
Transfers from other funds	10,000	46,823,389	1,353,640	48,187,029
Transfers to other funds	(47,811,655)	-	(546,918)	(48,358,573)
Total other financing sources (uses)	<u>(47,801,655)</u>	<u>46,823,389</u>	<u>806,722</u>	<u>(171,544)</u>
Net change in fund balances	(614,305)	(3,156,098)	(3,223,914)	(6,994,317)
Fund balances - beginning	4,305,855	85,561	5,979,997	10,371,413
Fund balances - ending	<u>\$ 3,691,550</u>	<u>\$ (3,070,537)</u>	<u>\$ 2,756,083</u>	<u>\$ 3,377,096</u>

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

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

Net change in fund balances-total governmental funds	\$ (6,994,317)
<p>Amounts reported for governmental activities in the statement of activities are different from the amounts reported as fund expenditures because:</p>	
<p>Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$3,431,791) exceed capital outlays of (\$3,233,019) in the current period.</p>	(198,772)
<p>Decreases in deferred revenues provide current financial resources to governmental funds, but are reported as decreases in revenues in the statement of activities.</p>	(245,006)
<p>Some expenditures reported in the governmental funds that require the use of current financial resources are not reported as expenditures in the statement of activities.</p>	(8,023)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which long-term borrowings were reduced.</p>	1,250,000
<p>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.</p>	<u>(9,494,404)</u>
Change in net assets of governmental activities	<u>\$ (15,690,522)</u>

Please see Notes 8 and 9 in the Notes to Financial Statements 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 WEST WARWICK, RHODE ISLAND
Statement of Net Assets
Proprietary Funds
June 30, 2009

	<u>Enterprise Funds</u>			<u>Internal Service Fund</u>
	<u>Sewer Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 4,821,817	\$ -	\$ 4,821,817	\$ -
Accounts receivable				
User fees (Net)	5,291,273	-	5,291,273	-
Other	-	-	-	227,849
Internal balances	-	95,211	95,211	841,000
Total current assets	<u>10,113,090</u>	<u>95,211</u>	<u>10,208,301</u>	<u>1,068,849</u>
Non-current assets				
Property, plant and equipment				
Plant facilities and equipment in service	64,045,736	-	64,045,736	-
Extensions and main	38,327,429	-	38,327,429	-
Land	52,900	-	52,900	-
Construction in progress	2,325,735	-	2,325,735	-
Total property, plant and equipment	<u>104,751,800</u>	<u>-</u>	<u>104,751,800</u>	<u>-</u>
Less accumulated depreciation	<u>22,028,700</u>	<u>-</u>	<u>22,028,700</u>	<u>-</u>
Net property, plant and equipment	<u>82,723,100</u>	<u>-</u>	<u>82,723,100</u>	<u>-</u>
Other Assets				
Other assets - net	2,644,983	-	2,644,983	-
Long-term sewer assessment receivable	6,069,148	-	6,069,148	-
Total non-current assets	<u>91,437,231</u>	<u>-</u>	<u>91,437,231</u>	<u>-</u>
TOTAL ASSETS	<u>101,550,321</u>	<u>95,211</u>	<u>101,645,532</u>	<u>1,068,849</u>
LIABILITIES				
Current liabilities				
Accounts payable	424,654	9,751	434,405	410,341
Accrued expenses	339,702	3,259	342,961	-
Deferred revenues	4,852,191	-	4,852,191	-
Internal balances	713,577	-	713,577	658,508
Current portion of long-term debt	1,686,000	-	1,686,000	-
Total current liabilities	<u>8,016,124</u>	<u>13,010</u>	<u>8,029,134</u>	<u>1,068,849</u>
Non-current liabilities				
Notes and bonds payable	26,228,000	-	26,228,000	-
Deferred revenue	6,069,148	-	6,069,148	-
Total non-current liabilities	<u>32,297,148</u>	<u>-</u>	<u>32,297,148</u>	<u>-</u>
Total liabilities	<u>40,313,272</u>	<u>13,010</u>	<u>40,326,282</u>	<u>1,068,849</u>
Net Assets				
Invested in Capital assets, net of related debt	54,809,100	-	54,809,100	-
Unrestricted	6,427,949	82,201	6,510,150	-
Total Net Assets	<u>\$ 61,237,049</u>	<u>\$ 82,201</u>	<u>\$ 61,319,250</u>	<u>\$ -</u>

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

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

	<u>Enterprise Funds</u>			<u>Internal Service Fund</u>
	<u>Sewer Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>	
Operating revenues				
Usage sales and fees	\$ 5,623,064	\$ 555,494	\$ 6,178,558	\$ -
Sewer assessment revenue	1,185,432	-	1,185,432	-
Other income	98,124	-	98,124	7,342,000
Total operating revenues	<u>6,906,620</u>	<u>555,494</u>	<u>7,462,114</u>	<u>7,342,000</u>
Operating expenses				
Salaries and benefits	2,085,963	349,570	2,435,533	-
Materials, supplies, repairs and maintenance	983,098	44,756	1,027,854	-
Depreciation and amortization	1,811,490	-	1,811,490	-
Other operating expenses	1,653,648	205,506	1,859,154	7,342,000
Total operating expenses	<u>6,534,199</u>	<u>599,832</u>	<u>7,134,031</u>	<u>7,342,000</u>
Operating income	<u>372,421</u>	<u>(44,338)</u>	<u>328,083</u>	<u>-</u>
Non-operating revenues (expenses)				
Investment income	149,142	-	149,142	-
Sewer bond interest expense	(352,068)	-	(352,068)	-
Total non-operating (expenses)	<u>(202,926)</u>	<u>-</u>	<u>(202,926)</u>	<u>-</u>
Income (loss) before transfers	<u>169,495</u>	<u>(44,338)</u>	<u>125,157</u>	<u>-</u>
Transfers				
Transfers from (to) funds	-	171,544	171,544	-
Total transfers	<u>-</u>	<u>171,544</u>	<u>171,544</u>	<u>-</u>
Change in Net Assets	<u>169,495</u>	<u>127,206</u>	<u>296,701</u>	<u>-</u>
Total Net Assets - Beginning	<u>61,067,554</u>	<u>(45,005)</u>	<u>61,022,549</u>	<u>-</u>
Total Net Assets - Ending	<u>\$ 61,237,049</u>	<u>\$ 82,201</u>	<u>\$ 61,319,250</u>	<u>\$ -</u>

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

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

	<u>Enterprise Funds</u>			<u>Internal Service Fund</u>
	<u>Sewer Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>	
Cash flows from operating activities				
Cash received from customers	\$ 6,907,700	\$ 554,462	\$ 7,462,162	\$ 7,114,151
Cash payments to suppliers for goods and services	(818,341)	(57,673)	(876,014)	(7,184,517)
Cash payments to employees for services	(2,070,046)	(351,073)	(2,421,119)	-
Payment of administrative expense	(1,653,648)	(205,506)	(1,859,154)	-
Net cash provided by (used for) operating activities	<u>2,365,665</u>	<u>(59,790)</u>	<u>2,305,875</u>	<u>(70,366)</u>
Cash flows from non-capital financing activities				
Interfund loans	992,771	59,690	1,052,461	70,366
Net cash provided by (used for) non-capital financing activities	<u>992,771</u>	<u>59,690</u>	<u>1,052,461</u>	<u>70,366</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(1,097,708)	-	(1,097,708)	-
Principal paid on bonds, notes and loans	(1,993,000)	-	(1,993,000)	-
Change in debt proceeds receivable	119,610	-	119,610	-
Interest paid on bonds, notes and loans	(371,364)	-	(371,364)	-
Net cash provided (used for) capital and related financing activities	<u>(3,342,462)</u>	<u>-</u>	<u>(3,342,462)</u>	<u>-</u>
Cash flows from investing activities				
Interest and dividends on investments	137,336	-	137,336	-
Net cash provided by (used for) investing activities	<u>137,336</u>	<u>-</u>	<u>137,336</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	153,310	(100)	153,210	-
Cash and cash equivalents at beginning of year	4,668,507	100	4,668,607	-
Cash and cash equivalents at end of year	<u>\$ 4,821,817</u>	<u>\$ -</u>	<u>\$ 4,821,817</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ 372,421	\$ (44,338)	\$ 328,083	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,811,490	-	1,811,490	-
Changes in assets and liabilities:				
(Increase) decrease in use accounts receivable	59,134	-	59,134	(227,849)
Increase (decrease) in accounts payable and accrued expenses	180,674	(14,420)	166,254	157,483
(Decrease) in deferred revenues	(58,054)	(1,032)	(59,086)	-
Total adjustments	<u>1,993,244</u>	<u>(15,452)</u>	<u>1,977,792</u>	<u>(70,366)</u>
Net cash provided by operating activities	<u>\$ 2,365,665</u>	<u>\$ (59,790)</u>	<u>\$ 2,305,875</u>	<u>\$ (70,366)</u>

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

TOWN OF WEST WARWICK, RHODE ISLAND
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Employee Retirement Plan	Agency Funds
ASSETS		
Cash	\$ -	\$ 144,020
Investments, at fair value:		
Cash management investment funds	2,690,228	-
Government bond funds	5,937,923	-
Corporate debt	4,191,127	-
Domestic stocks	18,126,843	-
Total investments	30,946,121	-
TOTAL ASSETS	30,946,121	144,020
LIABILITIES		
Deposits payable to others	-	144,020
Internal balances	3,962	-
Accounts payable and accrued expenses	357	-
TOTAL LIABILITIES	4,319	\$ 144,020
NET ASSETS		
Held in trust for pension benefits and other purposes	\$ 30,941,802	

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

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

	Employee Retirement Plan
Additions	
Contributions	
Employer contributions	\$ 1,475,000
Plan members contributions	1,310,577
Total contributions	2,785,577
Investment earnings	
Net (decrease) in fair value of investments	(6,695,928)
Interest and dividends	976,017
Total investment earnings	(5,719,911)
Total additions	(2,934,334)
Deductions	
Benefits paid	5,805,205
Operating expenses	322,127
Total deductions	6,127,332
Change in net assets	(9,061,666)
Net assets - beginning	40,003,468
Net assets - ending	\$ 30,941,802

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

Notes to Financial Statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of West Warwick, 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 West Warwick was founded in 1913. The Town is governed largely under the Home Rule Charter approved by the electorate on November 4, 1986 and effective December 5, 1988. In some matters, including the issuance of short and long-term debt, the general laws of the State of Rhode Island govern the Town. On February 8, 1994 a special election was held and the Town's people voted to change the form of Town government from a Mayor to a Town Council/Manager form of government. The Town provides the following services as authorized by its charter: Public Safety (police, fire, traffic safety, inspections, zoning and building), Public Works (sanitation, highways and streets, engineering and building maintenance), Parks and Recreation, Education, Social Services, and General Administrative Services.

This report includes all of the funds of the Town of West Warwick. The reporting entity for the town consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, (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 West Warwick, 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 WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

The following entities were considered for classification as component units for fiscal year 2009:

- * West Warwick School System
- * West Warwick Library
- * West Warwick Housing Authority
- * West Warwick Senior Center

Although the West Warwick School System and the West Warwick Library meet certain criteria of the tests listed above, these entities are not deemed to have separate legal status apart from the Town. As a result, the financial data of these entities have been included as Special Revenue Funds within the Town's financial statements. The Housing Authority and Senior Center met none of the tests as described above and therefore, are 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.

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

BASIS OF PRESENTATION (continued)

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.

GOVERNMENTAL FUND TYPES

Major Governmental Funds

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.

School Unrestricted Fund – The School Unrestricted Fund is used to account for the budgeted resources devoted to financing the general operations of the school department.

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 operations that are financed and operated in a manner where costs are allocated to various Town departments for services provided.

Major Enterprise Funds – The Sewer Fund is used to account for sewer use fees and the expenses associated with providing sewer services to town residents and other communities.

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.

Pension Trust Fund - is used to account for funds that are to be used for the payment of retirement benefits to former employees. The Pension Committee oversees this fund.

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

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. In determining when to recognize intergovernmental revenues (grants and entitlements), the legal and contractual requirements of the individual programs are used as guidance. Revenues are recognized when the eligibility requirements have been met.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between fiduciary fund types. These charges have been reclassified as other receivables or other liabilities.

Amounts reported as program revenues included 1) charges to customers or applicants for goods, services, fines, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Measurement Focus – Fund Financial Statements

The accounting and financial reporting treatment applied to the *fund financial statements* is determined by its measurement focus. All Governmental Fund Types 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 excluding agency funds 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 assets) is segregated amounts invested in capital net of related debt and unreserved net assets components. Agency funds, which are fiduciary funds have no measurement focus.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the proprietary funds are charges for services. Operating expenses for enterprise funds include the cost of operations and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

All Governmental Fund Types 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, (generally defined as 60 days after the close of the fiscal year) to be used to pay liabilities of the current period.

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

BASIS OF ACCOUNTING *(continued)*

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.

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 West Warwick 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.

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

BASIS OF ACCOUNTING (continued)

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

Receivables

Accounts receivable are recorded in the General, Special Revenue and Enterprise funds. The Town uses the direct write off method to account for bad debt in both the Government- Wide Financial Statements and the Fund Financial Statements. Allowances for uncollectible accounts receivables are based upon historical trends and the periodic aging of accounts receivable. The current years allowance is \$663,424.

Inventories

Inventories of supplies (except gasoline and postage) are considered to be expenditures at the time of purchase. Inventories of gasoline and postage are recorded at cost on a first in first out basis and maintained on a periodic system and are recorded as expenditures when consumed.

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, 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 defines capital assets as assets with an individual cost of more than \$10,000 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). Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets (retroactive to January 1, 1979) is included as part of the governmental capital assets reported in the government-wide statements. 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>
Autos and information processing equipment	5
Trucks	8
Equipment, furniture and fixtures	10
Heavy equipment	25
Buildings, infrastructure, water lines and fire hydrants	40
Sewer mains and certain water assets	75-100

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

BASIS OF ACCOUNTING *(continued)*

Deferred Revenues

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

Designated Fund Balances

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

Reserved Fund Balances

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

Fund Equity

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

Revenues, Expenditures and Expenses

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

Program Revenues and Expenses

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

Property Taxes

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 96.6% of the total December 31, 2007 levy net of adjustments.

The Town's fiscal 2009 property taxes were levied in July of 2008 on assessed valuation as of December 31, 2007. Upon levy, taxes are billed quarterly and are due on July 15, October 15, January 15, and April 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. A revaluation of all real estate was completed as of December 31, 2003.

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

BASIS OF ACCOUNTING (continued)

Vacation, Sick Leave, and Other Compensated Absences

Unused vacation leave is paid upon an employee's termination. Sick leave not taken is paid only to municipal workers up to 75 days, for fire department employees up to 150 days and for police department employees the greater of 130 days or 75% of total accumulated sick leave. School department employees are paid compensated absences based on various employee agreements. For Governmental Fund Types accrued compensated absences are presented as a current liability for those amounts expected to be paid with current financial resources. In governmental funds compensated absence expenditures are only reported when matured. 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. At June 30, 2009 that number was \$3,883,023. For Proprietary Fund Types accrued compensated absences are recorded as a liability within those funds. In past years and in future fiscal years the general fund has been used to liquidate the liability for compensated absences in governmental funds other than those which are liabilities on proprietary funds.

Inter-fund Transactions

Inter-fund transactions except advances are accounted for as transfers. Nonrecurring or non-routine transfers of equity between funds are considered transfers.

NOTE 2 – BUDGETARY DATA AND BUDGETARY COMPLIANCE

In accordance with the West Warwick 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 that is prepared by the administration of the Town Manager and submitted to the Town Council for approval. The General Fund budget is then presented at the Financial Town meeting to the Citizens of the Town for their approval. The School Unrestricted Fund is subject to an annual operating budget approved by the School Committee and adopted in total by the Town Council as part of General Fund budget. 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. The General Fund and Special Revenue - School Unrestricted Fund's annual operating budgets are prepared on the budgetary basis of accounting which is not in conformity with Generally Accepted Accounting Principles. The budget to actual presentation in required supplementary information 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.

Appropriations in addition to those contained in the annual operating budgets, except for the purpose of meeting a public emergency, are made upon the recommendation of the Town Manager with the Director of Finance's certification as to General Fund surplus to meet such appropriations and with Town Council's approval and approval of the citizens at a Financial Town meeting. There were no additional supplemental

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

BASIS OF ACCOUNTING (continued)

appropriations for the year ended June 30, 2009. Amendments to the operating budgets that do not result in additional appropriations may be made within departments by means of a transfer. The Finance Director has authority to make such transfers within departments for the first nine months of the fiscal year. Any other departmental transfers made and transfers made outside the departmental level in the last three months of the fiscal year require Town Council approval by ordinance.

CHARTER PROVISION DESIGNATED FUND BALANCE

The Town has established a formal policy on the minimum level of unreserved fund balance that should be maintained in the general fund. The Town's Home Rule Charter Section 509 Cash Reserve fund states: The town council shall provide for a cash reserve fund which shall be used as a source of funds to meet Town obligations in anticipation of tax receipts, anticipated from state or federal government or other sources. The Town manager shall include in his budget recommendations a sum equal to no less than .35 percent of the total operating budget to be paid into the said cash reserve fund until said reserve shall equal 5 percent (.05) of the operating budget.

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 \$81,845,241 based on the December 31, 2007 assessment. As of June 30, 2009 the Town's debt is under the debt limit by \$60,132,241. In addition to the bonding authority granted under §45-12-2 of the RI General Laws, the Town of West Warwick 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. See page 106 in the statistical section for computation of the legal debt margin.

NOTE 4 - DEFICIT FUND BALANCES OR NET ASSETS OF INDIVIDUAL FUNDS

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

Governmental Funds		
CDBG	\$ 322,411	**
Homeland Security	489	**
JAG Grant 2007	21,807	**
School Unrestricted Fund	3,070,537	*
E2ET Training	50,891	**
Middle School Sports	12,188	**
School QZAB Bond Fund	15,090	**

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

** The deficits will be eliminated by future reimbursements from either another Town Fund the State or the Federal Government.

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

NOTE 5 – 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 the institution or institutions are verifiable and can be monitored. The investment of funds must be in direct obligations of the United States Government and "money market instruments" rated "A" or better. Investments in any one institution shall not exceed five (5) percent of that institutions capital and surplus as set forth in the institutions most recent audited financial statements. All investments will be 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, although the Government does not have a formal policy relating to a specific investment-related risk.

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, 2009, \$8,573,749 of the Town's balance of \$14,187,465 on deposit with financial institutions was uninsured and uncollateralized.

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

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 WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 5 – CASH AND INVESTMENTS (continued)

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

Cash and Cash Equivalents

Deposits with financial institutions \$ 16,423,809

Investments

Pension Trust Fund:

Cash and Money Funds 2,690,228

U.S. Government Bonds 5,937,923

Corporate Debt 4,191,127

Equities 18,126,843

Total Pension Investments 30,946,121

Total Cash and Investments \$ 47,369,930

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

Statement of Net Assets

Cash and cash equivalents \$ 16,279,789

Fiduciary Funds

Cash 144,020

Investments 30,946,121

31,090,141

Total Cash and Investments \$ 47,369,930

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

Type of Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
U.S Government Bonds	\$ 5,937,923	\$ 152,578	\$ 606,672	\$ 1,943,230	\$ 3,235,443
Corporate Debt	4,191,127	90,472	1,335,551	1,455,187	1,309,917
Total	<u>\$ 10,129,050</u>	<u>\$ 243,050</u>	<u>\$ 1,942,223</u>	<u>\$ 3,398,417</u>	<u>\$ 4,545,360</u>

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

NOTE 5 – CASH AND INVESTMENTS (continued)

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. The list below provides a rating of corporate debt.

