



Basic Financial Statements And Supplementary Information

For the year ended June 30, 2013
Prepared by:

Finance Department

Introductory Section

Table of Contents
Organization Chart
List of Town Officials



TOWN OF WARREN, RHODE ISLAND

YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE(S)</u>
INTRODUCTORY SECTION:		
Organizational Chart		i
List of Town Officials		ii
FINANCIAL SECTION:		
Report of Independent Auditors		1 - 2
Basic Financial Statements and Required Supplementary Information:		
Management's Discussion and Analysis		3 - 8
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A-1	9
Statement of Activities	A-2	10
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	B-1	11
Statement of Revenues and Other Financing Sources, Expenditures and Other Financing Uses	B-2	12
Reconciliation Schedule (A-2 to B-2)	B-3	13
Fiduciary Funds:		
Statement of Net Position	C-1	14
Statement of Changes in Net Position	C-2	15
Notes to Financial Statements		16 - 42
Required Supplementary Information:		
Municipal Employees' Retirement System of the State of Rhode Island and Other Postemployment Benefits	D-1	43
Schedule of Revenues and Expenses (Non-GAAP Budgetary Basis) Budget and Actual. Notes to Required Supplementary Information	D-2	44-49 50 - 51

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

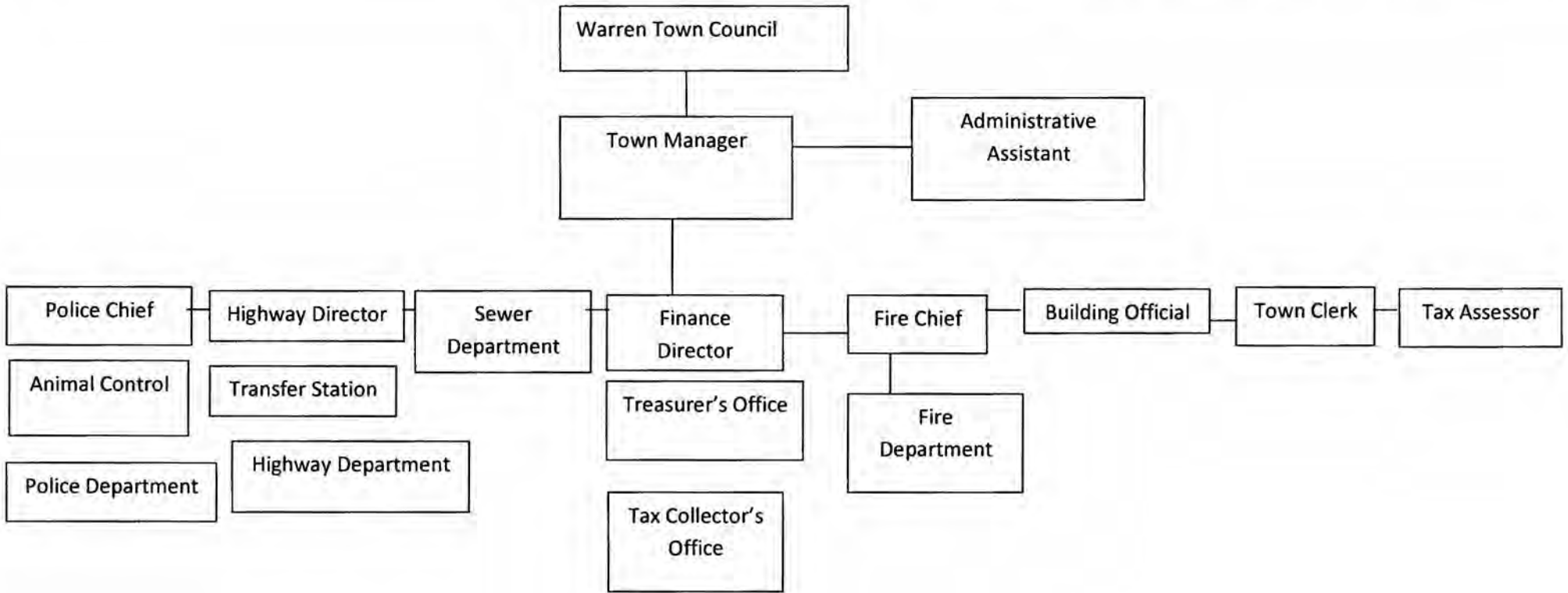
YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE(S)</u>
Other Supplementary Information:		
Non-major Governmental Funds:		
Combining Balance Sheet	E-1	52 – 61
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	E-2	62 - 71
Private-Purpose Trusts:		
Combining Statement of Net Position	F-1	72
Combining Statement of Changes in Net Position.....	F-2	73
Agency Funds:		
Statement of Changes in Assets and Liabilities.....	G-1	74

(CONCLUDED)

Organizational Chart – Town of Warren, RI | 2013



TOWN OF WARREN, RHODE ISLAND

JUNE 30, 2013

TOWN COUNCIL

Christopher Stanley
David Frerichs
Cathie Tattrie
Scott Lial
Joseph DePasquale

TOWN MANAGER...	Thomas Gordon
TOWN SOLICITOR...	Anthony DeSisto
TOWN CLERK...	Julie Coelho
TAX ASSESSOR...	Cathy Maisano
FINANCE DIRECTOR...	Michael Abbruzzi
PUBLIC WORKS DIRECTOR...	John Massed
POLICE CHIEF...	Peter T Achilli
FIRE CHIEF...	Alexander Galinelli
BUILDING INSPECTOR...	William Nash
HARBOR MASTER...	Matthew Calouro
TOWN PLANNER...	Caroline Wells