Average Rating	Corporate Bonds
Aaa	\$ 1,457,867
Aa1	88,764
Aa1e	30,306
Aaae	75,911
Aa2	89,596
Aa3	164,609
Aa3e	25,881
A1	131,070
A2	646,676
A3	328,073
Baa1	469,192
Baa2	540,449
Baa3	62,535
Caa2	24,322
NR	55,876
	\$ 4,191,127

NOTE 6 - 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.

NOTE 7 – PROPERTY, PLANT & EQUIPMENT

The Town defines capital assets as assets with an individual cost of more than \$10,000 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 capital asset transactions.

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

NOTE 7. INFORMATION ABOUT CAPITAL ASSETS (continued)

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

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,089,514	\$ -	\$ -	\$ 6,089,514
Construction in Progress	3,532,216	238,437	309,388	3,461,265
Total capital assets not being depreciated	<u>9,621,730</u>	<u>238,437</u>	<u>309,388</u>	<u>9,550,779</u>
Other capital assets:				
Land improvements	904,618	128,162	-	1,032,780
Infrastructure	44,301,361	2,926,123	-	47,227,484
Buildings and improvements	77,061,560	217,070	-	77,278,630
Motor vehicles	1,883,829	-	144,408	1,739,421
Office furniture and equipment	2,162,079	-	-	2,162,079
Machinery and equipment	3,379,945	32,615	-	3,412,560
Total other capital assets at historical cost	<u>129,693,392</u>	<u>3,303,970</u>	<u>144,408</u>	<u>132,852,954</u>
Less accumulated depreciation for:				
Land improvements	808,486	202,490	-	1,010,976
Infrastructure	25,068,703	1,174,979	-	26,243,682
Buildings and improvements	53,520,745	1,503,122	-	55,023,867
Motor vehicles	903,334	145,003	144,408	903,929
Office furniture and equipment	1,299,570	-	-	1,299,570
Machinery and equipment	2,978,612	406,197	-	3,384,809
Total accumulated depreciation	<u>84,579,450</u>	<u>3,431,791</u>	<u>144,408</u>	<u>87,866,833</u>
Governmental activities capital assets, net	<u>\$ 54,735,672</u>	<u>\$ 110,616</u>	<u>\$ 309,388</u>	<u>\$ 54,536,900</u>

Depreciation expense was charged to functions as follows:

Governmental activities:	
Legislative, judicial and general administrative	\$ 1,972,676
Public safety	466,024
Public works	133,194
Parks and recreation	253,227
Library	19,625
Education	587,045
Total governmental activities depreciation expense	<u>\$ 3,431,791</u>

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

NOTE 7. INFORMATION ABOUT CAPITAL ASSETS (continued)

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

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 52,900	\$ -	\$ -	\$ 52,900
Construction in progress	1,460,967	864,768	-	2,325,735
Total capital assets not being depreciated	<u>1,513,867</u>	<u>864,768</u>	<u>-</u>	<u>2,378,635</u>
Other capital assets:				
Plant facilities and equipment	64,740,691	232,941	81,786	64,891,846
Extensions and mains	37,481,319	-	-	37,481,319
Total other capital assets at historical cost	<u>102,222,010</u>	<u>232,941</u>	<u>81,786</u>	<u>102,373,165</u>
Less accumulated depreciation for:				
Plant facilities and equipment	10,532,909	1,212,189	81,786	11,663,312
Extensions and mains	9,805,037	560,351	-	10,365,388
Total accumulated depreciation	<u>20,337,946</u>	<u>1,772,540</u>	<u>81,786</u>	<u>22,028,700</u>
Business-type activities capital assets, net	<u>\$ 83,397,931</u>	<u>\$ (674,831)</u>	<u>\$ -</u>	<u>\$ 82,723,100</u>

Depreciation expense was charged to functions as follows:

Business-type activities:	
Sewer Fund	<u>\$ 1,772,540</u>
Total business-type activities depreciation expense	<u>\$ 1,772,540</u>

TOWN OF WEST WARWICK
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 8 DIFFERENCES BETWEEN GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS.

"Total fund balances" of the Towns' governmental funds \$3,377,096 differs from "net assets" of governmental activities \$2,582,396 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	\$ 11,457,972	\$ -	\$ -	\$ 11,457,972
Receivables:				
Property taxes, net	1,827,907	-	-	1,827,907
Intergovernmental	1,678,285	-	-	1,678,285
Other	351,552	-	231,811	583,363
Internal balances	6,389,577	-	(6,389,577)	-
Inventory	23,579	-	-	23,579
Other assets (net)	1,011,252	-	-	1,011,252
Deferred charges	-	259,593	-	259,593
Property, plant and equipment - net	-	44,986,121	-	44,986,121
Assets not being depreciated-CIP	-	3,461,265	-	3,461,265
Assets not being depreciated-Land	-	6,089,514	-	6,089,514
Total assets	<u>\$ 22,740,124</u>	<u>\$ 54,796,493</u>	<u>\$ (6,157,766)</u>	<u>\$ 71,378,851</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued items	\$ 5,825,763	\$ -	\$ 410,341	\$ 6,236,104
Accrued expenses	2,836,896	158,504	-	2,995,400
Internal balances	5,949,741	-	(6,568,107)	(618,366)
Deferred revenue	4,750,628	(1,476,032)	-	3,274,596
Long-term liabilities				
Due within one year	-	1,400,851	-	1,400,851
Due in more than one year	-	55,507,870	-	55,507,870
Total liabilities	<u>19,363,028</u>	<u>55,591,193</u>	<u>(6,157,766)</u>	<u>68,796,455</u>
Fund Balances/Net Assets				
Total fund balances/net assets	3,377,096	(794,700)	-	2,582,396
Total liabilities and fund balances/net assets	<u>\$ 22,740,124</u>	<u>\$ 54,796,493</u>	<u>\$ (6,157,766)</u>	<u>\$ 71,378,851</u>

(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.

Cost of capital assets	\$ 142,403,733
Accumulated depreciation	(87,866,833)
	<u>\$ 54,536,900</u>

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

Adjustment of deferred revenue	\$ 1,563,007
Deferred bond cost	259,593
Bond premium	(86,975)
Accrued interest	(158,504)
	<u>\$ 1,577,121</u>

Long-term liabilities applicable to the Towns' 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 payable	\$ (21,713,000)
Accrued compensated absences	(3,883,023)
Net OPEB obligation	(5,772,282)
Net pension obligation	(25,540,416)
	<u>\$ (56,908,721)</u>

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

Accounts receivable	\$ 227,849
Accounts payable	(410,341)
Internal balances	841,000
Internal balances	(658,508)
	<u>\$ -</u>

TOWN OF WEST WARWICK
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 9. DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES.

The "net change in the fund balances" for governmental funds \$(6,994,317) differs from the "change in net assets" for governmental activities \$(15,690,522) reported in the statement of activities. The differences arise 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 with explanations on page 39.

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

	Total Governmental Funds	Long-term Revenues/ Expenses (1)	Capital- related Items (2)	Long-term Debt Transactions (3)	Statement of Activities Totals
Revenues					
General property tax	\$ 48,531,392	\$ (245,006)	\$ -	\$ -	\$ 48,286,386
Intergovernmental and departmental revenues	32,535,103	-	-	-	32,535,103
Federal revenue SFSF	1,109,170	-	-	-	1,109,170
License and permits	1,900,402	-	-	-	1,900,402
Fines and interest on late payments	547,342	-	-	-	547,342
Interest on investments	307,535	-	-	-	307,535
Other revenues	1,455,707	-	-	4,902	1,460,609
Total revenues	86,386,651	(245,006)	-	4,902	86,146,547
Expenditures					
Current:					
Legislative, judicial and general administrative	10,466,369	-	1,972,676	9,494,404	21,933,449
Financial administration	625,375	-	-	21,425	646,800
Public safety	11,277,178	-	466,016	-	11,743,194
Public works	4,364,629	-	100,588	-	4,465,217
Public Health and Welfare	1,077,076	-	(111,729)	-	965,347
Parks and recreation	287,471	-	253,227	-	540,698
Library	732,762	-	19,625	-	752,387
Education	59,061,677	-	587,045	-	59,648,722
Capital	3,088,676	-	(3,088,676)	-	-
Long-term obligations:					
Principal	1,250,000	-	-	(1,250,000)	-
Interest	971,463	(8,500)	-	-	962,963
Other	6,748	-	-	-	6,748
Total expenditures	93,209,424	(8,500)	198,772	8,265,829	101,665,525
Other financing sources (uses)					
Transfers from other funds	48,187,029	-	-	-	48,187,029
Transfers to other funds	(48,358,573)	-	-	-	(48,358,573)
Total other financing sources (uses)	(171,544)	-	-	-	(171,544)
Net change for the year	\$ (6,994,317)	\$ (236,506)	\$ (198,772)	\$ (8,260,927)	\$ (15,690,522)

TOWN OF WEST WARWICK
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE 9. DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES. (continued)

- (1) Increases in deferred revenues do not provide current financial resources to governmental funds but are reported as revenues in the statement of activities.

Deferred revenue property tax	\$ (245,006)
-------------------------------	--------------

Interest expense in the statement of activities differs from the amount reported in the governmental funds for two reasons. Accrued interest was reduced on the calculation for bonds payable. Cost associated with debt financing are expensed in the fund financial statements while in the government-wide financial statements they are capitalized and amortized over the life of the bond, also premiums received from bond issuance which are recorded in the governmental funds as revenue are amortized in the statement of activities.

Accrued interest	\$ 8,500
Amortization of bond premium	4,902
Amortization bond issuance cost	<u>(21,425)</u>
Total expenditure adjustment	<u>\$ (8,023)</u>

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

Capital outlay	\$ 3,233,019
Depreciation expense	<u>(3,431,791)</u>
Difference	<u>\$ (198,772)</u>

- (3) Repayment of bond 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.

Principal payments made	<u>1,250,000</u>
	<u>\$ 1,250,000</u>

Certain accrued expenditures that do not use current financial resources are not reported in the fund financial statements. However, in the in statement of activities these accrued expenses are recognized and charged to current activities.

Net increase in compensated absences	\$ 359,674
Net increase in the OPEB obligation	(5,772,282)
Net increase in the net pension obligation	<u>(4,081,796)</u>
Change	<u>\$ (9,494,404)</u>

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

NOTE 10 - LONG-TERM DEBT

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.

NOTE 10. INFORMATION ABOUT LONG-TERM LIABILITIES

The town reports a long-term liability of the primary government in either governmental type activities or business type activities.

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

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2009</u>	<u>Amounts Due within One Year</u>
Governmental Activities					
Bonds Payable	\$ 22,963,000	\$ -	\$ 1,250,000	\$ 21,713,000	\$ 1,275,000
Total bonds payable	<u>22,963,000</u>	<u>-</u>	<u>1,250,000</u>	<u>21,713,000</u>	<u>1,275,000</u>
Other liabilities:					
Accrued compensated absences	4,242,697	-	359,674	3,883,023	125,851
Net OPEB Obligation	-	5,772,282	-	5,772,282	-
Net Pension Benefit	21,458,620	4,081,796	-	25,540,416	-
Total other liabilities	<u>25,701,317</u>	<u>9,854,078</u>	<u>359,674</u>	<u>35,195,721</u>	<u>125,851</u>
Governmental Activities long-term liabilities	<u>\$ 48,664,317</u>	<u>\$ 9,854,078</u>	<u>\$ 1,609,674</u>	<u>\$ 56,908,721</u>	<u>\$ 1,400,851</u>
Business-Type Activities					
Sewer Department bonds payable	\$ 385,000	\$ -	\$ 385,000	\$ -	\$ -
Total bonds and notes payable	<u>385,000</u>	<u>-</u>	<u>385,000</u>	<u>-</u>	<u>-</u>
Other liabilities:					
Sewer Department notes payable	29,522,000	-	1,608,000	27,914,000	1,686,000
Total other liabilities	<u>29,522,000</u>	<u>-</u>	<u>1,608,000</u>	<u>27,914,000</u>	<u>1,686,000</u>
Total enterprise funds	<u>\$ 29,907,000</u>	<u>\$ -</u>	<u>\$ 1,993,000</u>	<u>\$ 27,914,000</u>	<u>\$ 1,686,000</u>

The following schedule summarizes the Town's bonds and notes

	Interest Rates	Principal	Due Dates
Governmental bonds	1.47% - 7.45%	\$ 21,713,000	2010-2027
Enterprise Funds bonds and notes payable	0% - 3.875%	27,914,000	2010-2028
Total All Funds		<u>\$ 49,627,000</u>	

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

NOTE 10. INFORMATION ABOUT 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>
2010	1,275,000	918,162	2,193,162
2011	1,305,000	762,823	2,067,823
2012	1,335,000	791,574	2,126,574
2013	1,360,000	727,758	2,087,758
2014	1,260,000	665,810	1,925,810
2015	1,220,000	606,971	1,826,971
2016	1,245,000	548,535	1,793,535
2017	1,270,000	488,204	1,758,204
2018	1,300,000	425,454	1,725,454
Thereafter	10,143,000	1,393,722	11,536,722
TOTALS	<u>\$ 21,713,000</u>	<u>\$ 7,329,013</u>	<u>\$ 29,042,013</u>

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

Fiscal Year Ended June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	1,686,000	340,572	2,026,572
2011	1,695,000	322,693	2,017,693
2012	1,705,000	304,158	2,009,158
2013	1,716,000	285,048	2,001,048
2014	1,726,000	265,418	1,991,418
2015	1,735,000	245,289	1,980,289
2016	1,705,000	225,037	1,930,037
2017	1,717,000	204,678	1,921,678
2018	1,728,000	183,853	1,911,853
Thereafter	12,501,000	694,544	13,195,544
TOTALS	<u>\$ 27,914,000</u>	<u>\$ 3,071,290</u>	<u>\$ 30,985,290</u>

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

NOTE 11 - INTERFUND RECEIVABLES AND PAYABLES

Inter-fund receivables represent loans to various funds when there are either timing differences between funds expended and revenue received for use in operations or operational revenue do not meet current year expenditures/expenses. These amounts are expected to be repaid at certain future dates. Below are balances at June 30, 2008.

	<u>Due from other funds</u>	<u>Due to other funds</u>
<i>General Fund</i>	\$ 1,708,414	\$ 3,038,671
<i>Special Revenue Funds:</i>		
School Unrestricted	2,749,898	1,924,091
School Restricted	265,658	654,612
Town Restricted	681,789	332,367
<i>Capital Projects:</i>	983,818	-
<i>Trust and Agency Funds:</i>		
Pension Trust Fund	-	3,962
<i>Proprietary Funds</i>		
Sewer	-	713,577
Municipal Court	92,232	-
Civic Center	2,979	-
Internal Service	841,000	658,508
<i>Totals</i>	<u>\$ 7,325,788</u>	<u>\$ 1,372,085</u> <u>\$ 7,325,788</u>

Transfers are made to provide revenue for annual expenditures of various funds. Transfers are not expected to be repaid to the originating (source) fund. Listed below is the transfer activity for fiscal year ended June 30, 2009.

<u>Fund / Department</u>	<u>Transfers from other funds</u>	<u>Transfers to other funds</u>
General Fund	\$ 10,000	\$ 47,811,655
Special Revenue (School Department)	46,823,389	-
Special Revenue Funds (Town)	806,722	-
Capital Project Funds	546,918	546,918
Enterprise Funds	181,544	10,000
Totals	<u>\$ 48,368,573</u>	<u>\$ 48,368,573</u>

NOTE 12 - FUND EQUITY RESERVES

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

General Fund-Reserve for inventory - to reserve inventory that is not an available financial resource for the current year, but will be consumed in the subsequent year. General Fund reserve for inventory is \$23,579.

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

NOTE 12 - FUND EQUITY RESERVES (continued)

General Fund-Reserve for capital projects – to reserve for planned roadway and building projects for the Town. General Fund reserve for capital projects is \$250,873.

General Fund-Reserve for prepaid items - to reserve for prepaid expenditures that are not an available financial resource for the current year, but will be reflected as an expenditure in the subsequent year. Reserve for prepaid items is \$3,988.

Special Revenue Funds-Reserve for trust agreements – to reserve trust funds in accordance with terms of trust agreements. This amount is \$2,088.

NOTE 13 - SEGMENT INFORMATION FOR THE ENTERPRISE FUNDS

Segment information for the Sewer Fund at June 30, 2009 and for the year then ended is presented as follows:

	Sewer Fund
Operating Revenues	\$ 6,906,620
Depreciation and Amortization	1,811,490
Operating Income (loss)	372,421
Change in Net Assets	169,495
Net Working Capital	2,096,966
Total Assets	101,550,321
Total Indebtedness	27,914,000
Total Net Assets	61,237,049

NOTE 14 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

A. Litigation

In February of 2003 a fire occurred at “The Station” nightclub located in West Warwick, Rhode Island. The fire claimed the lives of 100 people and many others were seriously injured. Currently the Town Solicitor estimates that over 400 legal files will be opened with regard to the Station Fire. The decedents and injured estates, individuals, spouses as well as children have presented claims. There are lawsuits that have been filed in Rhode Island Superior Court, Federal District Court for the District of Rhode Island and the Federal District Court in Connecticut. There exist jurisdictional and other legal (procedural/substantive) issues with regard to the lawsuits that have yet to be determined by the Federal District Court. The Town currently has approximately \$4 million dollars of liability coverage for this accident. There have been recent settlement proceedings in the United States District Court for the District of Rhode Island, it is anticipated that it should be concluded within the next (3) to (6) months.

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

NOTE 14 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES (continued)

A. Litigation (continued)

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

B. Federally Assisted Programs - Compliance Audits

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

NOTE 15 – OTHER POST RETIREMENT BENEFITS

Plan Description

In addition to the pension benefits described below, 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.

Plan Types

Medical: Blue Cross/Blue Shield Classic or Healthmate

Dental: Delta Dental of Rhode Island

Eligibility

Police & Fire: Any age with 20 years.

School Certified: Any age with 15 years of service, any age with 25 years of service any age with 28 years of service. (cost sharing changes with each)

Municipal Employees: Any age with 25 years of service or age 60 with 10 years of service.

School Non-Certified: Any age with 25 years of service or age 60 with 20 years of service.

Benefit/Cost Sharing

Police Fire: The town pays 100% of the medical and dental premiums until eligible for Medicare. Then the Town pays 100% for Plan 65.

School Certified: The Town pays 100 % of medical premiums for 4 years after retirement for those who retire with 15 years of service. The Town pays 100% of the medical premium until eligible for Medicare for those who retire with 25 years of service. The Town pays 100% of both medical and dental premiums for those who retire with 28 years of service until Medicare eligible.

Municipal Employees: The Town pays 100% of the medical and dental premiums until eligible for Medicare.