Financial Section

Report of Independent Auditors
Management's Discussion and Analysis
of Financial Results
Basic Financial Statements
Required Supplementary Information
Supplementary Information



REPORT OF INDEPENDENT AUDITORS

To the Honorable Town Council
Town of Warren, Rhode Island

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Adverse Opinion on Governmental Activities

As discussed in Note 4 to the financial statements, management has not recorded certain capital assets in governmental activities and, accordingly, has not recorded depreciation expense on those capital assets. Accounting principles generally accepted in the United States of America require that those capital assets be capitalized and depreciated, which would increase the assets, net position, and expenses of the governmental activities. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the financial statements referred to previously do not present fairly the financial position of the governmental activities of the Town of Warren, Rhode Island, as of June 30, 2013, or the changes in financial position thereof for the year then ended.

Unmodified Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on Pages 3 through 8 and the Schedules of Funding Progress and budgetary comparison information on pages 43 thru 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Warren, Rhode Island's financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2013 on our consideration of the Town of Warren, Rhode Island's internal control over financial reporting and on 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* in considering the Town of Warren, Rhode Island's internal control over financial reporting and compliance.

Blair P.C.

Providence, Rhode Island
December 30, 2013

Management's Discussion and Analysis

As management of the Town of Warren, we offer readers of the Town of Warren's financial statements this narrative overview and analysis of the financial activities of the Town of Warren for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the entire comprehensive annual financial report.

Financial Highlights

- The assets of the Town of Warren exceeded its liabilities as of June 30, 2013, by \$20,565,813 (*net position*). Of this amount, \$3,357,955 (*unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town of Warren's total net position decreased by \$1,308,990 for the current fiscal year.
- As of June 30, 2013, the Town of Warren's governmental funds reported combined ending fund balances of \$6,906,136, a decrease of \$1,966,047 in comparison with the prior year.
- As of June 30, 2013, the total fund balance for the general fund was \$6,092,432, or approximately 24% of total general fund expenditures. However, \$4,484,301 of this fund balance was appropriated to meet 2013-2014 general fund capital expenditures.
- The Town of Warren's total debt of its governmental activities decreased to \$12,599,318, a 9% decrease during 2013. The Town paid down principle of \$1,294,338 on existing bond issues.
- For the purposes of this audit, the Transfer Station fund has been included with the General Fund, and is not considered a proprietary fund.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Warren's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Warren's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as 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 future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both of the Government-wide financial statements distinguish functions of the Town of Warren that are principally 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 governmental activities of the Town of Warren include general government, public safety, public works, parks and recreation. The business type activities of the Town of Warren include the jointly-managed transfer station operation.

The Government-wide financial statements include only the activities of the Town of Warren.

The Government-wide financial statements can be found on pages 10 and 11 of this report.

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 of Warren, 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 of Warren can be divided into two categories: governmental funds, and fiduciary funds.

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

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

The Town of Warren maintains 68 individual 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, RIDOT TIP Water St. Project, COPS Technology Grant and EPA STAG fund which are considered a major fund. Data from the remaining 64 governmental 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* later in this report.

The basic governmental fund financial statements can be found on pages 11, 12 and 13 of this report.

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 the resources of those funds are not available to support the Town of Warren's programs. The fiduciary funds maintained by the Town of Warren include several private-purpose trusts and agency funds.

The basic fiduciary fund financial statements can be found on pages 14 and 15 of this report.

Notes to the 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 can be found beginning on page 16 of this report.

Other information. In addition to the basic financial statements and accompanying notes, *required supplementary information* presents a budgetary comparison schedule for the General Fund to demonstrate compliance with the budget.

The combining statements referred to earlier in connection with non-major governmental funds and other information related to the individual funds is presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Warren, assets exceeded liabilities by \$20,565,813 at the close of Fiscal Year ended June 30, 2013.

	Governmental Activities			Percentage Change
	2013	2012	Change	2013-2012
Current and other assets	\$ 9,155,273	\$ 10,662,203	\$ (1,506,930)	-14.50%
Capital assets	29,727,038	29,727,038	-	-0.12%
Total assets	38,882,311	40,389,241	(1,506,930)	-3.92%
Long-term debt	14,713,392	15,416,222	(702,830)	-4.63%
Other liabilities	3,603,106	3,098,216	504,890	3.69%
Total liabilities	18,316,498	18,514,438	(197,940)	-3.10%
Net Position				
Net investment in capital assets	17,127,720	15,833,382	1,294,338	8.17%
Restricted	80,138	65,752	14,386	21.88%
Unrestricted	3,357,955	5,975,669	(2,617,714)	-40.76%
Total net position	\$ 20,565,813	\$ 21,874,803	\$ (1,308,990)	-4.65%

The general capital assets (e.g., land, buildings, machinery, and equipment) of the governmental activities of the Town of Warren less outstanding debt equal \$17,127,720. A portion of the outstanding debt of the governmental activities was incurred for the installation of infrastructure.

With the historical infrastructure costs included, the governmental activities have total net position of \$20,565,813. Included within the total net position are net investment in capital assets of \$17,127,720 and restricted net assets of \$80,138 as of June 30, 2013, leaving an unrestricted balance of \$3,357,955. In comparison, governmental activity net position as of June 30, 2013 totaled \$22,174,803.

Even though the net position is available for future spending, the net investment in capital assets is reported net of related debt. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Additional portions of the Town of Warren's net position are also subject to external restrictions on how they may be used. The remaining balance of unrestricted net position or \$3,357,955 may be used to meet the government's ongoing obligations to citizens or creditors.