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

NOTE 15 – OTHER POST RETIREMENT BENEFITS (continued)

Benefit/Cost Sharing (continued)

School Non-Certified: The Town pays 100% of medical and dental premiums for 5 years after retirement

Spouse Benefit - Yes

Surviving Spouse Benefit – Yes until Medicare eligible

Membership

At May 1, 2009, active membership consisted of: 648 employees

Funding Policy

Contribution requirements are negotiated between the Town and the respective unions. The Town is required to contribute the cost of medical/drug and dental benefits, less the amount of any applicable co-payment in effect at the time of retirement. For the year-ended June 30, 2009, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members.

Annual OPEB Funded Status and net OPEB Obligation

The following chart projects the Actuarial Required Contribution (“ARC”), Pay-As-you-Go, Annual OPEB cost and the Net OPEB Obligation for the next 5 years under an unfunded (pay-as-you-go) scenario.

Actuarial Actuarial Valuation Date <u>July 1,</u>	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)
2008	\$ -0-	\$136,587,286	\$(136,587,286)	0.0%	N/A	N/A

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

Annual required contribution	\$8,868,698
Interest on OPEB obligation	-0-
Adjustment to annual required contribution	(-0-)
Annual OPEB cost	8,868,698
Contributions made	<u>3,096,416</u>
Increase (decrease) in OPEB obligation	<u>5,772,282</u>
Net OPEB obligation beginning of year	-0-
Net OPEB obligation end of year	<u>\$5,772,282</u>

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

NOTE 15 – OTHER POST RETIREMENT BENEFITS *(continued)*

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include types of benefits provided at the time of each valuation and the historical pattern of sharing benefit cost between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Below are the actuarial assumptions used to project future cost of the plan.

Valuation Date:	July 1, 2008
Interest Rate	4.00%
2008 Medical Trend Rate	9.00%
Ultimate Medical Trend Rate	5.00%
Year Ultimate Medical Trend Rate Reached	2012
Remaining Amortization Period	29 Years
Annual Payroll Increase	2.50%

NOTE 16 - PENSION PLANS

A. Employees' Retirement System of the State of Rhode Island (ERS)

All Town certified school personnel participate in the Employees' Retirement System of the State of Rhode Island ("System"), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Rhode Island.

The plan issues a stand-alone, publicly available financial report that includes financial statements and required supplementary information. A copy of the report can be obtained from the State's Employee Retirement Board, 40 Fountain Street, Providence, Rhode Island, 02903, or by accessing the Retirement Board's website at www.ersri.org.

Plan Description

All Town certified personnel are eligible to participate in the System if the Board of Regents certifies that they're engaged in teaching as principal occupation and are regularly employed on at least a half time basis.

Schedule A benefits are available to members who possess 10 years or more of contributory service on or before July 1, 2005, Schedule A provides unreduced benefits of 1.7% of earnings for each of the first ten years of service; 1.9% for each of the next ten years; 3.0% per year for each of the next fourteen years; and 2.0% for the 35th year. Joint and survivor options are available as well as the service Retirement

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

NOTE 16 - PENSION PLANS (continued)

A. Employees' Retirement System of the State of Rhode Island (ERS) (continued)

Plan Description

State Statute establishes the following eligibility and benefit provisions. All Town of West Warwick, Rhode Island certified school personnel are eligible to participate in the System if they are certified by the Board of Regents, engaged in teaching as principal occupation, and are regularly employed on at least a half time basis.

Employees who retire at or after age 60 with 10 years of credited service or after 28 years of credited service regardless of age are entitled to a retirement benefit. The retirement benefit is equal to 1.7 percent of their final average salary for each year of credited service up to 10 years, plus 1.9 percent of their final average salary in excess of 10 years through 20 years, plus 3.0 percent of their final average salary in excess of 20 years up to the 34th year of service, plus 2.0 percent of their final average salary for the 35th year, up to a maximum benefit of 80 percent of their final average salary. Final average salary is the three highest consecutive years of earned salary exclusive of overtime, bonuses, or severance pay. Employees are vested in their retirement benefits on completion of 10 years of service. Retirees' benefits are adjusted annually by 3 percent compounded to allow for increases in cost of living. Cost of living adjustments begin on the January 1st following the third anniversary of an employee's retirement. There were no changes in the method, and assumptions in the June 30, 2006 actuarial valuation to determine plan cost. The System also provides death and disability benefits. The System also provides pre-retirement benefits at a minimum of 17% of salary for non-occupational disabilities after 5 years of service and at 67% of salary for occupational disabilities regardless of service. Surviving spouses are also eligible for both pre and post-retirement benefits with minimum amounts established under varying circumstances.

Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the System are prepared on the accrual basis of accounting. Under this method revenues are recorded when earned and expenses are recorded when incurred. Plan member contributions are recognized in the period in which the contributions withheld from payroll. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Dividend income is recorded on the ex-dividend date. Investment transactions are recorded on a trade date basis. The gains or losses on foreign currency exchange contracts are included in income in the period in which the exchange rates change. Gains and losses on contracts which hedge specific foreign currency denominated commitments are deferred and recognized in the period in which the transaction is completed. The Governmental Accounting Standards Board (GASB) has the responsibility for establishing generally accepted accounting principles for fiduciary type activities.

Method Used to Value Investments

Investments are recorded in the financial statements at fair value. Fair value is the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller – that is, other than a forced liquidation sale. The fair value of fixed income and domestic and international stocks are generally based on published market prices and quotations from national security exchanges and securities pricing services. Commingled funds consist of institutional domestic and international equity index funds and a short duration fixed income fund. The fair value of the commingled

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

NOTE 16 - PENSION PLANS (continued)

A. Employees' Retirement System of the State of Rhode Island (ERS) (continued)

Method Used to Value Investments

funds is based on the reported share value of the respective fund. Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they are traded. Other investments that are not traded on a national security exchange (primarily private equity and real estate investments) are generally valued based on audited December 31 net asset values adjusted for cash flows for the period January 1 to June 30 (which principally include additional investments and partnership distributions).

Contributions and Reserves

Contribution requirements for plan members and employers are established pursuant to Rhode General Laws. Employers are required to contribute at an actuarially determined rate. Plan member contributions are fixed by statute.

Concentrations

There is no single issuer exposure within the System's portfolio that comprises 5% of the overall portfolio and, therefore, there is no concentration of credit risk.

Funding Policy

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

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

NOTE 16 - PENSION PLANS (continued)

A. Employees' Retirement System of the State of Rhode Island (ERS) (continued)

Funding Policy

- Investment return - 8.25% compounded annually
- Inflation rate - 3.00%
- Net real rate of return - 5.25%
- Projected salary increases – 4.50% to 13.25%
- Cost of living adjustment – Schedule A - 3%, compounded, Schedule B – 2.5% non-compounded
- Actuarial value of assets - market value

Required Contributions:

Fiscal Year ended June 30	Annual Required Pension Cost	Percentage Contributed
2009	\$2,798,442	88%
2008	2,983,090	100%
2007	N/A	N/A

B. Municipal Employees' Retirement System (Town Plan)

Plan Description

The Town contributes to the Town Plan, a single-employer public employee retirement plan established in accordance with Town Charter. The plan is considered part of the Town's financial reporting entity and is included in the Town's annual financial report as a pension trust fund and is *not* reported separately as a stand alone report. The information provided in this report is limited to the actuarial valuation as of July 1, 2008, the latest actuarial report available.

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving benefits	259
Inactive members	6
Active participants	<u>385</u>
TOTAL	<u>650</u>

The Plan's eligibility requirements are as follows:

Police and Fire – 1) Full-time permanent appointment to the departments and completion of one year of continuous service. 2) Fire members must be hired prior to their 31st birthday, Police members prior to their 28th birthday.

Other Departments - Full-time employee, completion of six months of continuous service, and employed prior to age 55. A full-time employee is one who is regularly employed by the Town for at least 1,000 hours during a Plan Year, excluding employees wholly or partially subsidized by the Federal or State government directly or indirectly.

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

NOTE 16 - PENSION PLANS (continued)

B. Municipal Employees' Retirement System (Town Plan) (continued)

The Plan's normal retirement requirements and pension benefits are as follows:

Normal Retirement Requirements:

Police and Fire - 20 years of service, or at age 62.

Other Departments – the earliest of:

Age 60 and completion of 10 years of service;

Age 55 and completion of 25 years of service; or

Completion of 28 years of service with no age requirement.

Plan Description

Monthly Pension:

Police and Fire – 2.5% of the average monthly compensation times years of service up to 20 years, plus 1.667% of the average monthly compensation times service in excess of 20 years.

Other Departments – 2.25% of the average monthly compensation times years of service up to age 55 and 25 years, plus 1.4% of the average monthly compensation times years of service thereafter.

Average Monthly Compensation:

Police and Fire – Average of basic earnings and longevity (excluding overtime and other extra payments. The averaging period is based on a year and includes 64 hours (70 for fire) of holiday pay.

Other Departments – Average of basic earnings and longevity (excluding overtime and other extra payments) for the highest three consecutive years.

Normal Form of Benefit:

Joint and 67.5% Survivor Annuity with guaranteed return of Employee contributions accumulated a 4% interest to retirement.

Pensions for Police and Fire are increased by 2% annually for ten years.

The Plan also provides death and disability benefits. Benefits are established by terms of the Plan document.

Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Town of West Warwick PERS are prepared on the accrual basis of accounting. Under this method revenues are recorded when earned and expenses are recorded when incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the each plan. Dividend income is recorded on the ex-dividend date.

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

NOTE 16 - PENSION PLANS (continued)

B. Municipal Employees' Retirement System (Town Plan) (continued)

Plan Description

Method Used to Value Investments

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

Contributions and reserves

The Town Council has the authority to determine the Towns' obligation to contribute to the plan. The funding policy is based on the availability of Town assets. Plan administrative costs are paid from plan assets. Required contribution rates by plan members are negotiated through labor contracts. There were no long-term contracts for contributions to the plan or amounts outstanding as of the reporting date. There were no reserves or designations.

Actuarial Cost Method

The job of the plan's pension actuary is to use a "cost method" to distribute the cost of the pension benefits over each employee's working lifetime. The actuarial cost method can be thought of as a budgeting process that allocates the cost of benefits to all years, both past and future. This is done through a series of actuarial calculations:

1. The first step is to determine the plan's liability for the promised benefits. For employees, this involves estimating how large benefits will be when employees reach retirement age, and estimating how many employees will actually stay with the Town long enough to receive those benefits. Once benefits start being paid, an estimate must be made as to how long the retiree will live and continue to collect benefits. All of those future benefit payments are then stated in terms of today's dollars, and the end result is termed **Represent value of future benefits**.
2. For current employees, a portion of those **future benefits** have already been earned, and the rest will be earned over their remaining working lifetime. The actuarial cost method divides the **present value of future benefits** into three pieces: the **accrued liability**, which is the portion allocated to past years, the **normal cost**, which is the piece allocated to the current year, and **Represent value of future normal costs**, which is the piece allocated to future years.
3. For terminated employees and retirees, all benefits have already been earned, so the actuarial cost method assigns the **entire present value of future benefits** to the **accrued liability**.
4. Once the liabilities have been determined, the next step is to look at the plan's assets. These are held in a trust and are invested in a variety of stocks and bonds. Because of financial market conditions, the market value of the plan's assets can be volatile. The actuaries calculate an **actuarial value of assets** that smoothes out this volatility so that the Town's contribution does not swing about as much as the

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

NOTE 16 - PENSION PLANS (continued)

B. Municipal Employees' Retirement System (Town Plan) (continued)

stock market does. Beginning July 1, 2001, the *actuarial value of assets* is determined by first projecting the *actuarial value from* the beginning of the prior fiscal year based on the actual cash flow during the fiscal year and the assumed interest rate. The difference between this expected *actuarial value* and the actual market value is recognized over a five year period, subject to the *actuarial value* remaining within + 15% of the Market Value. For prior years, the *actuarial value of assets* was equal to the Market Value of Assets.

5. The plan's assets represent the accumulation of all contributions that have been made in past years. Similarly, the plan's accrued liability represents the accumulation of all benefits that have been earned in past years. If the assets exceed the liabilities, the Town has in effect paid more than necessary in past years, and so can pay *less* in future years. Likewise, if the assets are smaller than the liabilities, then the Town should pay *more* in future years to make up the shortfall. The actuarial cost method factors this into the contribution via the *past service cost*. First, we subtract the *actuarial value of assets* from the *accrued liability*. The result is called the *unfunded accrued liability*. The *unfunded accrued liability* is then amortized over a 26 year period (30 years starting with the July 1, 2000 valuation) to determine the *past service cost*.
6. The Town's annual contribution is then calculated by adding together the *normal cost* and *the past service cost*. The annual contribution is divided by the current annual payroll to get a *contribution rate*. The contribution rate should remain relatively stable over the years, unless there are unexpected changes in the employee and retiree populations, unusual investment results, or changes in the benefit provisions.

Actuarial Assumptions

Inflation Rate: The plan assumes a rate of 3.00% - 3.50%.
Investment Returns: The plan assumes a return rate of 8.25%.
Projected Salary Increases: Projected salary increases are assumed at 3.5%.
Post Retirement Benefit Increases: N/A
Amortization method: Level Percent
Amortization Period: 30 Year (decreasing)
Valuation type: Closed Group

Concentrations

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

Annual Pension Cost and Net Pension Obligation: Below are the required pension obligation presentations per GASB 25 and 27 for the period ending June 30, 2009.

Annual required contribution	\$4,676,096
Interest on net pension obligation	1,823,983
Adjustment to annual required contribution	<u>(1,418,283)</u>
Annual pension cost	5,081,796
Contributions made	<u>1,000,000</u>
Increase (decrease) in net pension obligation	4,081,796
Net pension obligation beginning of year	<u>21,458,620</u>
Net pension obligation end of year	<u>\$25,540,416</u>

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

NOTE 16 - PENSION PLANS (continued)

B. Municipal Employees' Retirement System (Town Plan) (continued)

REQUIRED SUPPLEMENTARY INFORMATION

Trend Information

Fiscal Year Ended June 30,	Annual Required Contribution	Percentage Contributed	NPO	Actual Contribution
2009	\$4,676,096	21.30%	\$25,540,416	\$1,000,000
2008	4,082,436	55.83%	21,458,620	2,279,340
2007	3,553,780	56.31%	19,256,290	2,001,206
2006	3,100,394	47.42%	17,315,472	1,470,276
2005	2,617,422	00.00%	15,317,920	-0-
2004	2,066,960	43.38%	12,983,989	1,000,000

Funded Status

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c)
7/1/08	\$44,536,601	\$112,769,635	\$68,233,034	39.49%	\$17,047,080	400.26%
7/1/07	43,413,194	100,619,756	57,206,562	43.10%	16,862,318	339.30%
7/1/06	41,254,601	91,322,808	50,068,207	45.17%	15,720,077	318.50%
7/1/05	40,301,196	84,051,416	43,750,220	47.95%	14,781,683	295.98%
7/1/04	40,173,416	77,478,434	37,305,018	51.85%	14,354,371	259.89%
7/1/03	39,809,352	70,391,979	30,582,627	56.55%	13,344,655	229.18%

NOTE 17 - RISK MANAGEMENT

The Town of West Warwick 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 WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

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 - RELATED PARTIES

The Town reviews its records on an annual basis to determine if any related party transactions exist that would represent a conflict of interest with parties related to its officers and department heads. No such transactions were noted in the fiscal year ended June 30, 2009.

NOTE 19 – STATE FISCAL STABILIZATION FUNDS

State education aid to school districts was reduced for fiscal year 2009 as part of a State budget crisis. To offset this reduction in state aid, an equal amount of State Fiscal Stabilization Funds (SFSF) were allocated to each school district. The fiscal impact to school district operations aid was intended to be neutral. These Stabilization Funds were part of the American Recovery and Reinvestment Act of 2009 (ARRA) and under guidance provided by Rhode Island General Law R.I.G.L. 45-12-22.2, school districts were required to account for Stabilization Funds in a separate restricted fund, however for financial statement purposes districts are required to include expenditures covered by the Stabilization Funds as part of the School Unrestricted (General) Fund. For fiscal year 2009, the West Warwick Public School System was awarded and received \$1,109,170 in Stabilization Funding.

NOTE 20 – SUBSEQUENT EVENTS

In August, 2009 the Town of West Warwick sold General Obligor Bonds (GO Bonds) in the amount of \$8,870,000. A portion of the bond, \$2,370,000, was used to refund the Town's 1998 \$6,800,000 GO Bond. The balance of \$6,500,000 will be used to settle liabilities relating to the 2003 fire at "The Station" nightclub.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WEST WARWICK, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues - (Budgetary Basis)
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget Revenues</u>	<u>Revised Budget Revenues</u>	<u>Actual Revenues</u>	<u>Variance</u>
General property taxes				
Real estate and personal property tax	\$ 48,267,481	\$ 48,267,481	\$ 48,531,392	\$ 263,911
Total general property taxes	<u>48,267,481</u>	<u>48,267,481</u>	<u>48,531,392</u>	<u>263,911</u>
Intergovernmental and departmental revenues				
State of Rhode Island	28,331,504	28,331,504	25,076,551	(3,254,953)
Departmental	316,650	316,650	315,898	(752)
Total intergovernmental and departmental revenue	<u>28,648,154</u>	<u>28,648,154</u>	<u>25,392,449</u>	<u>(3,255,705)</u>
Licenses, permits and usage fees				
Business fees	1,868,000	1,868,000	1,849,242	(18,758)
Non-business fees	50,000	50,000	51,160	1,160
Total licenses, permits and usage fees	<u>1,918,000</u>	<u>1,918,000</u>	<u>1,900,402</u>	<u>(17,598)</u>
Fines and interest on late payments	250,000	250,000	547,342	297,342
Interest on investments	400,000	400,000	262,915	(137,085)
Other revenues	20,000	20,000	18,035	(1,965)
Total revenues	<u>79,503,635</u>	<u>79,503,635</u>	<u>76,652,535</u>	<u>(2,851,100)</u>
Other financing sources				
Transfer from other funds	10,000	10,000	10,000	-
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total revenue and other financing sources	<u>\$ 79,513,635</u>	<u>\$ 79,513,635</u>	<u>\$ 76,662,535</u>	<u>\$ (2,851,100)</u>