Governmental activities. Governmental activities decreased the Town of Warren's net position by \$1,308,990. Much of this decrease in the net position was attributable to spending on capital project during the fiscal year.

	Governmental Activities			Percentage Change
	2013	2012	Change	2013-2012
Revenues				
Program revenues-				
Charges for services	\$ 309,716	\$ 510,171	\$ (200,455)	-39.29%
Grants	697,353	1,695,444	(998,091)	-58.87%
General revenues-			-	
Property taxes	21,903,862	22,052,673	(148,811)	-0.67%
Intergovernmental	588,705	959,119	(370,414)	-38.62%
Licenses, fees, permits and fines	1,430,606	1,220,502	210,104	17.21%
Interest earnings	304,621	188,233	116,388	61.83%
Miscellaneous	223,672	219,376	4,296	1.96%
Total revenues	<u>25,458,535</u>	<u>26,845,518</u>	<u>(1,386,983)</u>	-5.17%
Expenses				
General government	7,308,254	7,877,437	(569,183)	-7.23%
Town offices	764,360	811,504	(47,144)	-5.81%
Financial administration	232,448	206,196	26,252	12.73%
Public safety	2,667,772	2,273,805	393,967	17.33%
Fire safety	458,310	445,863	12,447	2.79%
Waste water treatment	1,101,290	1,201,434	(100,144)	-8.34%
Highway department	1,394,766	1,356,874	37,892	2.79%
Grants and contributions	286,906	287,320	(414)	-0.14%
Education	11,748,790	11,748,690	100	0.00%
Debt service	411,490	509,156	(97,666)	-19.18%
Unallocated depreciation	-	-	-	
Transfer station	393,139	412,873	(19,734)	-4.78%
Total expenses	<u>26,767,525</u>	<u>27,131,152</u>	<u>(363,627)</u>	-1.34%
Decrease in net position	(1,308,990)	(285,634)	(1,023,356)	358.28%
Net position - beginning	<u>21,874,803</u>	<u>22,160,437</u>	<u>22,160,437</u>	-1.29%
Net position - ending	<u>\$ 20,565,813</u>	<u>\$ 21,874,803</u>	<u>\$ 21,137,081</u>	-5.98%

Financial Analysis of the Government's Funds

As noted earlier, the Town of Warren uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town of Warren'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 of Warren's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2013, the Town of Warren's total governmental funds reported a combined ending fund balance of \$6,906,136, a decrease of \$1,966,047 in comparison with the prior year. The unassigned fund balance of \$1,482,752 is available for spending at the government's discretion. The remainder of the fund balance is non-spendable to indicate that it is not available for new spending because it represents un-expendable inventory items, those governmental funds with a deficit fund balance and the permanent funds. The committed fund balances has been designated to fund appropriations of the subsequent fiscal year. The restricted fund balance has been assigned all nonmajor governmental funds fund balances as it is restricted for the legal use of each fund.

The General Fund is the chief operating fund of the Town of Warren. As of June 30, 2013, the total fund balance of the general fund was \$6,092,432 (a decrease of \$558,448), of which \$1,186,234 was unassigned. The 2013 annual budget for the Town of Warren's general fund identified the re-appropriation of \$5,913,803 in fund balance which represents capital and special appropriations carry-forwards. Actual revenues and other sources were higher than budgeted revenues in the general fund by \$884,549 before transfers. Actual expenditures were lower than budgeted expenditures by \$233,056 before transfers.

General Fund Budgetary Highlights

Actual revenues and other sources were higher than budgeted revenues by \$884k, primarily due to increased revenue in general property tax and related interest (\$321k), unbudgeted sales of town buildings (\$225), and licenses, fees, permitting and fines (\$285k).

Actual expenses were lower than budgeted expenses by \$233k primarily due to the waste water management district expense (\$125k) not being realized. Three departments were over budget to total expenses: Finance (\$13k), Fire (\$2k) and Public Works (\$54k). Expenditures for education totaled \$11,748,790 and accounted for roughly 47% of total General Fund expenditures. General Fund capital expenditures were \$1,080,243 for the fiscal year, with carry-forward appropriations of \$4,484,301 designated for future projects.

Capital Asset and Debt Administration

Capital assets. The Town of Warren's investment in capital assets for its governmental activities as of June 30, 2013, amounts to \$29,727,038 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, and infrastructure. Although the Town had capital asset additions and depreciation in 2013, they are not included in these financial statements due to insufficient records. Additional information on the Town of Warren's capital assets can be found in Note 4 to the financial statements, which accompany this report.

Town of Warren's Capital Assets

Several major additions to the Town's capital assets related to its governmental fund activities were realized during the year, including: infrastructure repairs and improvements, Department of Public Works equipment and sewer infrastructure projects.

There were no major fixed asset additions at the transfer station.

Long-term debt. At the end of the current fiscal year, the Town of Warren has total general obligation debt outstanding of \$12,599,318 entirely backed by the full faith and credit of the government.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3 percent of its total equalized valuation. As of June 30, 2013, the Town of Warren's ratio of Town Debt to net taxable valuation is 1%. The current debt limitation for the Town of Warren is \$37,553,046, which significantly exceeds the Town of Warren's current outstanding general obligation debt.

Additional information of the Town of Warren's long-term debt can be found in Note 7 to the financial statements and also in the statistical section of this report.

Requests for Information

This financial report is designed to provide a general overview of the Town of Warren's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed in writing to the Treasurer's Office, Town Hall, 514 Main Street, Warren, RI 02885.

TOWN OF WARREN, RHODE ISLAND**Statement of Net Position
June 30, 2013**

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 5,234,581
Cash on deposit at RICWFA	476,155
Investments	546,466
Receivables (net)	555,228
Other receivables	279,403
Inventories	17,423
Due from federal and state	2,046,017
Noncurrent Assets	
Capital assets (non-depreciable)	1,099,241
Capital assets (net of depreciation)	28,627,797
TOTAL ASSETS	<u>38,882,311</u>
LIABILITIES	
Current liabilities	
Accounts payable	490,732
Accrued expenses	779,236
Escrow deposits	13,413
Unearned revenues	1,153,620
Current portion of long-term liabilities	1,166,105
Noncurrent liabilities	
OPEB liabilities (net)	1,699,165
Long-term liabilities (net)	13,014,227
TOTAL LIABILITIES	<u>18,316,498</u>
NET POSITION	
Net investment in capital assets	17,127,720
Restricted for permanent trust funds	80,138
Unrestricted	3,357,955
TOTAL NET POSITION	<u>\$ 20,565,813</u>

TOWN OF WARREN, RHODE ISLAND

A - 2

**Statement of Activities
For the year ended June 30, 2013**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
General government	\$ 7,308,254	\$ 52,339	\$ 178,090	\$ (7,077,825)
Town offices	764,360	-	3,273	(761,087)
Financial administration	232,448	-	-	(232,448)
Public safety	2,667,772	8,329	314,156	(2,345,287)
Fire safety	458,310	-	53,325	(404,985)
Waste water treatment	1,101,290	22,398	63,300	(1,015,592)
Highway department	1,394,766	30,907	85,209	(1,278,650)
Transfer Station	393,139	195,743	-	(197,396)
Grants and contributions	286,906	-	-	(286,906)
Education	11,748,790	-	-	(11,748,790)
Interest on long-term debt	411,490	-	-	(411,490)
Total governmental activities	<u>\$ 26,767,525</u>	<u>\$ 309,716</u>	<u>\$ 697,353</u>	<u>(25,760,456)</u>
General revenues:				
Property taxes				21,903,862
Intergovernmental				588,705
Licenses, fees, permits and fines				1,430,606
Interest earnings				304,621
Miscellaneous				223,672
Total general revenues				<u>24,451,466</u>
Change in Net Position				(1,308,990)
Net Position - beginning				<u>21,874,803</u>
Net Position - ending				<u>\$ 20,565,813</u>

See Notes to Financial Statements

Balance Sheet
Governmental Funds
June 30, 2013

	General Fund	RIDOT TIP Water St. Project	COPS Technology Grant	EPA STAG	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Current Assets:						
Cash and cash equivalents	\$ 4,561,612	\$ -	\$ 314,833	\$ -	\$ 358,136	\$ 5,234,581
Cash on deposit at RICWFA					476,155	476,155
Investments	515,182				31,284	546,466
Taxes receivables (net)	555,228					555,228
Other receivables	189,937				89,466	279,403
Due from other funds	511,468					511,468
Inventories	17,423					17,423
Due from federal & state	829,290	810,000		300,000	106,727	2,046,017
TOTAL ASSETS	\$ 7,180,140	\$ 810,000	\$ 314,833	\$ 300,000	\$ 1,061,768	\$ 9,666,741
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 483,549	\$ -	\$ -	\$ -	\$ 7,183	\$ 490,732
Accrued expenses	215,787				626	216,413
Unavailable revenue - property taxes	374,959					374,959
Unearned revenues		759,890	3,677	268,167	121,886	1,153,620
Escrow deposits	13,413					13,413
Due to other funds	-	50,110	312,105	31,833	117,420	511,468
TOTAL LIABILITIES	1,087,708	810,000	315,782	300,000	247,115	2,760,605
FUND BALANCES:						
Non-Spendable	72,638				80,138	152,776
Restricted	-	-			786,307	786,307
Committed	4,484,301					4,484,301
Unassigned	1,535,493		(949)		(51,792)	1,482,752
TOTAL FUND BALANCES	6,092,432	-	(949)	-	814,653	6,906,136
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,180,140	\$ 810,000	\$ 314,833	\$ 300,000	\$ 1,061,768	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	29,727,038
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(14,630,332)
Accrued interest related to issuance of long-term liabilities.	(112,823)
Accrual of net OPEB obligation	(1,699,165)
Unavailable property tax revenues (net of an allowance for uncollectables) are recorded in the funds, but are not deferred under the measurement focus employed in the Statement of Net Position	374,959
Net Position of governmental activities	<u>\$20,565,813</u>

**Statement of Revenues and Other Financing Sources,
Expenditures and Other Financing Uses
For the year ended June 30, 2013**