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended June 30, 2009

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Legislative, judicial and general administrative				
Town council				
Salaries	\$ 26,000	\$ 26,000	\$ 26,067	\$ (67)
Fees and supplies	2,000	2,000	5,367	(3,367)
Contribution - non profit	8,000	8,000	8,000	-
Total council	<u>36,000</u>	<u>36,000</u>	<u>39,434</u>	<u>(3,434)</u>
Town Administrator				
Salaries and wages	170,948	170,948	160,320	10,628
Office expense	6,900	6,900	4,993	1,907
Travel/training	2,000	2,000	5,913	(3,913)
Total Administrator	<u>179,848</u>	<u>179,848</u>	<u>171,226</u>	<u>8,622</u>
Clerks and records				
Salaries and wages	229,618	229,618	223,669	5,949
Office expense	18,436	18,436	18,842	(406)
Restoration of records	35,000	35,000	24,127	10,873
Total clerks	<u>283,054</u>	<u>283,054</u>	<u>266,638</u>	<u>16,416</u>
Legal				
Administration	125,000	125,000	499,405	(374,405)
Labor specialist	30,000	30,000	104,746	(74,746)
Claims	30,000	30,000	34,486	(4,486)
Probate	7,500	7,500	7,062	438
Total legal	<u>192,500</u>	<u>192,500</u>	<u>645,699</u>	<u>(453,199)</u>
Board of Canvassers				
Salaries and wages	42,901	42,901	37,686	5,215
Supplies & expense	3,000	3,000	3,106	(106)
Election expenses	50,000	50,000	39,748	10,252
Total board of canvassers	<u>95,901</u>	<u>95,901</u>	<u>80,540</u>	<u>15,361</u>
Emergency Management Agency				
Salaries and wages	7,500	7,500	7,375	125
Supplies & expense	1,500	1,500	384	1,116
Total board of emergency management agency	<u>9,000</u>	<u>9,000</u>	<u>7,759</u>	<u>1,241</u>
Law Enforcement				
Town sergeant	700	700	590	110
Total law enforcement	<u>700</u>	<u>700</u>	<u>590</u>	<u>110</u>
General Government				
Pensions	2,219,825	2,219,825	1,758,944	460,881
Employee benefits	1,575,450	1,575,450	1,581,108	(5,658)
Insurance	5,186,050	5,186,050	5,560,784	(374,734)
Unemployment	36,676	36,676	152,590	(115,914)
Services and utilities	205,861	205,861	133,010	72,851
Advertising	71,025	71,025	49,235	21,790
Total general government	<u>9,294,887</u>	<u>9,294,887</u>	<u>9,235,671</u>	<u>59,216</u>

(continued)

REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended June 30, 2009

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
<i>Town Planner</i>				
Salaries and wages	87,126	87,126	17,059	70,067
Fees, supplies and postage	4,000	4,000	1,753	2,247
<i>Total town planner</i>	<u>91,126</u>	<u>91,126</u>	<u>18,812</u>	<u>72,314</u>
<i>Total Legislative, judicial and general administrative</i>	<u>10,183,016</u>	<u>10,183,016</u>	<u>10,466,369</u>	<u>(283,353)</u>
<i>Financial Administration</i>				
Salaries and wages	234,570	234,570	209,741	24,829
IT Consultant	38,000	38,000	32,159	5,841
Fees, supplies and postage	12,177	12,177	10,144	2,033
<i>Total financial administration</i>	<u>284,747</u>	<u>284,747</u>	<u>252,044</u>	<u>32,703</u>
<i>Audit of Accounts</i>				
Professional services	21,650	21,650	21,150	500
<i>Total audit of accounts</i>	<u>21,650</u>	<u>21,650</u>	<u>21,150</u>	<u>500</u>
<i>Total for Financial Administration</i>	<u>306,397</u>	<u>306,397</u>	<u>273,194</u>	<u>33,203</u>
<i>Tax Collector</i>				
Salaries and wages	165,075	165,075	142,091	22,984
Fees and supplies	10,860	10,860	22,606	(11,746)
Advertising, postage and printing	13,132	13,132	7,867	5,265
<i>Total Tax Collector</i>	<u>189,067</u>	<u>189,067</u>	<u>172,564</u>	<u>16,503</u>
<i>Tax Assessor</i>				
Salaries and wages	148,444	148,444	138,627	9,817
Fees and supplies	7,643	7,643	19,467	(11,824)
Professional services	12,650	12,650	19,410	(6,760)
<i>Total Tax Assessor</i>	<u>168,737</u>	<u>168,737</u>	<u>177,504</u>	<u>(8,767)</u>
<i>Board of Assessment Review</i>				
Salaries and wages	1,930	1,930	1,994	(64)
Fees and supplies	300	300	119	181
<i>Total Board of Assessment Review</i>	<u>2,230</u>	<u>2,230</u>	<u>2,113</u>	<u>117</u>
<i>Public Safety</i>				
<i>Police Department</i>				
Salaries and wages	4,134,834	4,134,834	4,033,783	101,051
Police benefits overtime and sick leave	575,000	575,000	649,838	(74,838)
Insurance	23,200	23,200	23,200	-
Education	47,500	47,500	21,720	25,780
Supplies and services	307,850	307,850	286,622	21,228
Maintenance of police cars	57,500	57,500	46,753	10,747
Gas and tires	90,000	90,000	87,550	2,450
<i>Total police department</i>	<u>5,235,884</u>	<u>5,235,884</u>	<u>5,149,466</u>	<u>86,418</u>

(continued)

**REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended June 30, 2009**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Public Safety (continued)				
Fire Department				
Salaries and wages	4,401,335	4,401,335	4,290,234	111,101
Benefits overtime and sick leave	896,702	896,702	730,674	166,028
Education	60,000	60,000	43,516	16,484
Insurance	29,200	29,200	28,400	800
Supplies & expense	61,285	61,285	69,768	(8,483)
Clothing allowance	119,250	119,250	117,500	1,750
Fuel	45,000	45,000	50,776	(5,776)
Utilities	16,000	16,000	22,613	(6,613)
Hydrants	378,416	378,416	329,119	49,297
Maintenance	57,000	57,000	61,242	(4,242)
Ambulance	30,000	30,000	6,974	23,026
Alarm and radio	17,000	17,000	18,991	(1,991)
<i>Total fire department</i>	<u>6,111,188</u>	<u>6,111,188</u>	<u>5,769,807</u>	<u>341,381</u>
Total Public Safety	<u>11,347,072</u>	<u>11,347,072</u>	<u>10,919,273</u>	<u>427,799</u>
Public Works				
Administration				
Salaries and wages	1,949,705	1,949,705	1,906,916	42,789
Supplies and expense	239,000	239,000	297,191	(58,191)
Dumping fees	460,000	460,000	345,164	114,836
Fuel	115,000	115,000	139,660	(24,660)
Fleet maintenance	166,500	166,500	191,010	(24,510)
Maintenance	177,000	177,000	158,940	18,060
<i>Total administration</i>	<u>3,107,205</u>	<u>3,107,205</u>	<u>3,038,881</u>	<u>68,324</u>
Recycling				
Salaries and wages	218,456	218,456	242,925	(24,469)
Fuel	20,000	20,000	1,000	19,000
Supplies	15,000	15,000	17,242	(2,242)
Grant Rev/Exp	46,000	46,000	7,800	38,200
<i>Total recycling</i>	<u>299,456</u>	<u>299,456</u>	<u>268,967</u>	<u>30,489</u>
Engineering				
Salaries and wages	115,250	115,250	7,266	107,984
Consulting	-	-	9,956	(9,956)
GIS Database	15,000	15,000	-	15,000
Supplies and fuel	13,600	13,600	2,734	10,866
<i>Total engineering</i>	<u>143,850</u>	<u>143,850</u>	<u>19,956</u>	<u>123,894</u>
Street Lighting				
Electric	399,000	399,000	330,365	68,635
<i>Total street lighting</i>	<u>399,000</u>	<u>399,000</u>	<u>330,365</u>	<u>68,635</u>
Other Public Works				
Zoning	5,800	5,800	4,460	1,340
<i>Total other public works</i>	<u>5,800</u>	<u>5,800</u>	<u>4,460</u>	<u>1,340</u>

(continued)

**REQUIRED SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended June 30, 2009**

	<u>Original Budgeted Expenditures</u>	<u>Revised Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>
<i>Public Works (continued)</i>				
<i>Building Inspector</i>				
Salaries and wages	265,185	265,185	223,308	41,877
Repairs and maintenance	94,139	94,139	72,833	21,306
Supplies heat and fuel	58,435	58,435	22,779	35,656
Other	41,861	41,861	20,046	21,815
<i>Total building inspector</i>	<u>459,620</u>	<u>459,620</u>	<u>338,966</u>	<u>120,654</u>
Total Public Works	<u>4,414,931</u>	<u>4,414,931</u>	<u>4,001,595</u>	<u>413,336</u>
<i>Public Health and Welfare</i>				
Tenant affairs	1,800	1,800	400	1,400
Senior center	156,800	156,800	192,800	(36,000)
<i>Total Public Health and Welfare</i>	<u>158,600</u>	<u>158,600</u>	<u>193,200</u>	<u>(34,600)</u>
<i>Library</i>				
Salaries and wages	499,136	490,431	483,776	6,655
Benefits overtime and sick leave	165,075	163,349	163,178	171
Repairs and maintenance	11,000	16,431	12,137	4,294
Supplies and utilities	46,548	51,548	59,459	(7,911)
Memberships	11,000	11,000	14,212	(3,212)
<i>Total Library</i>	<u>732,759</u>	<u>732,759</u>	<u>732,762</u>	<u>(3)</u>
<i>Parks and Recreation</i>				
Salaries and wages	228,002	228,002	239,482	(11,480)
Summer program	12,000	12,000	-	12,000
Supplies	63,800	63,800	47,989	15,811
<i>Total Parks and Recreation</i>	<u>303,802</u>	<u>303,802</u>	<u>287,471</u>	<u>16,331</u>
<i>Capital Budget</i>				
Capitalized capital budget	42,700	42,700	-	42,700
Non-capitalized capital budget	-	-	10,929	(10,929)
<i>Total Capital Budget</i>	<u>42,700</u>	<u>42,700</u>	<u>10,929</u>	<u>31,771</u>
Total expenditures	<u>27,849,311</u>	<u>27,849,311</u>	<u>27,236,974</u>	<u>612,337</u>
<i>Debt Service</i>				
Principal	1,405,676	1,405,676	1,250,000	155,676
Interest	971,463	971,463	971,463	-
Other bond cost	17,500	17,500	6,748	10,752
<i>Total Debt Service</i>	<u>2,394,639</u>	<u>2,394,639</u>	<u>2,228,211</u>	<u>166,428</u>
<i>Other financing uses</i>				
<i>Transfer to other funds</i>				
West Warwick school appropriation	49,269,685	49,269,685	46,823,389	2,446,296
Transfer to other funds	-	-	988,266	(988,266)
<i>Total other financing uses</i>	<u>49,269,685</u>	<u>49,269,685</u>	<u>47,811,655</u>	<u>1,458,030</u>
Total expenditures and other financing uses	<u>\$ 79,513,635</u>	<u>\$ 79,513,635</u>	<u>\$ 77,276,840</u>	<u>\$ 2,236,795</u>

(concluded)

REQUIRED SUPPLEMENTARY INFORMATION
WEST WARWICK PUBLIC SCHOOLS
Budgetary Comparison Schedule - School Unrestricted Fund
Schedule of Revenues - Budgetary Basis
For the Fiscal Year Ended June 30, 2009

	Original Budgeted Revenues	Revised Budgeted Revenues	Actual Revenues	Variance
Revenues				
Medicaid	\$ 450,000	\$ 450,000	\$ 313,836	\$ (136,164)
Other revenues	80,000	80,000	68,105	(11,895)
State aid - other	-	-	362,274	362,274
State aid - Permanent funds	250,826	250,826	220,957	(29,869)
Federal revenue - SFSF	-	-	1,109,170	1,109,170
Total revenues	<u>780,826</u>	<u>780,826</u>	<u>2,074,342</u>	<u>1,293,516</u>
Other financing sources				
Transfer from other funds				
Town appropriation	28,829,138	28,829,138	28,829,132	(6)
State and Federal Aid Transfers from Town				
General aid	16,564,882	16,564,882	14,265,522	(2,299,360)
Language assistance	98,620	98,620	98,620	-
Student equity	1,715,916	1,715,916	1,715,916	-
Early childhood	169,583	169,583	169,583	-
Technology	85,696	85,696	85,696	-
Targeted	1,571,420	1,571,420	1,571,420	-
Full day kindergarten	3,000	3,000	3,000	-
Vocational equity	84,500	84,500	84,500	-
Total other financing sources	<u>49,122,755</u>	<u>49,122,755</u>	<u>46,823,389</u>	<u>(2,299,366)</u>
Total revenue and other financing sources	<u><u>\$ 49,903,581</u></u>	<u><u>\$ 49,903,581</u></u>	<u><u>\$ 48,897,731</u></u>	<u><u>\$ (1,005,850)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION
WEST WARWICK PUBLIC SCHOOLS
Budgetary Comparison Schedule - School Unrestricted Fund
Schedule of Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2009

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Expenditures				
Instructional Teachers	\$ 23,271,685	\$ 23,271,685	\$ 25,456,610	\$ (2,184,925)
Substitute Teachers	722,850	722,850	809,770	(86,920)
Instructional Paraprofessionals	98,620	98,620	98,620	-
Pupil Use Technology and Software	305,296	305,296	231,461	73,835
Instructional Materials, Trips and Supplies	426,657	426,657	373,419	53,238
Guidance and Counseling	1,085,900	1,085,900	1,035,898	50,002
Libraries and Media	926,100	926,100	884,194	41,906
Extracurricular	579,700	579,700	528,250	51,450
Student Health and Services	838,100	838,100	881,897	(43,797)
Curriculum Development	503,300	503,300	477,597	25,703
In-Service, Staff Development and Support	810,416	810,416	670,965	139,451
Program Management	486,700	486,700	485,435	1,265
Therapists, Psychologists, Evaluators, Social Workers	4,731,700	4,731,700	4,579,822	151,878
Academic Student Assessments	-	-	1,084	(1,084)
Transportation	1,968,400	1,968,400	1,975,095	(6,695)
Safety	69,600	69,600	66,816	2,784
Building Upkeep, Utilities and Maintenance	3,673,700	3,673,700	3,398,960	274,740
Data Processing	142,100	142,100	121,615	20,485
Business Operations	686,757	686,757	685,724	1,033
Public, Parochial, Private and Charter Schools	2,529,800	2,529,800	2,706,889	(177,089)
Retiree Benefits and Other	2,097,300	2,097,300	2,012,872	84,428
Principals and Assistant Principals	1,390,000	1,390,000	1,353,780	36,220
School Office	1,057,700	1,057,700	1,015,502	42,198
Deputies, Senior Administrators	109,300	109,300	120,254	(10,954)
Superintendent and School Board	472,300	472,300	549,690	(77,390)
Legal	-	-	170,525	(170,525)
Municipal Pension, Medical Buyback	529,600	529,600	1,017,260	(487,660)
Workers' Compensation and Unemployment	390,000	390,000	343,825	46,175
Total expenditures	\$ 49,903,581	\$ 49,903,581	\$ 52,053,829	\$ (2,150,248)

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

BUDGETARY - GAAP REPORTING RECONCILIATION

The accompanying Required Supplementary Information Statements of Revenues, Expenditures/Expenses (GAAP or Non-GAAP Basis) presents comparisons of the legally adopted budget (more fully described in Note 2) with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resultant basis, entity and timing differences in the excess (deficiency) of revenues and other sources of financial resources over expenditures/expenses and other uses of financial resources for the year ended June 30, 2009 is presented below:

	General Fund GAAP Basis	Special Revenue GAAP Basis
Excess (deficiency) of revenues and other sources over (under) expenditures/expenses and other uses (Budgetary Non-GAAP basis)	\$ (614,305)	\$ (3,156,098)
<i>Adjustments:</i>		
To adjust for use of appropriated fund balance	-	-
<i>Excess (deficiency) of revenues and other sources over (under) expenditures/expenses and other uses (GAAP basis)</i>	<u>\$ (614,305)</u>	<u>\$ (3,156,098)</u>

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Budgetary Comparison Schedule - General Fund
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
General property tax	\$ 48,267,481	\$ 48,267,481	\$ 48,531,392	\$ 263,911
Intergovernmental and departmental revenue	28,648,154	28,648,154	25,392,449	(3,255,705)
License and permits	1,918,000	1,918,000	1,900,402	(17,598)
Fines and interest on late payments	250,000	250,000	547,342	297,342
Interest on investments	400,000	400,000	262,915	(137,085)
Other revenue	20,000	20,000	18,035	(1,965)
Total Revenues	<u>79,503,635</u>	<u>79,503,635</u>	<u>76,652,535</u>	<u>(2,851,100)</u>
Expenditures				
Legislative, judicial, and general administrative	10,183,016	10,183,016	10,466,369	(283,353)
Financial administration, tax collection and assessment	666,431	666,431	625,375	41,056
Public safety	11,347,072	11,347,072	10,919,273	427,799
Public works	4,414,931	4,414,931	4,001,595	413,336
Public health & welfare	158,600	158,600	193,200	(34,600)
Parks and recreation	303,802	303,802	287,471	16,331
Library	732,759	732,759	732,762	(3)
Other capital	-	-	10,929	(10,929)
Capital budget	42,700	42,700	-	42,700
Debt service:				
Principal	1,405,676	1,405,676	1,250,000	155,676
Interest	971,463	971,463	971,463	-
Other	17,500	17,500	6,748	10,752
Total expenditures	<u>30,243,950</u>	<u>30,243,950</u>	<u>29,465,185</u>	<u>778,765</u>
Excess of revenues over expenditures before operating transfers	<u>49,259,685</u>	<u>49,259,685</u>	<u>47,187,350</u>	<u>(2,072,335)</u>
Other financing sources and (uses)				
Operating transfers to other funds	(49,269,685)	(49,269,685)	(47,811,655)	1,458,030
Operating transfers from other funds	10,000	10,000	10,000	-
Total operating transfers	<u>(49,259,685)</u>	<u>(49,259,685)</u>	<u>(47,801,655)</u>	<u>1,458,030</u>
Excess of revenues over expenditures and operating transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (614,305)</u>	<u>\$ (614,305)</u>

SUPPLEMENTARY INFORMATION
WEST WARWICK PUBLIC SCHOOLS
Budgetary Comparison Schedule - School Unrestricted Fund
Schedule of Revenues and Expenditures
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
Intergovernmental revenue	\$ 450,000	\$ 450,000	\$ 313,836	\$ (136,164)
State aid - other	-	-	362,274	362,274
State aid - Permanent funds	250,826	250,826	220,957	(29,869)
Federal revenue - SFSF	-	-	1,109,170	1,109,170
Other	80,000	80,000	68,105	(11,895)
Total revenue	<u>780,826</u>	<u>780,826</u>	<u>2,074,342</u>	<u>1,293,516</u>
Expenditures				
Operating	49,903,581	49,903,581	52,053,829	(2,150,248)
Total expenditures	<u>49,903,581</u>	<u>49,903,581</u>	<u>52,053,829</u>	<u>(2,150,248)</u>
Excess of revenues over (under) expenditures before other financing sources	<u>(49,122,755)</u>	<u>(49,122,755)</u>	<u>(49,979,487)</u>	<u>(856,732)</u>
Other financing sources				
Operating transfer from other funds	49,122,755	49,122,755	46,823,389	(2,299,366)
Total other financing sources	<u>49,122,755</u>	<u>49,122,755</u>	<u>46,823,389</u>	<u>(2,299,366)</u>
Excess revenues and other sources over (under) expenditures and other sources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,156,098)</u>	<u>\$ (3,156,098)</u>