	General Fund	RIDOT TIP Water St. Project	COPS Technology Grant	EPA STAG	Other Governmental Funds	Total Governmental Funds
Revenues						
General property taxes	\$ 22,052,524	\$ -	\$ -	\$ -	\$ -	\$ 22,052,524
Interest and investment income	304,505				116	304,621
Licenses, fees, permits and fines	1,410,561				20,045	1,430,606
Water and sewer use fees	22,398					22,398
Transfer Station fees	195,743					195,743
Intergovernmental	538,595	50,110	311,156	10,985	466,787	1,377,633
Other	77,599				146,073	223,672
Total revenues	24,601,925	50,110	311,156	10,985	633,021	25,607,197
Expenditures						
Current:						
General government	3,505,639			10,985	498,854	4,015,478
Town offices	764,360					764,360
Financial administration	232,448					232,448
Public safety	2,173,529		310,872		183,371	2,667,772
Fire safety	456,201				2,109	458,310
Waste water treatment	1,101,290				-	1,101,290
Highway department	1,394,766					1,394,766
Grants and contributions	286,906					286,906
Education	11,748,790					11,748,790
Transfer Station	393,139					393,139
Costs of collection	354					354
Debt Service:						
Principal	1,294,338					1,294,338
Interest and other costs	379,849					379,849
Capital:						
Capital and special appropriations	1,080,243	9,830			1,745,371	2,835,444
Total expenditures	24,811,852	9,830	310,872	10,985	2,429,705	27,573,244
Excess of revenues over (under) expenditures before transfers	(209,927)	40,280	284	-	(1,796,684)	(1,966,047)
Other financing sources/uses						
Transfers in	23,737				372,258	395,995
Transfers out	(372,258)				(23,737)	(395,995)
Net other financing sources/uses	(348,521)	-	-	-	348,521	-
Net Change in Fund Balances	(558,448)	40,280	284	-	(1,448,163)	(1,966,047)
Fund balance - beginning of the year, restated	6,650,880	(40,280)	(1,233)	-	2,262,816	8,872,183
Fund balance - end of the year	\$ 6,092,432	\$ -	\$ (949)	\$ -	\$ 814,653	\$ 6,906,136

TOWN OF WARREN, RHODE ISLAND

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds (B-2) to the Statement of Activities (A-2)
For the year ended June 30, 2013**

Net change in fund balances - total governmental funds (B-2)	\$ (1,966,047)
 The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences.	1,244,657
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	(148,662)
 Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(438,938)</u>
 Change in Net Position of Governmental Activities in the Statement of Activities (A-2)	<u>\$ (1,308,990)</u>

TOWN OF WARREN, RHODE ISLAND**Statement of Net Position
Fiduciary Funds
June 30, 2013**

	Private- Purpose Trusts	OPEB Trust Fund	Agency Funds
ASSETS			
Cash	\$ 17,524	\$ 14,942	\$ 84,565
Investments	594,394	728,058	
Accounts receivable			
Total Assets	<u>611,918</u>	<u>743,000</u>	<u>\$ 84,565</u>
 LIABILITIES			
Accounts payable			
Deposits Held in Custody for Others			84,565
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 84,565</u>
 NET POSITION			
Held in Trust for private purposes	<u>\$ 611,918</u>	<u>\$ 743,000</u>	

See Notes to Financial Statements

TOWN OF WARREN, RHODE ISLAND**Statement of Changes in Net Position
Fiduciary Funds
For the year ended June 30, 2013**

	Private- Purpose Trusts	OPEB Trust Fund
ADDITIONS:		
Investment income	\$ 6,262	\$ 3,122
Total additions	<u>6,262</u>	<u>3,122</u>
DEDUCTIONS:		
Portfolio management fees	9,633	
Total deductions	<u>9,633</u>	-
CHANGE IN NET POSITION	(3,371)	3,122
Net Position - beginning	615,289	739,878
Net Position - ending	<u>\$ 611,918</u>	<u>\$ 743,000</u>

See Notes to Financial Statements

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town complies with generally accepted accounting principles (GAAP). Generally accepted accounting principles (GAAP) includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Town has elected not to follow subsequent private-sector guidance. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

As a general rule the effect of Interfund activity has been eliminated from the government-wide financial statements. The exceptions to this rule are the charges between the transfer station enterprise fund and the general fund, as elimination of these charges would improperly distort the direct costs and operating revenues reported for the functions concerned.

Reporting Entity

The Town of Warren was founded in 1746 and incorporated in 1747. The Town operates under a "council-manager" form of government, with a five member Town Council headed by a Council President and a Town Manager. The Town Manager exercises the executive power of Town government and is responsible to the Town Council for day to day operation of the Town's affairs. All legislative powers of the Town are vested in the Town Council except such powers that are reserved by Charter to the Financial Town Meeting, including the ordering of any tax making appropriations.

With the Town of Warren's Charter Amendments adopted on November 4, 2008, elected officials serve two year terms, elected at large at the regular biennial elections during even number years. The Town Council is granted all powers to enact, amend or repeal ordinances relating to the Town's property, affairs and government, including the power to create offices, departments or agencies of the Town, preserving the public peace, health and safety, establishing personnel policies, giving effect to any vote of the Financial Town Meeting authorizing the issuance of bonds and providing for an annual audit of the Town's accounts.

An act was passed at the January 1991 session of the General Assembly which authorized the Towns of Warren and Bristol to form a regional school district of all the public schools in the Towns of Bristol and Warren to include all grades and programs currently provided and any other grades and programs specified by the regional school committee.

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. 61. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any one of the following exists:

- a) The primary government is legally entitled to or can otherwise access the organization's resources.
- b) The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
- c) The primary government is obligated in some manner for the debt of the organization.

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Standards

- ✓ GASB Statement No. 60 – Accounting and Financial Reporting for Service Concession Arrangement, effective for the Town's fiscal year ending June 30, 2013. The adoption of this Statement did not have a significant impact on the Town's fiscal 2013 financial statements.
- ✓ GASB Statement No. 61 – The Financial Reporting entity: Omnibus an amendment of GASB Statements No. 14 and No. 34, effective for the Town's fiscal year ending June 30, 2013. The adoption of this Statement did not have a significant impact on the Town's fiscal 2013 financial statements.
- ✓ GASB Statement No. 62 – Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, effective for the Town's fiscal year ending June 30, 2013. The adoption of this Statement did not have a significant impact on the Town's fiscal 2013 financial statements.
- ✓ GASB Statement No. 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, effective for the Town's fiscal year ending June 30, 2013. The adoption of this Statement did not have a significant impact on the Town's fiscal 2013 financial statements.