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

	<u>Town Special Revenue Funds</u>	<u>School Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 445,597	\$ 83,187	\$ 1,209,384	\$ 1,738,168
Due from other governments	-	1,123,700	-	1,123,700
Due from other funds	681,789	265,658	983,818	1,931,265
Total assets	<u>\$ 1,127,386</u>	<u>\$ 1,472,545</u>	<u>\$ 2,193,202</u>	<u>\$ 4,793,133</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued expenses	\$ 90,615	\$ 549,797	\$ 409,659	\$ 1,050,071
Due to other funds	332,367	654,612	-	986,979
Total liabilities	<u>422,982</u>	<u>1,204,409</u>	<u>409,659</u>	<u>2,037,050</u>
 Fund balances (deficits)				
Reserved by trust agreement	2,088	-	-	2,088
Unreserved, reported in:				
Special revenue funds	702,316	268,136	-	970,452
Capital projects funds	-	-	1,783,543	1,783,543
Total fund balances	<u>704,404</u>	<u>268,136</u>	<u>1,783,543</u>	<u>2,756,083</u>
 Total liabilities and fund balances	 <u>\$ 1,127,386</u>	 <u>\$ 1,472,545</u>	 <u>\$ 2,193,202</u>	 <u>\$ 4,793,133</u>

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2009

	<u>Town Special Revenue Funds</u>	<u>School Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Non-Major Governmental Funds</u>
Revenues				
Intergovernmental revenue	\$ 651,383	\$ 4,113,157	\$ -	\$ 4,764,540
Earnings on investments	-	-	44,620	44,620
Other revenue	415,816	639,915	-	1,055,731
Total revenues	<u>1,067,199</u>	<u>4,753,072</u>	<u>44,620</u>	<u>5,864,891</u>
Expenditures				
Public safety	357,905	-	-	357,905
Public works	352,105	-	-	352,105
Public Health and Welfare	883,876	-	-	883,876
Capital	-	-	3,088,676	3,088,676
Education	-	4,647,799	565,166	5,212,965
Total expenditures	<u>1,593,886</u>	<u>4,647,799</u>	<u>3,653,842</u>	<u>9,895,527</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(526,687)	105,273	(3,609,222)	(4,030,636)
Other financing sources (uses)				
Transfers from other funds	806,722	-	546,918	1,353,640
Transfers to other funds	-	-	(546,918)	(546,918)
Total other financing sources (uses)	<u>806,722</u>	<u>-</u>	<u>-</u>	<u>806,722</u>
Net change in fund balances	<u>280,035</u>	<u>105,273</u>	<u>(3,609,222)</u>	<u>(3,223,914)</u>
Fund balances (deficits) - unreserved July 1, 2008	<u>424,369</u>	<u>162,863</u>	<u>5,392,765</u>	<u>5,979,997</u>
Fund balances - unreserved June 30, 2009	<u>\$ 704,404</u>	<u>\$ 268,136</u>	<u>\$ 1,783,543</u>	<u>\$ 2,756,083</u>

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2009

	RI Justice Gems 2002	Tricentennial Committee	Benjamin R. Vaughn	Economic Development Revolving Loan Fund	Bramley Bill Fund	Police Title 5
ASSETS						
Cash	\$ -	\$ 999	\$ 1,089	\$ 15,865	\$ 3,271	\$ -
Due from other funds	10,025	-	-	-	38,845	13,175
Total assets	<u>\$ 10,025</u>	<u>\$ 999</u>	<u>\$ 1,089</u>	<u>\$ 15,865</u>	<u>\$ 42,116</u>	<u>\$ 13,175</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 38,839	\$ 2,801
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,839</u>	<u>2,801</u>
Fund balances (deficits)						
Reserved by trust agreement	-	999	1,089	-	-	-
Unreserved:						
Undesignated	10,025	-	-	15,865	3,277	10,374
Total fund balances (deficits)	<u>10,025</u>	<u>999</u>	<u>1,089</u>	<u>15,865</u>	<u>3,277</u>	<u>10,374</u>
Total liabilities and fund balances	<u>\$ 10,025</u>	<u>\$ 999</u>	<u>\$ 1,089</u>	<u>\$ 15,865</u>	<u>\$ 42,116</u>	<u>\$ 13,175</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2009

	Homeland Security 2006	Homeland Security Grant 07	LLEBG 2004	Seatbelt Grant	Homeland Security Militia	Open Space Recreation
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	8,626	-	-	141,308
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,626</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,308</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)						
Reserved by trust agreement	-	-	-	-	-	-
Unreserved:						
Undesignated	-	-	8,626	-	-	141,308
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>8,626</u>	<u>-</u>	<u>-</u>	<u>141,308</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,626</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,308</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2009

	Revolving Fund	Library Grants	CDBG Block Grant	Homeland Security 2008	JAG GRANT 2007	JAG GRANT 2005
ASSETS						
Cash	\$ -	\$ 417,486	\$ -	\$ -	\$ -	\$ -
Due from other funds	296,877	4,906	-	-	-	24,061
Total assets	<u>\$ 296,877</u>	<u>\$ 422,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,061</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenses	\$ 11,769	\$ 16,082	\$ 20,866	\$ 258	\$ -	\$ -
Due to other funds	-	8,784	301,545	231	21,807	-
Total liabilities	<u>11,769</u>	<u>24,866</u>	<u>322,411</u>	<u>489</u>	<u>21,807</u>	<u>-</u>
Fund balances (deficits)						
Reserved by trust agreement	-	-	-	-	-	-
Unreserved:						
Undesignated	285,108	397,526	(322,411)	(489)	(21,807)	24,061
Total fund balances (deficits)	<u>285,108</u>	<u>397,526</u>	<u>(322,411)</u>	<u>(489)</u>	<u>(21,807)</u>	<u>24,061</u>
Total liabilities and fund balances	<u>\$ 296,877</u>	<u>\$ 422,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,061</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - Town
June 30, 2009

	<u>DARE Fund</u>	<u>Tower Rent Revolving Fund</u>	<u>Annie Livsey Fund</u>	<u>Greene Cemetery Fund</u>	<u>Riverwalk Fund</u>	<u>Homeland Security 37-71-07</u>	<u>Totals</u>
ASSETS							
Cash	\$ 6,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 445,597
Due from other funds	5,964	46,644	-	-	91,358	-	681,789
Total assets	<u>\$ 12,851</u>	<u>\$ 46,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,358</u>	<u>\$ -</u>	<u>\$ 1,127,386</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,615
Due to other funds	-	-	-	-	-	-	332,367
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>422,982</u>
Fund balances (deficits)							
Reserved by trust agreement	-	-	-	-	-	-	2,088
Unreserved:							
Undesignated	12,851	46,644	-	-	91,358	-	702,316
Total fund balances (deficits)	<u>12,851</u>	<u>46,644</u>	<u>-</u>	<u>-</u>	<u>91,358</u>	<u>-</u>	<u>704,404</u>
Total liabilities and fund balances	<u>\$ 12,851</u>	<u>\$ 46,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,358</u>	<u>\$ -</u>	<u>\$ 1,127,386</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Funds - Town
For the Fiscal Year Ended June 30, 2009

	RI Justice Gems 2002	Tricentennial Committee	Benjamin R. Vaughn	Economic Development Revolving Loan Fund	Bramley Bill Fund	Police Title 5
Revenues						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 193,771	\$ 17,799
Other revenue	-	6	7	5	-	-
Total revenues	<u>-</u>	<u>6</u>	<u>7</u>	<u>5</u>	<u>193,771</u>	<u>17,799</u>
Expenditures						
Public safety	-	-	-	-	190,580	7,425
Public works	-	-	-	-	-	-
Public Health and Welfare	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,580</u>	<u>7,425</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	6	7	5	3,191	10,374
Other financing sources (uses)						
Operating transfers (to) from other funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	6	7	5	3,191	10,374
Fund balances - unreserved July 1, 2008	<u>10,025</u>	<u>993</u>	<u>1,082</u>	<u>15,860</u>	<u>86</u>	<u>-</u>
Fund balances - unreserved June 30, 2009	<u>\$ 10,025</u>	<u>\$ 999</u>	<u>\$ 1,089</u>	<u>\$ 15,865</u>	<u>\$ 3,277</u>	<u>\$ 10,374</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Funds - Town
For the Fiscal Year Ended June 30, 2009

	<u>Homeland Security 2006</u>	<u>Homeland Security Grant 07</u>	<u>LLEBG 2004</u>	<u>Seatbelt Grant</u>	<u>Homeland Security Militia</u>	<u>Open Space Recreation</u>
Revenues						
Intergovernmental revenue	\$ -	\$ 44,792	\$ -	\$ -	\$ 68,133	\$ 15,362
Other revenue	-	-	-	1,381	-	-
Total revenues	<u>-</u>	<u>44,792</u>	<u>-</u>	<u>1,381</u>	<u>68,133</u>	<u>15,362</u>
Expenditures						
Public safety	10,440	40,248	6,117	-	68,133	-
Public works	-	-	-	-	-	-
Public Health and Welfare	-	-	-	-	-	67,093
Parks and recreation	-	-	-	-	-	-
Total expenditures	<u>10,440</u>	<u>40,248</u>	<u>6,117</u>	<u>-</u>	<u>68,133</u>	<u>67,093</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(10,440)	4,544	(6,117)	1,381	-	(51,731)
Other financing sources (uses)						
Operating transfers (to) from other funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(10,440)	4,544	(6,117)	1,381	-	(51,731)
Fund balances (deficits) - unreserved July 1, 2008	10,440	(4,544)	14,743	(1,381)	-	193,039
Fund balances (deficits) - unreserved July 1, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,626</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,308</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Funds - Town
For the Fiscal Year Ended June 30, 2009

	<u>Revolving Fund</u>	<u>Library Grants</u>	<u>CDBG Block Grant</u>	<u>Homeland Security 2008</u>	<u>JAG GRANT 2007</u>	<u>JAG GRANT 2005</u>
Revenues						
Intergovernmental revenue	\$ -	\$ 117,254	\$ 120,000	\$ 6,577	\$ -	\$ 19,649
Other revenue	404,786	-	-	-	-	-
Total revenues	<u>404,786</u>	<u>117,254</u>	<u>120,000</u>	<u>6,577</u>	<u>-</u>	<u>19,649</u>
Expenditures						
Public safety	-	-	-	7,066	-	-
Public works	352,105	-	-	-	-	-
Public Health and Welfare	-	301,491	489,488	-	-	-
Parks and recreation	-	-	-	-	-	-
Total expenditures	<u>352,105</u>	<u>301,491</u>	<u>489,488</u>	<u>7,066</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	52,681	(184,237)	(369,488)	(489)	-	19,649
Other financing sources (uses)						
Operating transfers (to) from other funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	52,681	(184,237)	(369,488)	(489)	-	19,649
Fund balances (deficits) - unreserved July 1, 2008	232,427	581,763	47,077	-	(21,807)	4,412
Fund balances - unreserved June 30, 2009	<u>\$ 285,108</u>	<u>\$ 397,526</u>	<u>\$ (322,411)</u>	<u>\$ (489)</u>	<u>\$ (21,807)</u>	<u>\$ 24,061</u>

(Continued)

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
Special Revenue Funds - Town
For the Fiscal Year Ended June 30, 2009

	Dare Fund	Tower Rent Revolving Fund	Annie Livsey Fund	Greene Cemetery Fund	Riverwalk Fund	Homeland Security 37-71-07	Total
Revenues							
Intergovernmental revenue	\$ 10,150	\$ -	\$ -	\$ -	\$ 10,000	\$ 27,896	\$ 651,383
Other revenue	-	-	9,331	300	-	-	415,816
Total revenues	<u>10,150</u>	<u>-</u>	<u>9,331</u>	<u>300</u>	<u>10,000</u>	<u>27,896</u>	<u>1,067,199</u>
Expenditures							
Public safety	-	-	-	-	-	27,896	357,905
Public works	-	-	-	-	-	-	352,105
Public Health and Welfare	16,150	23	9,331	300	-	-	883,876
Parks and recreation	-	-	-	-	-	-	-
Total expenditures	<u>16,150</u>	<u>23</u>	<u>9,331</u>	<u>300</u>	<u>-</u>	<u>27,896</u>	<u>1,593,886</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	(6,000)	(23)	-	-	10,000	-	(526,687)
Other financing sources (uses)							
Operating transfers (to) from other funds	-	-	-	-	806,722	-	806,722
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>806,722</u>	<u>-</u>	<u>806,722</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(6,000)	(23)	-	-	816,722	-	280,035
Fund balances (deficits) - unreserved July 1, 2008	18,851	46,667	-	-	(725,364)	-	424,369
Fund balances - unreserved June 30, 2009	<u>\$ 12,851</u>	<u>\$ 46,644</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,358</u>	<u>\$ -</u>	<u>\$ 704,404</u>

(Concluded)

SUPPLEMENTARY INFORMATION
WEST WARWICK PUBLIC SCHOOLS
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
June 30, 2009

	SCHOOL LUNCH PROGRAM	TITLE I	FRESH FRUITS AND VEGETABLES	CREATING COLLABORATIVE MODELS	E2T3 TRAINING	TITLE IV	SCHOOL HOMELAND SECUTIRY
ASSETS							
Cash	\$ 83,187	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	207,635	-	14,379	-	-	-	-
Due from Federal and State Governments	200,592	270,285	27,715	8,954	-	152	23,927
TOTAL ASSETS	<u>\$ 491,414</u>	<u>\$ 270,285</u>	<u>\$ 42,094</u>	<u>\$ 8,954</u>	<u>\$ -</u>	<u>\$ 152</u>	<u>\$ 23,927</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ 229,010	\$ 76,339	\$ 42,094	\$ -	\$ 50,891	\$ -	\$ -
Due to other funds	-	193,946	-	8,954	-	152	23,927
Total liabilities	<u>229,010</u>	<u>270,285</u>	<u>42,094</u>	<u>8,954</u>	<u>50,891</u>	<u>152</u>	<u>23,927</u>
Fund Balances	<u>262,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,891)</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 491,414</u>	<u>\$ 270,285</u>	<u>\$ 42,094</u>	<u>\$ 8,954</u>	<u>\$ -</u>	<u>\$ 152</u>	<u>\$ 23,927</u>

(Continued)

SUPPLEMENTARY INFORMATION
WEST WARWICK PUBLIC SCHOOLS
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
June 30, 2009

	<u>TITLE III</u>	<u>PERKINS</u>	<u>DMS PLAYERS</u>	<u>E2T3 URI</u>	<u>I.D.E.A. PART B</u>	<u>PRE-SCHOOL SECT. 619</u>
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	26,676	-	-	-
Due from Federal and State Governments	634	66,901	-	55,462	216,808	14,001
TOTAL ASSETS	<u>\$ 634</u>	<u>\$ 66,901</u>	<u>\$ 26,676</u>	<u>\$ 55,462</u>	<u>\$ 216,808</u>	<u>\$ 14,001</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenses	\$ -	\$ 2,269	\$ -	\$ -	\$ 65,288	\$ -
Due to other funds	634	64,632	-	55,462	151,520	14,001
Total liabilities	<u>634</u>	<u>66,901</u>	<u>-</u>	<u>55,462</u>	<u>216,808</u>	<u>14,001</u>
Fund Balances	-	-	26,676	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 634</u>	<u>\$ 66,901</u>	<u>\$ 26,676</u>	<u>\$ 55,462</u>	<u>\$ 216,808</u>	<u>\$ 14,001</u>

(Continued)

SUPPLEMENTARY INFORMATION
WEST WARWICK PUBLIC SCHOOLS
 Combining Balance Sheet - Non-Major Governmental Funds
 Special Revenue Funds - School Restricted
 June 30, 2009

	TITLE II	SMALLER LEARNING COMMUNITIES	TITLE V	CHART OF ACCOUNTS	SMILE TECHNOLOGY	WWAND	ACHIEVE ALGEBRA II
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	-	-
Due from Federal and State Governments	144,544	-	13,925	-	-	-	10,544
TOTAL ASSETS	<u>\$ 144,544</u>	<u>\$ -</u>	<u>\$ 13,925</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,544</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ 29,273	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,544
Due to other funds	115,271	-	13,925	-	-	-	-
Total liabilities	<u>144,544</u>	<u>-</u>	<u>13,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,544</u>
Fund Balances	-	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 144,544</u>	<u>\$ -</u>	<u>\$ 13,925</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,544</u>

(Continued)

SUPPLEMENTARY INFORMATION
WEST WARWICK PUBLIC SCHOOLS
Combining Balance Sheet - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
June 30, 2009

	<u>E2T2 MCI</u>	<u>DISTRICT NEGOTIATED AGREEMENT</u>	<u>MIDDLE SCHOOL SPORTS</u>	<u>STATE MENTORING GRANT</u>	<u>URI SMILE</u>	<u>SCHOOL IMPROVEMENT</u>	<u>TOTALS</u>
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,187
Due from other funds	2,209	6,412	-	344	8,003	-	265,658
Due from Federal and State Governments	-	69,256	-	-	-	-	1,123,700
TOTAL ASSETS	<u>\$ 2,209</u>	<u>\$ 75,668</u>	<u>\$ -</u>	<u>\$ 344</u>	<u>\$ 8,003</u>	<u>\$ -</u>	<u>\$ 1,472,545</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ 2,209	\$ 41,880	\$ -	\$ -	\$ -	\$ -	\$ 549,797
Due to other funds	-	-	12,188	-	-	-	654,612
Total liabilities	<u>2,209</u>	<u>41,880</u>	<u>12,188</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,204,409</u>
Fund Balances	-	33,788	(12,188)	344	8,003	-	268,136
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,209</u>	<u>\$ 75,668</u>	<u>\$ -</u>	<u>\$ 344</u>	<u>\$ 8,003</u>	<u>\$ -</u>	<u>\$ 1,472,545</u>

(Concluded)

SUPPLEMENTARY INFORMATION
WEST WARWICK PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
For the Fiscal Year Ended June 30, 2009

	SCHOOL LUNCH PROGRAM	TITLE I	FRESH FRUITS AND VEGETABLES	CREATING COLLABORATIVE MODELS	E2T3 TRAINING	TITLE IV	SCHOOL HOMELAND SECURITY
Revenues							
Intergovernmental revenue	\$ 678,886	\$ 1,312,794	\$ 42,094	\$ 28,834	\$ 145,992	\$ 27,341	\$ 24,430
Other	561,575	-	-	-	-	-	-
Total revenues	<u>1,240,461</u>	<u>1,312,794</u>	<u>42,094</u>	<u>28,834</u>	<u>145,992</u>	<u>27,341</u>	<u>24,430</u>
Expenditures							
Salaries	-	785,137	-	20,953	2,000	-	-
Employee Benefits	-	416,579	-	1,733	200	-	-
Purchased services	1,162,339	74,097	-	-	191,883	27,189	24,430
Supplies and materials	7,054	19,381	42,094	6,148	2,800	152	-
Other costs	-	17,600	-	-	-	-	-
Total expenditures	<u>1,169,393</u>	<u>1,312,794</u>	<u>42,094</u>	<u>28,834</u>	<u>196,883</u>	<u>27,341</u>	<u>24,430</u>
Excess revenues over (under) expenditures	71,068	-	-	-	(50,891)	-	-
Other financing sources (uses)							
Operating transfers (to) other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>71,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,891)</u>	<u>-</u>	<u>-</u>
Fund balances - unreserved July 1, 2008	<u>191,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - unreserved June 30, 2009	<u>\$ 262,404</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,891)</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
WEST WARWICK PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
For the Fiscal Year Ended June 30, 2009

	TITLE III	PERKINS	DMS PLAYERS	E2T3 URI	I.D.E.A. PART B	PRE-SCHOOL SECT. 619
Revenues						
Intergovernmental revenue	\$ 14,905	\$ 66,901	\$ -	\$ 193,388	\$ 917,474	\$ 32,976
Other	-	-	18,186	-	-	-
Total revenues	<u>14,905</u>	<u>66,901</u>	<u>18,186</u>	<u>193,388</u>	<u>917,474</u>	<u>32,976</u>
Expenditures						
Salaries	1,407	36,158	-	2,000	583,625	-
Employee Benefits	106	2,766	-	200	303,214	-
Purchased services	360	875	600	188,388	30,635	32,976
Supplies and materials	164	27,102	12,263	2,800	-	-
Other costs	12,868	-	-	-	-	-
Total expenditures	<u>14,905</u>	<u>66,901</u>	<u>12,863</u>	<u>193,388</u>	<u>917,474</u>	<u>32,976</u>
Excess revenues over (under) expenditures	-	-	5,323	-	-	-
Other financing sources (uses)						
Operating transfers (to) other funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	5,323	-	-	-
Fund balances - unreserved July 1, 2008	-	-	21,353	-	-	-
Fund balances - unreserved June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,676</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
WEST WARWICK PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - Non-Major Governmental Funds
Special Revenue Funds - School Restricted
For the Fiscal Year Ended June 30, 2009

	TITLE II	SMALLER LEARNING COMMUNITY	TITLE V	CHART OF ACCOUNTS	SMILE TECHNOLOGY	WWAND	ACHIEVE ALGEBRA II
Revenues							
Intergovernmental revenue	\$ 401,703	\$ -	\$ 13,925	\$ -	\$ -	\$ -	\$ 10,544
Other	-	-	-	-	-	28,004	-
Total revenues	<u>401,703</u>	<u>-</u>	<u>13,925</u>	<u>-</u>	<u>-</u>	<u>28,004</u>	<u>10,544</u>
Expenditures							
Salaries	285,263	-	12,940	-	-	-	-
Employee Benefits	106,481	-	985	-	-	-	-
Purchased services	9,059	-	-	-	-	-	-
Supplies and materials	900	-	-	-	-	-	10,544
Other costs	-	-	-	-	-	-	-
Total expenditures	<u>401,703</u>	<u>-</u>	<u>13,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,544</u>
Excess revenues over (under) expenditures	-	-	-	-	-	28,004	-
Other financing sources (uses)							
Operating transfers in (to) other funds	-	-	-	-	(4,118)	-	-
Total other financing sources (uses)	-	-	-	-	(4,118)	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	-	-	(4,118)	28,004	-
Fund balances - unreserved July 1, 2008	-	-	-	-	4,118	(28,004)	-
Fund balances - unreserved June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SUPPLEMENTARY INFORMATION
WEST WARWICK PUBLIC SCHOOLS
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances - Non-Major Governmental Funds
 Special Revenue Funds - School Restricted
 For the Fiscal Year Ended June 30, 2009

	E2T2 MCI	DISTRICT NEGOTIATED AGREEMENT	MIDDLE SCHOOL SPORTS	STATE MENTORING GRANT	URI SMILE	SCHOOL IMPROVEMENT	TOTALS
Revenues							
Intergovernmental revenue	\$ 27,970	\$ 170,000	\$ -	\$ 3,000	\$ -	\$ -	\$ 4,113,157
Other	-	-	25,000	-	7,150	-	639,915
Total revenues	<u>27,970</u>	<u>170,000</u>	<u>25,000</u>	<u>3,000</u>	<u>7,150</u>	<u>-</u>	<u>4,753,072</u>
Expenditures							
Salaries	-	88,399	-	-	5,000	-	1,822,882
Employee Benefits	-	7,643	-	-	-	-	839,907
Purchased services	-	13,425	-	-	-	-	1,756,256
Supplies and materials	27,970	33,914	-	3,000	-	2,000	198,286
Other costs	-	-	-	-	-	-	30,468
Total expenditures	<u>27,970</u>	<u>143,381</u>	<u>-</u>	<u>3,000</u>	<u>5,000</u>	<u>2,000</u>	<u>4,647,799</u>
Excess revenues over (under) expenditures	-	26,619	25,000	-	2,150	(2,000)	105,273
Other financing sources (uses)							
Operating transfers (to) other funds	-	-	-	-	4,118	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,118</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	26,619	25,000	-	6,268	(2,000)	105,273
Fund balances - unreserved July 1, 2008	-	7,169	(37,188)	344	1,735	2,000	162,863
Fund balances - unreserved June 30, 2009	<u>\$ -</u>	<u>\$ 33,788</u>	<u>\$ (12,188)</u>	<u>\$ 344</u>	<u>\$ 8,003</u>	<u>\$ -</u>	<u>\$ 268,136</u>

(Concluded)

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Capital Projects Funds
Combining Balance Sheet - Non-Major Governmental Fund
June 30, 2009

	Town QZAB Bond Fund	School QZAB Bond Fund	School Fire Code Renovations	Road Bond Fund	Totals
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,209,384	\$ 1,209,384
Due from other funds	196,117	-	146,514	641,187	983,818
Total assets	<u>\$ 196,117</u>	<u>\$ -</u>	<u>\$ 146,514</u>	<u>\$ 1,850,571</u>	<u>\$ 2,193,202</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ -	\$ 15,090	\$ -	\$ 394,569	409,659
Total liabilities	<u>-</u>	<u>15,090</u>	<u>-</u>	<u>394,569</u>	<u>409,659</u>
Fund balances -					
Unreserved	196,117	(15,090)	146,514	1,456,002	1,783,543
Total fund balances (deficit)	<u>196,117</u>	<u>(15,090)</u>	<u>146,514</u>	<u>1,456,002</u>	<u>1,783,543</u>
Total liabilities and fund balances	<u>\$ 196,117</u>	<u>\$ -</u>	<u>\$ 146,514</u>	<u>\$ 1,850,571</u>	<u>\$ 2,193,202</u>

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Capital Project Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2009

	<u>Town QZAB Bond Fund</u>	<u>School QZAB Bond Fund</u>	<u>School Fire Code Renovations</u>	<u>Road Bond Fund</u>	<u>Totals</u>
Revenues					
Interest on Investments	\$ -	\$ -	\$ -	\$ 44,620	\$ 44,620
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,620</u>	<u>44,620</u>
Expenditures					
Capital	-	162,552	-	2,926,124	3,088,676
Non- capital	-	330,162	-	235,004	565,166
Total expenditures	<u>-</u>	<u>492,714</u>	<u>-</u>	<u>3,161,128</u>	<u>3,653,842</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	-	(492,714)	-	(3,116,508)	(3,609,222)
Other financing sources (uses)					
Transfers from other funds	-	546,918	-	-	546,918
Transfers (to) other funds	(546,918)	-	-	-	(546,918)
Total other financing sources (uses)	<u>(546,918)</u>	<u>546,918</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	<u>(546,918)</u>	<u>54,204</u>	<u>-</u>	<u>(3,116,508)</u>	<u>(3,609,222)</u>
Fund balances (deficit) - unreserved July 1, 2008	<u>743,035</u>	<u>(69,294)</u>	<u>146,514</u>	<u>4,572,510</u>	<u>5,392,765</u>
Fund balances - unreserved June 30, 2009	<u>\$ 196,117</u>	<u>\$ (15,090)</u>	<u>\$ 146,514</u>	<u>\$ 1,456,002</u>	<u>\$ 1,783,543</u>

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Non-Major Enterprise Funds
Combining Balance Sheet
June 30, 2009

ASSETS	Civic Center	Municipal Court	Totals
Current assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable			
Internal balances	2,979	92,232	95,211
Total current assets	<u>2,979</u>	<u>92,232</u>	<u>95,211</u>
TOTAL ASSETS	<u>2,979</u>	<u>92,232</u>	<u>95,211</u>
LIABILITIES			
Current liabilities			
Accounts payable	2,979	6,772	9,751
Accrued expenses	-	3,259	3,259
Total current liabilities	<u>2,979</u>	<u>10,031</u>	<u>13,010</u>
Total liabilities	<u>2,979</u>	<u>10,031</u>	<u>13,010</u>
Net Assets			
Unrestricted	-	82,201	82,201
Total Net Assets	<u>\$ -</u>	<u>\$ 82,201</u>	<u>\$ 82,201</u>

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Non-Major Enterprise Funds
Combining Statement of Revenues, Expenses
And Changes in Net Assets
For the Fiscal Year Ended June 30, 2009

	<u>Civic Center</u>	<u>Municipal Court</u>	<u>Totals</u>
Operating revenues			
Usage sales and fees	\$ 421,823	\$ 133,671	\$ 555,494
Total operating revenues	<u>421,823</u>	<u>133,671</u>	<u>555,494</u>
Operating expenses			
Salaries and benefits	164,416	185,154	349,570
Materials, supplies, repairs and maintenance	41,915	2,841	44,756
Other operating expenses	189,941	15,565	205,506
Total operating expenses	<u>396,272</u>	<u>203,560</u>	<u>599,832</u>
Operating income (loss)	<u>25,551</u>	<u>(69,889)</u>	<u>(44,338)</u>
Transfers			
Transfers to other funds	181,544	(10,000)	171,544
Total transfers	<u>181,544</u>	<u>(10,000)</u>	<u>171,544</u>
Net income	<u>207,095</u>	<u>(79,889)</u>	<u>127,206</u>
Net assets - beginning	<u>(207,095)</u>	<u>162,090</u>	<u>(45,005)</u>
Net assets - ending	<u>\$ -</u>	<u>\$ 82,201</u>	<u>\$ 82,201</u>

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Non-Major Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2009

	<u>Civic Center</u>	<u>Municipal Court</u>	<u>Totals</u>
Cash flows from operating activities			
Cash received from customers	\$ 420,791	\$ 133,671	\$ 554,462
Cash payments to suppliers for goods and services	(61,604)	3,931	(57,673)
Cash payments to employees for services	(168,659)	(182,414)	(351,073)
Payment of administrative expense	(189,941)	(15,565)	(205,506)
Net cash provided by (used for) operating activities	<u>587</u>	<u>(60,377)</u>	<u>(59,790)</u>
Cash flows from non-capital financing activities			
Interfund loans	(687)	60,377	59,690
Net cash provided by (used for) non-capital financing activities	<u>(687)</u>	<u>60,377</u>	<u>59,690</u>
Net increase (decrease) in cash and cash equivalents	(100)	-	(100)
Cash and cash equivalents at beginning of year	100	-	100
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income (Loss)	\$ 25,551	\$ (69,889)	\$ (44,338)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Changes in assets and liabilities:			
Increase (decrease) in deferred revenue	(1,032)	-	(1,032)
Increase (decrease) in accounts payable and accrued expenses	(23,932)	9,512	(14,420)
Total adjustments	<u>(24,964)</u>	<u>9,512</u>	<u>(15,452)</u>
Net cash provided by operating activities	<u>\$ 587</u>	<u>\$ (60,377)</u>	<u>\$ (59,790)</u>

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Sewer Enterprise Fund
Combining Schedules of Revenues and Expenses
Budgetary Basis (Non-GAAP)
For the Fiscal Year ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating revenues				
Usage sales and fees	\$ 6,954,099	\$ 6,954,099	\$ 5,623,064	\$ (1,331,035)
Sewer assessment revenue	1,137,437	1,137,437	1,185,432	47,995
Other income	147,475	147,475	98,124	(49,351)
Total operating revenues	<u>8,239,011</u>	<u>8,239,011</u>	<u>6,906,620</u>	<u>(1,332,391)</u>
Operating expenses				
Salaries and benefits	2,162,490	2,162,490	2,085,963	76,527
Materials and supplies	846,900	846,900	983,098	(136,198)
Depreciation and amortization	-	-	1,811,490	(1,811,490)
Capital outlays	879,500	879,500	1,097,708	(218,208)
Other operating expenses	2,125,410	2,125,410	1,653,648	471,762
Total operating expenses	<u>6,014,300</u>	<u>6,014,300</u>	<u>7,631,907</u>	<u>(1,617,607)</u>
Operating income (loss)	<u>2,224,711</u>	<u>2,224,711</u>	<u>(725,287)</u>	<u>(2,949,998)</u>
Other income (expense)				
Investment income	130,000	130,000	149,142	19,142
Sewer bond interest expense	(361,711)	(361,711)	(352,068)	9,643
Principal payments	(1,993,000)	(1,993,000)	(1,993,000)	-
Total non-operating income (expenses)	<u>(2,224,711)</u>	<u>(2,224,711)</u>	<u>(2,195,926)</u>	<u>28,785</u>
Net income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,921,213)</u>	<u>\$ (2,921,213)</u>

SUPPLEMENTARY INFORMATION
TOWN OF WEST WARWICK, RHODE ISLAND
Enterprise Funds
Combining Schedules of Revenues and Expenses
Budgetary Basis (Non-GAAP)
For the Fiscal Year Ended June 30, 2009
(continued)

	Municipal Court				Totals		
	Original Budget	Revised Budget	Actual	Variance	Budget	Actual	Variance
Operating revenues							
Usage sales and fees	\$ 150,573	\$ 150,573	\$ 133,671	\$ (16,902)	\$ 7,104,672	\$ 5,756,735	\$ (1,347,937)
Sewer assessment revenue	-	-	-	-	1,137,437	1,185,432	47,995
Other income	-	-	-	-	147,475	98,124	(49,351)
Total operating revenues	<u>150,573</u>	<u>150,573</u>	<u>133,671</u>	<u>(16,902)</u>	<u>8,389,584</u>	<u>7,040,291</u>	<u>(1,349,293)</u>
Operating expenses							
Salaries and benefits	128,573	128,573	185,154	(56,581)	2,291,063	2,271,117	19,946
Materials and supplies	4,000	4,000	2,841	1,159	850,900	985,939	(135,039)
Depreciation and amortization	-	-	-	-	-	1,811,490	(1,811,490)
Capital outlays	-	-	-	-	879,500	1,097,708	(218,208)
Other operating expenses	8,000	8,000	15,565	(7,565)	2,133,410	1,669,213	464,197
Total operating expenses	<u>140,573</u>	<u>140,573</u>	<u>203,560</u>	<u>(62,987)</u>	<u>6,154,873</u>	<u>7,835,467</u>	<u>(1,680,594)</u>
Operating income (loss)	<u>10,000</u>	<u>10,000</u>	<u>(69,889)</u>	<u>(79,889)</u>	<u>2,234,711</u>	<u>(795,176)</u>	<u>(3,029,887)</u>
Other income (expense)							
Investment income	-	-	-	-	130,000	149,142	19,142
Sewer bond interest expense	-	-	-	-	(361,711)	(352,068)	9,643
Principal payments	-	-	-	-	(1,993,000)	(1,993,000)	-
Total non-operating income (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,224,711)</u>	<u>(2,195,926)</u>	<u>28,785</u>
Income before transfers and non-operating expenses	10,000	10,000	(69,889)	(79,889)	10,000	(2,991,102)	(3,001,102)
Other financing sources (uses)							
Transfer to other funds	(10,000)	(10,000)	(10,000)	-	(10,000)	(10,000)	-
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net income	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (79,889)</u>	<u>\$ (79,889)</u>	<u>\$ -</u>	<u>\$ (3,001,102)</u>	<u>\$ (3,001,102)</u>

**TOWN OF WEST WARWICK, RHODE ISLAND
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDING JUNE 30, 2009**

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
DRUG EVIDENCE				
Assets				
Cash	\$ 60,876	\$ 29,104	\$ 25,903	\$ 64,077
Due from other funds	(1,038)	1,038	-	-
Total assets	<u>\$ 59,838</u>	<u>\$ 30,142</u>	<u>\$ 25,903</u>	<u>\$ 64,077</u>
Liabilities				
Deposits held in custody for others	\$ 59,838	\$ 30,142	\$ 25,903	\$ 64,077
Total liabilities	<u>\$ 59,838</u>	<u>\$ 30,142</u>	<u>\$ 25,903</u>	<u>\$ 64,077</u>
 SCHOOL FIDUCIARY FUND				
Assets				
Cash	\$ 93,997	\$ 203,604	\$ 217,658	\$ 79,943
Total assets	<u>\$ 93,997</u>	<u>\$ 203,604</u>	<u>\$ 217,658</u>	<u>\$ 79,943</u>
Liabilities				
Deposits held in custody for others	\$ 93,997	\$ 203,604	\$ 217,658	\$ 79,943
Total liabilities	<u>\$ 93,997</u>	<u>\$ 203,604</u>	<u>\$ 217,658</u>	<u>\$ 79,943</u>
 TOTAL AGENCY FUNDS				
Assets				
Cash	\$ 154,873	\$ 232,708	\$ 243,561	\$ 144,020
Due from other funds	(1,038)	1,038	-	-
Total assets	<u>\$ 153,835</u>	<u>\$ 233,746</u>	<u>\$ 243,561</u>	<u>\$ 144,020</u>
Liabilities				
Deposits held in custody for others	\$ 153,835	\$ 233,746	\$ 243,561	\$ 144,020
Total liabilities	<u>\$ 153,835</u>	<u>\$ 233,746</u>	<u>\$ 243,561</u>	<u>\$ 144,020</u>

STATISTICAL SECTION

This part of the Town of West Warwick, Rhode Island's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the governments overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the governments most significant local revenue source, property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

**TOWN OF WEST WARWICK, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

REAL ESTATE AND PERSONAL PROPERTY TAXES

Tax Roll Year	Balance 07/01/08	Current Year Assessment	Additions and Adjustments	Abatements and Adjustments	Amount to be Collected	Collections	Balance 06/30/09
2008	\$ -	\$ 49,395,486	\$ 82,281	\$ 56,996	\$ 49,420,771	\$ 47,742,663	\$ 1,678,108
2007	1,220,538	-	4,492	12,368	1,212,662	1,031,519	181,143
2006	179,698	-	-	6,576	173,122	62,893	110,229
2005	131,969	-	-	4,580	127,389	21,314	106,075
2004	66,163	-	-	1,515	64,648	6,225	58,423
2003	72,278	-	-	18	72,260	1,943	70,317
2002	84,860	-	-	49	84,811	1,468	83,343
2001	69,714	-	(26)	363	69,325	798	68,527
2000	53,972	-	-	4,578	49,394	1,071	48,323
1999 & Prior	161,317	-	-	71,248	90,069	3,226	86,843
	<u>\$ 2,040,509</u>	<u>\$ 49,395,486</u>	<u>\$ 86,747</u>	<u>\$ 158,291</u>	<u>\$ 51,364,451</u>	<u>\$ 48,873,120</u>	<u>\$ 2,491,331</u>

**SCHEDULE OF MOST RECENT NET ASSESSED PROPERTY
VALUE BY CATEGORY**

Description of Property	Valuations	Levy
Real property residential	\$ 1,826,733,980	\$ 29,081,605
Real property code 3	135,064,100	2,772,866
Real property code 4	377,810,190	8,111,585
Real property code 40	226,830,950	4,445,887
Real property frozen	17,865,160	-
Motor vehicles	193,933,664	5,521,291
Tangible wholesale	119,670	-
Tangible personal	82,280,330	2,609,109
<i>Total</i>	<u>2,860,638,044</u>	<u>52,542,343</u>
Exemptions	<u>132,463,357</u>	<u>3,146,857</u>
<i>Net assessed value</i>	<u>\$ 2,728,174,687</u>	<u>\$ 49,395,486</u>
<i>Current year assessment</i>		<u>\$ 49,395,486</u>