The Town will adopt the following new accounting pronouncement in future years:

- ✓ GASB Statement No. 65 – Items Previously Reported as Assets and Liabilities, effective for the fiscal year ending June 30, 2014.
- ✓ GASB Statement No. 66 – Technical Corrections – An Amendment of GASB Statements No 10 and No. 63, effective for the fiscal year ending June 30, 2014.
- ✓ GASB Statement No. 67 – Financial Reporting of Pension Plans – An Amendment of GASB Statement No. 25, effective for the fiscal year ending June 30, 2014.
- ✓ GASB Statement No. 68 – Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27, effective for the fiscal year ending June 30, 2015.
- ✓ GASB Statement No. 69 – Government Combinations and Disposals of Government operations, effective for the Town's fiscal year ending June 30, 2015.
- ✓ GASB Statement No. 70 – Accounting and Financial Reporting for Nonexchange Financial Guarantees, effective for the Town's fiscal year ending June 30, 2014.

The effect of these pronouncements on the Town's financial statements has not been determined.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and 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 statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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 expenditure/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 and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

(b) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, 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.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for certain purposes.

Capital Project Funds

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of specific capital projects or items.

Permanent Funds

The Permanent Funds account for assets held by the Town pursuant to trust agreements. The principle portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds (Continued)

Proprietary Fund

Proprietary funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Fiduciary Funds (Not included in government wide statements)

Agency Funds

Agency funds account for assets held by the Town in a purely custodial capacity. The reporting entity includes three agency funds. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations. The agency funds are as follows:

- Unclaimed estates in Probate Court
- Performance Bond Funds

Private-purpose Trust Funds

Private-purpose trust funds are used to account for resources legally held in trust for use by parties outside of the Town, and can not be used at the Town's discretion or to support the Town's general operations. These trusts are for the benefit of local educational organizations, social benefit groups, and other private parties.

OPEB Trust Fund

The Other Postemployment Benefits (OPEB) trust fund is used to account for payments of postemployment benefits (health insurance) that the Town provides to qualified retirees in accordance with union contract provisions.

Major and Non-Major Funds

The funds are further classified as major or non-major as follows:

<u>Fund</u>	<u>Brief Description</u>
Major:	
General Fund:	See above for description
RI DOT TIP Water St. Project:	To account for RI DOT grant award and expenditures.
COPS Technology Grant:	To account for COPS Technology grant award and expenditures.
EPA STAG Fund:	To account for EPA grant award and expenditures.

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major and Non-Major Funds (Continued)

Non-Major:

Special Revenue Funds: Enterprise Zone, Senior Center, Kee Farm Preservation, Road Duty, Rec. Department Donation, State Paving Grant, Fire Legislative Grant, Gun Buy Back, RI DOT Highway Safety Grant, WPD RI Senatorial Grant, Recycling Grant, Planning Challenge Grant, Champlain Foundation, Historical Street Signs, Community Gardens, ACO Donations, Diesel Equipment Repair, Cops that Care, Social Services Donations, Marijuana Grant, Warren Beautification Donation, Animal Rescue, Revaluation Fund, Animal Spading, Police Bicycle Patrol Grant, Byrnes Justice Grant, Youth Tobacco Enforcement, AFIS Live Scan Fed. Grant, RI State Byrnes Justice Grant, Road Salt Storage Project, RI JAG Byrne Stimulus Grant, Memorial Tree Fund, Strategic Plan Energy Conserv., Sewer Project – EPA, Stormwater Permitting, Recreational Trails Grant, Summer Concerts, RI EME Grant, Project Playground, Jamiels Park Chafee, Safe Routes to School, Substance Abuse, Fire Inspections, Jamiel's Park DEM Grant, Fire State Meds Plan, Warren Arts Initiative, FEMA Flood Event, Community Development Block Grant, Industrial Pretreatment, Veterans Honor Roll, Government Center, Parker Avenue Clean Up, Ship Shape, Holiday Committee, Town Beach Stormwater, Narcotics, and Employee Charity Fund.

Capital Project Funds: RICWFA 2005A Bond Fund, RICWFA 2011A Bond Fund

Permanent Funds: Sara B. Burtis Fund, Police Trust, and Town Trust.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- (a) All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The Town considers property taxes as available if they are collected within 60 days after year end.
- (b) The proprietary fund and private purpose trust funds utilize "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net assets.
- (c) Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities both governmental and business-like 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, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. The major revenue source that is susceptible to accrual is property tax revenue. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds, agency funds, and private purpose trust funds utilize 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.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal operation. The principal operating revenues of the transfer station enterprise fund are charges for waste disposal services. Operating expenses for the transfer station enterprise fund include the costs of providing its services, including administration and depreciation on capital assets. All other revenue and expense items not meeting these criteria are reported as nonoperating revenues and expenses.

Assets, Liabilities, and Fund Equity

Cash

Cash and cash equivalents are carried at cost. Cash equivalents are all highly liquid investments with a maturity of three months or less when purchased. Substantially, all of the Town's cash and cash equivalents are held in public deposit institutions, except for \$1,590 in unsecured petty cash. The Town pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in short-term treasury securities or as disclosed as part of the Town's investments.

Investments

The Town invests in various types of investments, which are stated at fair value. There are no investments reported at amortized cost.