**RECONCILIATION OF CURRENT YEAR
PROPERTY TAX REVENUE**

Current year collections	\$ 48,873,120
Reserve collected within 60 days subsequent to fiscal year ending June 30, 2009	<u>264,900</u>
	<u>49,138,020</u>
Prior year revenue received in current year	(232,495)
Less: refunds and miscellaneous credits	<u>(374,133)</u>
Current year property tax revenue	<u>\$ 48,531,392</u>

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

	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Authorized</u>	<u>Outstanding July 1, 2008</u>	<u>Additions</u>	<u>Maturities During Year</u>	<u>Outstanding June 30, 2009</u>	<u>Interest Paid</u>
General Obligation Bonds Payable									
Open space bond	08/15/93	7% - 7.45%	06/30/14	\$ 800,000	\$ 365,000	\$ -	\$ 50,000	\$ 315,000	\$ 25,330
GOB - 2002 refunding series B	08/01/02	2% - 3.875%	07/15/12	1,300,000	650,000	-	130,000	520,000	16,450
School bond	03/01/98	4.35% to 5.50%	04/01/18	6,800,000	2,500,000	-	250,000	2,250,000	119,250
GOB - Town	10/25/05	4.00% to 5.00%	10/14/25	2,100,000	1,880,000	-	110,000	1,770,000	85,112
GOB - School	11/29/05	1.47%	11/29/21	3,688,000	3,688,000	-	-	3,688,000	54,214
Road Bond	07/15/07	4.50% to 5.25%	07/15/27	5,000,000	5,000,000	-	250,000	4,750,000	231,625
GOB - School	03/01/02	4.80%	03/01/22	10,500,000	8,880,000	-	460,000	8,420,000	439,482
Total general obligation bonds payable				30,188,000	22,963,000	-	1,250,000	21,713,000	971,463
Sewer Bonds Payable									
GOB - 2002 refunding series B	08/01/02	2% - 3.875%	07/15/12	2,135,000	385,000	-	385,000	-	11,191
Notes Payable - Clean water	3/9/2006	1.11% - 1.565%	8/31/2025	7,719,000	7,066,000	-	335,000	6,731,000	133,078
Notes Payable - Clean water	06/05/03	0%	09/01/23	20,923,000	17,560,000	-	1,121,000	16,439,000	135,822
Notes Payable - Clean Water	12/21/06	1.185% - 1.355%	09/01/26	500,000	479,000	-	21,000	458,000	8,320
Notes Payable - Clean Water	12/12/07	1.452%	09/01/28	1,675,000	1,675,000	-	-	1,675,000	23,667
Notes Payable - Clean Water	12/30/04	1.402%	9/1/02025	3,000,000	2,742,000	-	131,000	2,611,000	49,567
Total Sewer bonds payable				35,952,000	29,907,000	-	1,993,000	27,914,000	361,645
Total general obligation bonds and notes payable				\$ 66,140,000	52,870,000	-	3,243,000	49,627,000	\$ 1,333,108
Accrued expenses									
Compensated absences					4,242,697	-	359,674	3,883,023	n/a
Net OPEB obligation					-	5,772,282	-	5,772,282	n/a
Net pension obligation					21,458,620	4,081,796	-	25,540,416	n/a
Total accrued expenses					25,701,317	9,854,078	359,674	35,195,721	
Total long-term liabilities - Primary Government					\$ 78,571,317	\$ 9,854,078	\$ 3,602,674	\$ 84,822,721	

**TOWN OF WEST WARWICK, RHODE ISLAND
SCHEDULE OF DEBT SERVICE REQUIREMENTS
TO MATURITY - GENERAL FUND
FOR THE FISCAL YEAR ENDING JUNE 30, 2009**

<u>Fiscal Year Ended June 30,</u>	<u>Percentage of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	5.87%	1,275,000	918,162	2,193,162
2011	11.88%	1,305,000	762,823	2,067,823
2012	18.03%	1,335,000	791,574	2,126,574
2013	24.29%	1,360,000	727,758	2,087,758
2014	30.10%	1,260,000	665,810	1,925,810
2015	35.72%	1,220,000	606,971	1,826,971
2016	41.45%	1,245,000	548,535	1,793,535
2017	47.30%	1,270,000	488,204	1,758,204
2018	53.29%	1,300,000	425,454	1,725,454
2019-28	100.00%	10,143,000	1,393,722	11,536,722
		<u>\$ 21,713,000</u>	<u>\$ 7,329,013</u>	<u>\$ 29,042,013</u>

**TOWN OF WEST WARWICK, RHODE ISLAND
SCHEDULE OF DEBT SERVICE REQUIREMENTS
TO MATURITY - SEWER ENTERPRISE FUND
FOR THE FISCAL YEAR ENDING JUNE 30, 2009**

<u>Fiscal Year Ended June 30,</u>	<u>Percentage of Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	6.04%	1,686,000	340,572	2,026,572
2011	12.11%	1,695,000	322,693	2,017,693
2012	18.22%	1,705,000	304,158	2,009,158
2013	24.37%	1,716,000	285,048	2,001,048
2014	30.55%	1,726,000	265,418	1,991,418
2015	36.77%	1,735,000	245,289	1,980,289
2016	42.87%	1,705,000	225,037	1,930,037
2017	49.03%	1,717,000	204,678	1,921,678
2018	55.22%	1,728,000	183,853	1,911,853
2019-2029	100.00%	12,501,000	694,544	13,195,544
		<u>\$ 27,914,000</u>	<u>\$ 3,071,290</u>	<u>\$ 30,985,290</u>

TOWN OF WEST WARWICK, RHODE ISLAND
SCHEDULE OF GENERAL CAPITAL ASSETS (BY FUNCTION AND ACTIVITY)
FOR THE FISCAL YEAR ENDING JUNE 30, 2009

Function and Activity	Land	Infrastructure	Land Improvements	Building and Improvements	Motor Vehicles	Office Furniture and Equipment	Machinery and Equipment	Total
General Government	\$ 4,487,600	\$ -	\$ -	\$ 32,530,687	\$ 154,845	\$ 107,596	\$ -	\$ 37,280,728
Public Safety	91,000	-	-	1,175,917	1,227,753	1,236,611	1,707,138	5,438,419
Public Works	124,300	47,227,185	-	6,569,857	143,925	105,806	1,461,042	55,632,115
Public Libraries	-	-	-	1,761,101	-	-	-	1,761,101
Public Welfare	196,949	-	-	-	-	-	-	196,949
Parks and Recreation	131,100	-	1,032,780	10,649,760	60,000	-	56,910	11,930,550
Public Education	1,058,565	-	-	28,052,572	153,198	712,066	187,470	30,163,871
Total General Fixed Assets	<u>\$ 6,089,514</u>	<u>\$ 47,227,185</u>	<u>\$ 1,032,780</u>	<u>\$ 80,739,894</u>	<u>\$ 1,739,721</u>	<u>\$ 2,162,079</u>	<u>\$ 3,412,560</u>	<u>\$ 142,403,733</u>

**TOWN OF WEST WARWICK
NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Exhibit 1

	Fiscal Year					
	2009	2008	2007	2006	2005	2004
Governmental Activities						
Invested in capital assets, net of related debt	\$ 32,823,900	\$ 31,772,672	\$ 36,787,696	\$ 33,934,801	\$ 16,175,643	\$ 15,245,316
Restricted	2,088	2,075	645,887	580,000	435,811	546,136
Unrestricted	(30,243,592)	(13,501,829)	(11,503,143)	(6,343,573)	(7,653,291)	(4,321,634)
Total governmental activities net assets	<u>\$ 2,582,396</u>	<u>\$ 18,272,918</u>	<u>\$ 25,930,440</u>	<u>\$ 28,171,228</u>	<u>\$ 8,958,163</u>	<u>\$ 11,469,818</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 54,809,100	\$ 53,490,930	\$ 51,992,988	\$ 49,827,034	\$ 47,959,823	\$ 48,627,649
Unrestricted	6,510,150	7,531,619	7,062,306	7,325,798	7,630,740	4,343,616
Total business-type activities net assets	<u>\$ 61,319,250</u>	<u>\$ 61,022,549</u>	<u>\$ 59,055,294</u>	<u>\$ 57,152,832</u>	<u>\$ 55,590,563</u>	<u>\$ 52,971,265</u>
Primary government						
Invested in capital assets, net of related debt	\$ 87,633,000	\$ 85,263,602	\$ 88,780,684	\$ 83,761,835	\$ 64,135,466	\$ 63,872,965
Restricted	2,088	2,075	645,887	580,000	435,811	546,136
Unrestricted	(23,733,442)	(5,970,210)	(4,440,837)	982,225	(22,551)	21,982
Total primary government net assets	<u>\$ 63,901,646</u>	<u>\$ 79,295,467</u>	<u>\$ 84,985,734</u>	<u>\$ 85,324,060</u>	<u>\$ 64,548,726</u>	<u>\$ 64,441,083</u>

Note: Fiscal Year ended 2006 has been restated due to the inclusion of governmental infrastructure capital assets see note 14

Note: The Town implemented the requirements of GASB 34 in 2004 and will continue to present data up to the required 10 years.

**TOWN OF WEST WARWICK
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Exhibit 2

	Fiscal Year					
	2009	2008	2007	2006	2005	2004
Expenses						
Governmental activities:						
Legislative, judicial and general administrative	\$ 21,940,197	\$ 14,097,653	\$ 13,373,686	\$ 11,197,258	\$ 9,933,668	\$ 9,164,078
Financial administration	646,800	699,169	970,080	724,512	784,393	816,386
Public safety	11,743,194	13,024,765	12,092,263	10,987,202	10,296,870	9,864,726
Public works	4,465,217	5,001,565	4,417,554	4,282,735	4,118,728	3,748,933
Public Health and Welfare	965,347	848,328	964,961	251,350	150,675	136,490
Parks and recreation	540,698	700,501	567,220	596,286	496,147	435,950
Library	752,387	834,572	833,966	788,950	801,681	787,262
Education	59,648,722	57,630,426	53,039,292	51,259,834	48,567,662	45,797,715
Other	-	-	1,002,938	1,960,257	2,614,259	2,685,919
Interest	962,963	827,757	808,488	818,820	1,100,256	940,798
Total governmental activities expenses	<u>101,665,525</u>	<u>93,664,736</u>	<u>88,070,448</u>	<u>82,867,204</u>	<u>78,864,339</u>	<u>74,378,257</u>
Business-type activities:						
Sewer fund	6,886,267	6,062,258	7,005,411	6,839,537	6,090,267	5,081,667
Non-major business type activities	599,832	586,935	613,576	541,263	524,301	672,740
Total business-type activities expenses	<u>7,486,099</u>	<u>6,649,193</u>	<u>7,618,987</u>	<u>7,380,800</u>	<u>6,614,568</u>	<u>5,754,407</u>
Total primary government expenses	<u>\$ 109,151,624</u>	<u>\$ 100,313,929</u>	<u>\$ 95,689,435</u>	<u>\$ 90,248,004</u>	<u>\$ 85,478,907</u>	<u>\$ 80,132,664</u>

(continued)

TOWN OF WEST WARWICK
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)
 (continued)

Exhibit 2	Fiscal Year					
	2009	2008	2007	2006	2005	2004
Program revenues						
Governmental activities:						
<i>Charges for services:</i>						
Legislative, judicial and general administrative	\$ 596,992	\$ 756,723	\$ 1,087,697	\$ 1,016,923	\$ 1,017,626	\$ 890,225
Financial administration	1,166,133	1,004,994	864,307	220,000	-	-
Public safety	676,482	830,789	645,943	781,631	648,702	554,175
Public works	316,751	301,122	457,272	477,063	342,080	303,720
Public Health and Welfare	8,920	-	2,066	11,671	-	-
Parks and recreation	1,160	9,630	6,755	5,300	-	8,850
Library	-	3,348	139,927	-	-	-
Education	561,575	466,372	485,016	-	57,774	85,842
<i>Operating and grants contributions</i>						
Public safety	804,583	819,705	718,219	-	-	-
Public Health and Welfare	120,000	404,000	391,000	-	-	-
Parks and recreation	-	-	15,785	-	-	-
Library	117,254	198,190	213,194	-	-	-
Education	27,335,833	26,287,439	26,516,307	26,006,321	25,961,582	24,717,484
Other	-	-	-	-	531,170	918,170
<i>Capital and grants contributions</i>						
Parks and recreation	25,362	1,057,553	2,417,738	-	-	-
Total governmental activities program revenues	31,731,045	32,139,865	33,961,226	28,518,909	28,558,934	27,478,466
Business-type activities:						
<i>Charges for services:</i>						
Sewer fund	7,055,762	8,003,193	8,922,452	8,354,997	8,860,222	7,668,939
Non-major business type activities	555,494	695,368	608,997	588,072	483,362	1,908,091
Total business-type activities program revenues	7,611,256	8,698,561	9,531,449	8,943,069	9,343,584	9,577,030
Total primary government program revenues	\$ 39,342,301	\$ 40,838,426	\$ 43,492,675	\$ 37,461,978	\$ 37,902,518	\$ 37,055,496
Net (Expense)/Revenue						
Governmental activities	\$ (69,934,480)	\$ (61,524,871)	\$ (54,109,222)	\$ (54,348,295)	\$ (50,305,405)	\$ (46,899,791)
Business-type activities	125,157	2,049,368	1,912,462	1,562,269	2,729,016	3,822,623
Total primary government net expenses	\$ (69,809,323)	\$ (59,475,503)	\$ (52,196,760)	\$ (52,786,026)	\$ (47,576,389)	\$ (43,077,168)
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes, levied for general purposes	\$ 48,286,386	\$ 46,524,536	\$ 44,408,913	\$ 41,023,899	\$ 39,963,175	\$ 37,312,868
Unrestricted investment earnings	307,535	721,446	764,991	693,548	400,899	270,591
State general revenue sharing	2,592,566	3,243,039	3,543,494	3,135,831	2,762,450	-
State motor vehicle phase-out	3,156,078	3,170,604	2,667,910	2,432,650	2,432,650	-
Miscellaneous	72,937	109,579	447,985	4,739,400	1,881,329	7,332,558
Transfers	(171,544)	82,113	10,000	-	109,718	30,000
Gain on sale of capital asset	-	16,032	25,101	485,602	-	-
Total general revenues	54,243,958	53,867,349	51,868,394	52,510,930	47,550,221	44,946,017
Business-type activities:						
Transfers	171,544	(82,113)	(10,000)	-	(109,718)	-
Total business-type activities	171,544	(82,113)	(10,000)	-	(109,718)	-
Total primary government	\$ 54,415,502	\$ 53,785,236	\$ 51,868,394	\$ 52,510,930	\$ 47,440,503	\$ 44,946,017
Change in Net Assets						
Governmental activities	\$ (15,690,522)	\$ (7,657,522)	\$ (2,240,828)	\$ (1,837,365)	\$ (2,755,184)	\$ (1,953,774)
Business-type activities	296,701	1,967,255	1,902,462	1,562,269	2,619,298	3,822,623
Total primary governmental	\$ (15,393,821)	\$ (5,690,267)	\$ (338,366)	\$ (275,096)	\$ (135,886)	\$ 1,868,849

Note: The Town implemented the requirements of GASB 34 in 2004 and will continue to present data up to the required 10 years.

(concluded)

TOWN OF WEST WARWICK
FUND BALANCES, GOVERNMENTAL FUNDS
LAST SIX FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Exhibit 3

	Fiscal Year					
	2009	2008	2007	2006	2005	2004
General Fund						
Reserved	\$ 278,440	\$ 201,775	\$ 862,059	\$ 605,907	\$ 350,351	\$ 559,979
Unreserved						
Designated for next years budget	-	-	469,602	3,390,000	2,617,422	1,999,553
Unreserved	3,413,110	4,104,080	5,763,851	4,745,857	4,989,556	5,271,075
Total general fund	<u>\$ 3,691,550</u>	<u>\$ 4,305,855</u>	<u>\$ 7,095,512</u>	<u>\$ 8,741,764</u>	<u>\$ 7,957,329</u>	<u>\$ 7,830,607</u>
All Other Governmental Funds						
Reserved	\$ 2,088	\$ 2,075	\$ 67,428	\$ 80,878	\$ 79,339	\$ 192,130
Unreserved:	-	-	-	-	-	242,987
Unreserved, reported in:						
Capital Projects Funds	1,783,543	5,392,765	2,959,103	3,883,795	147,124	138,710
Special Revenue Funds	(2,100,085)	670,718	750,818	1,549,415	1,283,064	1,319,797
Total All Other Governmental Funds	<u>\$ (314,454)</u>	<u>\$ 6,065,558</u>	<u>\$ 3,777,349</u>	<u>\$ 5,514,088</u>	<u>\$ 1,509,527</u>	<u>\$ 1,893,624</u>

Note: The Town implemented the requirements of GASB 34 in 2004 and will continue to present data up to the required 10 years.

TOWN OF WEST WARWICK
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST SIX FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Exhibit 4

	Fiscal Year					
	2009	2008	2007	2006	2005	2004
Revenues						
General property tax	\$ 48,531,392	\$ 46,294,634	\$ 44,289,634	\$ 42,013,684	\$ 40,242,266	\$ 38,229,030
Intergovernmental and departmental revenues	33,644,273	34,193,511	35,390,515	32,876,080	30,640,987	30,986,225
License and permits	1,900,402	2,142,820	2,726,801	1,958,581	1,892,852	1,292,415
Fines and interest on late payments	547,342	500,658	446,212	124,102	428,244	420,837
Interest on investments	307,535	721,446	764,991	693,548	400,899	270,591
Other revenues	1,455,707	1,894,043	2,055,827	3,853,368	2,673,280	2,111,547
Total revenues	<u>86,386,651</u>	<u>85,747,112</u>	<u>85,673,980</u>	<u>81,519,363</u>	<u>76,278,528</u>	<u>73,310,645</u>
Expenditures						
Current:						
Legislative, judicial and general administrative	10,466,369	9,729,539	9,605,843	\$ 8,009,944	6,503,818	6,958,589
Financial administration	625,375	761,673	970,040	724,512	784,393	816,386
Public safety	11,277,178	12,493,102	11,616,278	10,702,177	10,016,903	9,649,844
Public works	4,364,629	4,856,100	4,253,941	4,148,197	3,959,916	3,553,189
Public Health and Welfare	1,077,076	848,328	972,236	251,350	150,675	136,490
Parks and recreation	287,471	1,726,291	3,838,119	372,308	272,170	230,740
Library	732,762	814,949	814,949	784,044	771,587	743,698
Education	59,061,677	57,038,944	52,380,791	50,627,108	47,981,453	45,722,461
Other	3,088,676	1,208,562	993,911	2,915,125	2,599,136	2,667,443
Non-capital	-	-	1,600,762	2,628,117	364,438	971,021
Debt service:						
Principal	1,250,000	975,000	1,205,000	1,070,000	2,400,404	2,372,721
Interest	971,463	887,537	831,175	800,849	825,605	921,237
Other expenditures	6,748	6,680	9,027	12,830	15,123	18,476
Total expenditures	<u>93,209,424</u>	<u>91,346,705</u>	<u>89,092,072</u>	<u>83,046,561</u>	<u>76,645,621</u>	<u>74,762,295</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(6,822,773)</u>	<u>(5,599,593)</u>	<u>(3,418,092)</u>	<u>(1,527,198)</u>	<u>(367,093)</u>	<u>(1,451,650)</u>
Other financing sources (uses)						
Transfers from other funds	48,187,029	52,222,869	48,080,591	46,737,894	43,302,650	40,647,055
Transfers to other funds	(48,358,573)	(52,140,756)	(48,070,591)	(46,737,894)	(43,192,932)	(40,617,055)
Sale of capital assets	-	16,032	25,101	503,002	-	-
Issuance of debt	-	5,000,000	-	5,813,192	-	-
Total other financing sources (uses)	<u>(171,544)</u>	<u>5,098,145</u>	<u>35,101</u>	<u>6,316,194</u>	<u>109,718</u>	<u>30,000</u>
Net change in fund balances	(6,994,317)	(501,448)	(3,382,991)	4,788,996	(257,375)	(1,421,650)
Fund balances - beginning	<u>10,371,413</u>	<u>10,872,861</u>	<u>14,255,852</u>	<u>9,466,856</u>	<u>9,724,231</u>	<u>11,145,881</u>
Fund balances - ending	<u>3,377,096</u>	<u>10,371,413</u>	<u>\$ 10,872,861</u>	<u>\$ 14,255,852</u>	<u>\$ 9,466,856</u>	<u>\$ 9,724,231</u>
Debt service as a percentage of noncapital expenditures	<u>2.53%</u>	<u>2.11%</u>	<u>2.34%</u>	<u>2.30%</u>	<u>4.39%</u>	<u>4.61%</u>

Note: Information for prior years was not available

**TOWN OF WEST WARWICK
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 UNAUDITED
 LAST TEN FISCAL YEARS**

Exhibit 5

Fiscal Year	REAL PROPERTY		PERSONAL PROPERTY		TOTALS		Ratio of Total Assessed Value to Total Estimated Actual Value
	Assessed (1) Value	Estimated Actual Value	Assessed (1) Value	Estimated Actual Value	Assessed (1) Value	Estimated Actual Value	
2000	964,927,020	964,927,020	224,985,513	224,985,513	1,189,912,533	1,189,912,533	100.00%
2001	961,244,440	961,244,440	242,510,408	242,510,408	1,203,754,848	1,203,754,848	100.00%
2002	982,393,997	982,393,997	231,552,228	231,552,228	1,213,946,225	1,213,946,225	100.00%
2003	975,061,081	975,061,081	239,641,251	239,641,251	1,214,702,332	1,214,702,332	100.00%
2004	1,079,271,240	1,079,271,240	244,247,881	244,247,881	1,323,519,121	1,323,519,121	100.00%
2005	2,023,158,630	2,023,158,630	150,111,286	150,111,286	2,173,269,916	2,173,269,916	100.00%
2006	2,049,818,810	2,049,818,810	162,356,217	162,356,217	2,212,175,027	2,212,175,027	100.00%
2007	2,265,970,667	2,265,970,667	184,464,217	184,464,217	2,450,434,884	2,450,434,884	100.00%
2008	2,545,115,776	2,545,115,776	185,862,242	185,862,242	2,730,978,018	2,730,978,018	100.00%
2009	2,584,304,380	2,584,304,380	193,933,664	193,933,664	2,778,238,044	2,778,238,044	100.00%

Notes:

(1) Gross assessments.

TOWN OF WEST WARWICK
Property Tax Rates
(Per \$1000 of Assessed Value)
Last Ten Fiscal years
"Unaudited"

Exhibit 6

<u>Fiscal Year</u>		<u>General Fund</u>
2000	Real Estate	30.15
2001	Real Estate	30.15
2002	Real Estate Residential	30.45
	Real Estate Residential 2 Family	32.58
	Motor Vehicles	28.47
2003	Real Estate Residential	31.24
	Real Estate Residential 2 Family	33.43
	Motor Vehicles	28.47
2004	Real Estate Residential	17.31
	Real Estate Residential 2 Family	19.65
	Real Estate Residential 3, 4, 5 Family	23.75
	Real Estate Commercial	24.80
	Motor Vehicles	28.47
2005	Real Estate Residential	17.31
	Real Estate Residential 2 Family	19.65
	Real Estate Residential 3, 4, 5 Family	23.75
	Real Estate Commercial	24.80
	Motor Vehicles	28.47
2006	Real Estate Residential	17.74
	Real Estate Residential 2 Family	24.34
	Real Estate Residential 3, 4, 5 Family	25.42
	Real Estate Commercial	20.14
	Motor Vehicles	28.47
2007	Real Estate Residential	18.63
	Real Estate Residential 2 Family	25.56
	Real Estate Residential 3, 4, 5 Family	26.69
	Real Estate Commercial	21.15
	Motor Vehicles	28.47
2008	Real Estate Residential	15.26
	Real Estate Residential 2 Family	19.68
	Real Estate Residential 3, 4, 5 Family	20.58
	Real Estate Commercial	18.79
	Motor Vehicles	28.47
2009	Real Estate Residential	15.92
	Real Estate Residential 2 Family	20.53
	Real Estate Residential 3, 4, 5 Family	21.47
	Real Estate Commercial	19.60
	Motor Vehicles	28.47

Taken from annual certified tax role

**TOWN OF WEST WARWICK
PRINCIPAL TAXPAYERS
UNAUDITED
JUNE 30, 2009**

Exhibit 7

<u>Taxpayer</u>	<u>Type of Business</u>	<u>(1) Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Cox Communications of Rhode Island	Communications	\$ 39,759,050	1.46%
Greenwich Place LLC	Apartments	16,646,900	0.61%
Sanrose Realty Association	Retail Stores	16,273,400	0.60%
TC Warwick LLC	Real Estate	14,922,200	0.55%
GPT Tanglewood	Apartments	11,265,500	0.41%
Westcott Terrace Apartments	Apartments	11,038,000	0.40%
Amtrol	Manufacturing	10,724,700	0.39%
National Grid	Utility	8,219,120	0.30%
Natco Products Corp	Retail	8,232,170	0.30%
Warwick CHI LLC	Real Estate	<u>7,595,300</u>	<u>0.28%</u>
		<u>\$ 137,081,040</u>	<u>5.02%</u>
Total assessed valuation (gross)		<u>\$ 2,730,978,018</u>	

(1) Source tax assessors office

**TOWN OF WEST WARWICK
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit 8

Fiscal Year	Taxes Levied for the Tax Year *	Current Year Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy
2000	35,385,123	32,578,159	92.07%	42,722	32,620,881	92.19%
2001	35,961,707	34,210,725	95.13%	48,125	34,258,850	95.26%
2002	36,225,361	34,802,642	96.07%	77,800	34,880,442	96.29%
2003	36,892,792	35,784,050	96.99%	895,827	36,679,877	99.42%
2004	38,308,467	37,359,052	97.52%	789,060	38,148,112	99.58%
2005	40,268,761	39,364,189	97.75%	786,322	40,150,511	99.71%
2006	42,035,446	40,975,869	97.48%	909,993	41,885,862	99.64%
2007	44,588,827	43,482,303	97.52%	913,583	44,395,886	99.57%
2008	46,845,441	45,624,903	97.39%	1,130,457	46,755,360	99.81%
2009	49,395,486	47,742,663	96.65%	-	47,742,663	96.65%

This information is taken from the tax collectors report.

* Levies are net of adjustments in the current year

**TOWN OF WEST WARWICK
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit 9

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Debt Payable from Enterprise Revenues</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>	<u>Total Debt per Personal Income</u>
2000	29,581	1,189,912,533	25,503,778	10,856,536	14,647,242	1.23%	495.16	*
2001	29,581	1,203,754,848	21,653,608	9,086,808	12,566,800	1.04%	424.83	*
2002	29,581	1,213,946,225	28,231,754	7,312,554	20,919,200	1.72%	707.18	*
2003	29,581	1,214,702,332	26,053,535	5,855,410	20,198,125	1.66%	682.81	*
2004	29,581	1,323,519,121	21,964,211	4,138,807	17,825,404	1.35%	602.60	*
2005	29,581	2,173,269,916	17,798,041	2,373,041	15,425,000	0.71%	521.45	*
2006	29,581	2,212,175,027	21,699,023	1,556,023	20,143,000	0.91%	680.94	*
2007	29,581	2,450,434,884	19,698,000	760,000	18,938,000	0.77%	640.21	*
2008	29,581	2,730,978,018	23,348,000	385,000	22,963,000	0.84%	776.28	*
2009	29,581	2,728,174,687	21,713,000	-	21,713,000	0.80%	734.02	*

Notes:

* Data not available at this time

Note: Amounts include only general obligation bonds for all funds. It does not include notes payable for any funds.

**TOWN OF WEST WARWICK
COMPUTATION OF LEGAL DEBT MARGIN
LAST SIX FISCAL YEARS
UNAUDITED**

Exhibit 10

Legal Debt Margin Calculation for the Fiscal Year 2009

Assessed Value (net)	\$ 2,728,174,687
Debt Limit 3% of Assessed Value	81,845,241
<i>Debt Applicable to Limit:</i>	
Total Bonded Debt	21,713,000
 Legal Debt Margin	 \$ 60,132,241

	2009	2008	2007	2006	2005	2004
Debt Limit	\$ 81,845,241	\$ 81,929,341	\$ 64,381,057	\$ 63,353,513	\$ 62,136,365	\$ 37,066,480
Total net debt applicable to limit	21,713,000	22,963,000	18,938,000	20,143,000	15,425,000	17,825,404
Legal debt margin	\$ 60,132,241	\$ 58,966,341	\$ 45,443,057	43,210,513	\$ 46,711,365	\$ 19,241,076
Total net debt applicable to the limit as a percentage of the debt limit	26.53%	28.03%	29.42%	31.79%	24.82%	48.09%

Note: In 2005 the Town underwent a full property revaluation

Note: Information for prior five years was not available

**TOWN OF WEST WARWICK
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit 11

Fiscal Year	Principal	Interest	Total Debt Service	Total General Expenditures (1)	Ratio of Total Assessed to Total Estimated Actual Value
2000	2,444,518	898,098	3,342,616	61,475,329	5.44%
2001	1,591,414	763,835	2,355,249	63,767,076	3.69%
2002	2,147,600	663,498	2,811,098	68,388,829	4.11%
2003	2,103,500	1,051,387	3,154,887	84,236,773	3.75%
2004	2,372,721	921,237	3,293,958	74,762,295	4.41%
2005	2,400,404	825,605	3,226,009	76,645,621	4.21%
2006	1,070,000	800,849	1,870,849	83,046,561	2.25%
2007	1,205,000	831,175	2,036,175	89,092,072	2.29%
2008	975,000	887,537	1,862,537	91,346,705	2.04%
2009	1,250,000	971,463	2,221,463	93,209,424	2.38%

Notes:

(1) Includes General, Special Revenue and Capital Project Funds.

**TOWN OF WEST WARWICK
PRINCIPAL EMPLOYERS
UNAUDITED
JUNE 30, 2009**

Exhibit 12

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>
Town of West Warwick	Municipality	770	8.99%
Cox Communications	Utility	735	8.58%
Metropolitan Life Insurance Co.	Insurance	700	8.18%
Amtrol, Inc.	Manufacturing	500	5.84%
Astro-Med, Inc.	Manufacturing	350	4.09%
Original Bradford Soap Works	Manufacturing	348	4.06%

Total employment: 8,562

Unemployment rate 12.5%

WEST WARWICK PUBLIC SCHOOLS
Miscellaneous Statistics
June 30, 2009
"Unaudited"

Exhibit 13

BUILDINGS

Administration	1
Maintenance	1
Elementary Schools	4
Middle School	1
High School	<u>1</u>
Total	8

STUDENTS

	K-5	Middle	High	Total
2009	1661	807	1108	3576
2008	1643	855	1139	3637
2007	1723	844	1105	3672
2006	1702	911	1103	3716
2005	1745	915	1094	3754
2004	1839	927	1055	3821
2003	1830	882	1110	3822
2002	1819	886	1090	3795
2001	1787	882	1067	3736
2000	1844	902	1055	3801
1999	1821	882	993	3696

Administrative	19.0
Certified Staff:	
Instructional	220.9
ESL	4.0
Special Education	87.0
Other (Librarians, Counselors, Nurses, etc.)	<u>30.7</u>
Total Certified Staff	342.6

Non- Certified Staff

Secretary and Clerical	31.0
Building and Maintenance	28.5
Teacher Assistants	64.5
Supervisory Aides	10.0
Technicians	2.0
Bus Monitors	7.5
Attendance Officer	<u>0.5</u>
	144.0

Total FTE's	<u><u>505.6</u></u>
-------------	---------------------

Data collected from School Department

TOWN OF WEST WARWICK
Miscellaneous Statistics
June 30, 2009
"Unaudited"

Exhibit 14

Founded	1652		Police Protection	
Town Incorporation	1913		Buildings	1
			Employees:	
			Law Enforcement	59
Type of Government	Council / Town Manager		Civilian	13
			Crossing Guard	4
Fiscal Year begins	July 1			
			Recreation	
Population	Official US Census		Parks	12
	1950	19,096	Playgrounds	5
	1960	21,414	Ball Diamonds	
	1970	24,323	Hard Ball	6
	1980	27,026	Soft Ball	4
	1990	29,268	Soccer Fields	3
	2000	29,581	Volleyball Courts	3
			Skating Arenas	1
Area of Town	8.2 square miles		Basketball Courts	5
Land Area	7.9 square miles		Walking Paths	2
			Running Tracks	1
			Tennis Courts	4
Miles of Streets			Historical Cemeteries	34
Local Paved	99			
State Paved	13.5		Municipal Buildings:	
Private Paved	10		Town Hall	1
Elections - November 2006				
Registered Voters		18,322	Public Works Garage	1
Number of Votes Cast		12,676	Parks & Recreation	6
Percentage Voting		69%		
Fire Protection			Other Municipal Employees:	115
# Fire Stations		4		
Employees :	Uniformed	69		
	Civilian(s)	6		
Library		1		
	Full Time Employees	10		
	Part Time Employees	15		

Data collected from various Town departments

TOWN OF WEST WARWICK, RHODE ISLAND

SINGLE AUDIT SECTION

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

The Honorable President
and Members of the Town Council
Town of West Warwick, 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 West Warwick, Rhode Island as of and for the year fiscal ended June 30, 2009, which collectively comprise the Town of West Warwick, Rhode Island's basic financial statements and have issued our report thereon dated January 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matter

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

We noted certain matters that we reported to management of the Town, in a separate letter dated January 6, 2010.

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



Parmelee, Poirier & Associates, LLP
January 6, 2010

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

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

Compliance

We have audited the compliance of Town of West Warwick, Rhode Island, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The Town of West Warwick'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 West Warwick's management. Our responsibility is to express an opinion on the Town of West Warwick's compliance based on our audit

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

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

Internal Control Over Compliance

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

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

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

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

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


Parmelee, Poirier & Associates, LLP
January 6, 2010

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

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture:			
<i>Passed through State of Rhode Island Department of Education:</i>			
<i>Child Nutrition Cluster:</i>			
National School Lunch Program	10.555	N/A	\$ 569,811
School Breakfast Program	10.553	N/A	109,952
Special School Milk Program for Children	10.556	N/A	1,173
Food Donation - See Note 4	10.550	N/A	23,403
Fresh Fruit and Vegetable Program	10.582	N/A	42,094
Total U.S. Department of Agriculture			<u>\$ 746,433</u>
U.S. Department of Housing and Urban Development:			
<i>Pass-Through State of Rhode Island Division of Planning,</i>			
<i>Office of Housing and Community Development</i>			
Community Development Block Grant/State Program	14.228	N/A	\$ 489,487
Total U.S. Department of Housing and Urban Development			<u>\$ 489,487</u>
U.S. Department of Justice:			
Title V Delinquency Prevention Program	16.548		\$ 7,425
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	N/A	6,117
Enforcing Underage Drinking Laws Program	16.727	N/A	3,000
Total U.S. Department of Justice			<u>\$ 16,542</u>
U.S. Department of Education:			
<i>Passed through State of Rhode Island Department of Education:</i>			
Title I Grants to Local Education Agencies	84.010	1420-51600-901	\$ 1,312,794
<i>Special Education Cluster:</i>			
Special Education Grants to States	84.027	1430-50500-901	946,308
Special Education Preschool Grants	84.173	1430-50800-901	32,976
Safe and Drug-Free Schools and Communities	84.186	1420-52900-901	27,341
State Grants for Innovative Programs	84.298	1420-51000-901	13,925
Education Technology State Grants	84.318	1420-53600-901	418,241
English Language Acquisition Grants	84.365	1420-54100-901	14,905
Improving Teacher Quality State Grants	84.367	1420-54000-901	401,703
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	4572-10502-901	1,109,170
<i>Passed through the City of Warwick Public School System</i>			
<i>State of Rhode Island</i>			
Carrer and Technical Education - Basic Grants to States	84.048	7-1440-53200-0601	66,901
Total U.S. Department of Education			<u>\$ 4,344,264</u>
U.S. Department of Health and Human Services:			
<i>Pass-through State of Rhode Island Department of Health:</i>			
Centers for Disease Control & Prevention- Investigations and Technical Assistance	93.283	U58/DP122791.05	\$ 4,497
Total U.S. Department of Health and Human Services			<u>\$ 4,497</u>
U.S. Department of Homeland Security:			
<i>Pass-through State of Rhode Island Emergency Management Agency:</i>			
Homeland Security Grant Program	97.067	N/A	\$ 178,213
Total U.S. Department of Homeland Security			<u>\$ 178,213</u>
Total Expenditures of Federal Awards			<u>\$ 5,779,436</u>

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

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness (es) identified? yes X no

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

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

Federal Awards

Internal control over major programs:

Material weakness (es) identified? yes X no

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

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

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

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
84.010	Title I Grants to Local Education Agencies
84.367	Improving Teacher Quality State Grants
84.394	ARRA-State Fiscal Stabilization Funds (SFSF) - Education State Grants, Recovery Act

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

Auditee qualified as low risk auditee? X yes no

SECTION II - FINANCIAL STATEMENT FINDINGS yes X none

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

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

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

A. Significant Deficiency in Internal Control

None Reported.

B. Compliance

None Reported.

SECTION III – FINDINGS AND QUESTIONED COST FOR FEDERAL AWARDS

A. Findings

None Reported

B. Questioned Costs

None Reported

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

PRIOR YEAR FINDINGS AND QUESTIONED COSTS FOR FEDERAL FUNDS

A. Findings

None Reported

B. Questioned Costs

None Reported

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

1. **General** - The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of the Town of West Warwick, 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 West Warwick, Rhode Island. As such, the threshold for determining Type A vs. Type B programs is determined at the entity level. For the fiscal year-ended June 30, 2009, grants with expenditures exceeding \$300,000 were determined to be Type A programs and all other grants were considered Type B programs. The following programs were considered major programs:

CFDA #	Program Name
84.010	Title I Grants to Local Education Agencies
84.367	Improving Teacher Quality State Grants
84.394	ARRA-State Fiscal Stabilization Funds (SFSF) - Education State Grants, Recovery Act

4. **Non-Cash Assistance**

U.S.D.A. Contributions: The United States Department of Agriculture makes available commodities for donations to schools. The amount of \$23,403 represents the market value of such commodities used during the period.