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Equity (Continued)

Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. The allowance for uncollectible accounts receivable amounted to \$278,400 at June 30, 2013. Major receivable balances for the governmental activities include property taxes (19% of balance) and intergovernmental grants and aid (71% of balance). Business-type activities report service fees as its major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Accounts Payable

Payable balances consist primarily of payables to vendors. Accrued expenses consist primarily of accrued salaries and benefits to employees.

Property Taxes

Real and personal property taxes are based on values assessed as of each December 31 (lien date) and attach as an enforceable lien on property as of July 1 (levy date). Taxes are due and payable in quarterly installments on the August 1, November 1, February 1, and May 1 following the levy date. Taxes due and unpaid after the respective due dates are subject to interest and penalties. The Town has the ultimate right to foreclose on property for which taxes have not been paid by the following July 1 when the next year's tax is levied. Property taxes levied are recorded as receivables in the fiscal year of the levy. Property tax revenues are recorded in accordance with the modified accrual basis of accounting.

Inventory

The Town maintains an "inventory" of fuel for use by the Town owned vehicles in various departments and buses used by the Regional School District. Inventory is maintained on a periodic system and is stated at cost (first in, first out method of inventory valuation). Inventories in the Governmental Funds are recorded as expenditures when consumed.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets. Prepaid expenditures recorded in governmental type funds do not reflect current appropriate resources and, thus, an equivalent portion of the fund balance is non spendable.

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Equity (Continued)

Property, Plant and Equipment

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, long-lived assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 1993.

Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years.

Infrastructure assets, (such as sidewalks, curbs, drainage systems, and road improvements) acquired by the Town have been capitalized and reported within the financial statements.

Depreciation of all exhaustible capital assets is recorded, as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and land improvements	25 - 40 years
Infrastructure	25 - 40 years
Equipment and Heavy machinery	10 - 20 years
Motor vehicles	5 - 10 years
Office equipment	5 - 10 years
Other assets	5 - 10 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide statements.

Unearned 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, unavailable property tax revenue relate to property tax receivables which are assessed on December 31.

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Equity (Continued)

Interfund Transactions

Interfund activity within and among the funds of the Town have been classified and reported as follows:

- Reciprocal interfund activities:
 - Interfund loans are reported as interfund receivables in the lending fund and interfund payables in borrower funds.
 - Interfund services are reported as revenues in the seller fund and as expenditures or expenses in the purchasing fund.

- Non-reciprocal interfund activities:
 - Interfund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds transfers are reported after nonoperating revenues and expenses.
 - Interfund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

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

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Equity (Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balance is classified as non-spendable, restricted, committed, assigned or unassigned as described below:

- **Non-Spendable** – the amount of fund balance that cannot be spent because it is either not in spendable form or there is a legal or contractual requirement for the funds to remain intact. At the end of each fiscal year, the Finance Director will report the portion of the fund balance that is not in spendable form as Non-Spendable on the annual financial statements.
- **Restricted** – the amount of fund balance that can only be spent on specific expenses due to constraints on the spending because of legal restrictions, outside party creditors, and grantor/donor requirements. The Town's restricted fund balance amounts are considered to have been spent when an expenditure has been incurred satisfying such restriction. At the end of each fiscal year, the Finance Director will report restricted fund balance amounts that have applicable legal restrictions per GASB No. 54.
- **Committed** – the Town Council, as the Town's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken, such as an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the Town Council removes or changes the specific use through the same type of formal action taken to establish the commitment. This constraint must be imposed prior to the fiscal year end, but the specific amount may be determined at a later date. At the end of each fiscal year, the Finance Director will report committed fund balances that have been committed by self-imposed actions by the Town of Warren's Town Council.
- **Assigned** – the amount of fund balance that includes the portion of the spendable fund balance that reflects funds intended to be used by the government for specific purpose assigned by information operational planning. The assigned fund balance represents a "plan" for spending the amount, but it is not restricted or committed. The authority to "assign" fund balance has not been delegated by the Town Council.
- **Unassigned** – the amount of fund balance that remains from residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories, not subject to any constraints or intended use, no external or self-imposed limitations, no set spending plan and are available for any purposes. Unassigned fund balance is commonly used for emergency expenditures not previously considered. In addition, the resources classified as unassigned can be used to cover expenditures for revenues not yet received. At the end of each fiscal year, the Finance Director will report the portion of the unassigned fund balance.

The Town maintains a formal spending policy in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. It shall be the Finance Director's responsibility to ensure the Town's expenditures are appropriately classified based on the restrictions (both external and internal) of the revenue and fund balance(s) in accordance with the definitions listed above. See Note 9 for current year classification of fund balance.

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Equity (Continued)

Compensated Absences

Employees are granted vacation and sick leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay. The amount recorded is the unused days earned at the current rate of pay. For governmental activities the general fund is used to satisfy this liability as it becomes due.

Town

Town employees are entitled to vacation based on length of service. Up to two weeks of vacation days are allowed to carry over to succeeding years.

Town employees are entitled to 1.5 days sick leave per month worked. Sick leave may be accumulated to a maximum of 180 days. Upon retirement or termination, employees have a vested interest in 75% of their accumulated sick time.

Full time Town employees retiring between the ages of 62 and 65 will continue to receive medical insurance coverage until age 65. Full-time Town employees retiring at age 65 will have applicable medical coverage paid for by the Town for a period of three years.

Police

Police are entitled to vacation based on length of service. Police can accumulate vacation days up to 120 days and may be carried over. Any vacation time in excess of 120 days not used or redeemed will be forfeited.

Police are entitled to 1.5 days of sick leave for each month in which they work a minimum number of hours. Sick leave may be accumulated to a maximum of 180 days. 75 % of the days in excess of 180 days on June 30 of each year will be paid in the form of a lump sum cash payment. Upon retirement or termination, police have a vested interest in their accumulated sick time based on prorated schedule.

Reconciliation of Government-wide and Fund Financial Statements

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this (\$14,630,332) difference are as follows:

Bonds payable	(\$12,599,318)
Accrued expenses	(450,000)
Compensated absences	<u>(1,581,014)</u>
Total	<u>(\$14,630,332)</u>

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Equity (Continued)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities

Another element of that reconciliation states that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this \$1,244,657 difference are as follows:

Change in interest accrued	\$ (31,641)
Increase in compensated absences	(18,040)
Principal repayments	<u>1,294,338</u>
Net adjustment.....	<u>\$1,244,657</u>

Another element of that reconciliation states that, "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds." The details of this (\$148,662) difference are as follows:

Deferred revenue - beginning	\$ 358,627
Deferred revenue - ending	<u>(507,289)</u>
Net difference.....	<u>(\$ 148,662)</u>

Another element of that reconciliation states that "Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The detail of this (\$438,938) difference is the accrual for OPEB liabilities (net) and accrued expenses.

2. BUDGETARY AND LEGAL COMPLIANCE

Budgetary Data

The Town Council adopts an annual budget for the General Fund. The Town Council is authorized to transfer budgeted amounts within and among departments and to authorize emergency expenditures. Any revisions that alter total expenditures must be approved by the taxpayers by a vote at the Financial Town Meeting. Management cannot make any transfers without prior Council approval. The governing Council made no supplemental budgetary appropriation during the fiscal year. The budget for the General Fund is presented in the Statement of Revenues, Expenditures, and Changes in Fund Balances-Budgeted and Actual. All annual appropriations lapse at fiscal year end unless specifically approved for carryover to the following year by the taxpayers by a vote at a Financial Town Meeting. The budget for the General Fund is appropriated at the individual account level, also known as the line item level.

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

2. BUDGETARY AND LEGAL COMPLIANCE (Continued)

Budgetary Data (Continued)

The Town does not budget for the combined Special Revenue Funds or the Capital Project Funds, since budgetary control is maintained on an individual basis. Since grant periods may differ from the Town's fiscal year, a comparison of budgetary information may not be meaningful and has not been presented in the accompanying financial statements.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to preserve that portion of the applicable appropriation, is employed in the General Fund Budget. Encumbrances do not constitute expenditures or liabilities.

Excess of Expenditures Over Appropriations

For the year ended June 30, 2013, expenditures exceeded budget at the department level as follows:

<u>Department</u>	<u>Excess</u>
Finance administration	\$11,159
Fire safety	\$1,776
Highway department.....	\$54,014

3. CASH AND INVESTMENTS

Deposits

Deposits are in various financial institutions and are carried at cost, which approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash" and includes \$1,590 of petty cash.

At year-end, the Town's carrying amount of deposits was \$5,351,612 and the bank balance was \$5,238,360. Of the bank balance, \$772,335 was covered by Federal Depository Insurance. The remaining balance, \$4,466,025 was collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the Town's name.

Custodial and Credit Risk-Deposits

Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The collateralization of certificates of deposit or repurchase agreements must be in an amount of at least 102% of market value to the amount of the deposit is the Town's investment policy for custodial credit risk.

Credit Risk. As of June 30, 2013, the Town's investments in Money Markets are not rated, as the fund invests in short-term obligations.

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

3. CASH AND INVESTMENTS (Continued)

Custodial and Credit Risk-Deposits (Continued)

Concentration of Credit Risk. The Town places the following limits on the maximum percent of portfolio it may invest in any one specific instrument: the portfolio shall at all times comprise of at least three separate investment instruments; with no one instrument holding more than 50% of total fund principal. Furthermore, at least 30% of the invested funds shall be in instruments that can be redeemed by the Town on demand within one day.

Investments

The Town invests in various types of investments which are stated at fair value. The Finance Director has control over the type of investments made. Neither the Town Charter nor any other legally contracted agreements limits the type of investments that may be made.

At June 30, 2013, the Town held the following investments:

<u>Description</u>	<u>Maturity</u>	<u>Market Value</u>
Bank America	11/15/2014	\$ 21,007
General Electric Capital	2/24/2032	15,045
Citigroup, Inc.	05/07/2015	15,824
Cisco Systems Inc	1/15/2020	22,037
E I DU Pont De Nemours & CO	01/15/2020	16,673
Federal Farm Cr	01/12/2016	21,566
JP Morgan Chase and CO	3/25/2020	21,839
Merck & Co., Inc.	03/01/2015	26,698
Common Stocks	N/A	367,527
Mutual funds		97,461
Certificates of Deposit	Various	1,243,241
Total		<u>\$ 1,868,918</u>

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

3. CASH AND INVESTMENTS (Continued)

Investments (continued)

Interest Rate Risk

It is the policy of the Town to limit the length of its investment maturities in order to manage the exposure to fair value losses arising from increasing interest rates. The Town has investments in corporate bonds which have interest rates that are fixed for long periods and are subject to more variability in their fair value as a result of future changes in interest rates. The Town does not have a formal policy which addresses the interest rate risks associated with its investments. The following investments are subject to interest rate risk:

<u>Description</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Market Value</u>
Bank America	5.125%	11/15/2014	\$ 21,007
General Electric Capital	4.000%	2/24/2032	\$ 15,045
Citigroup, Inc.	4.875%	05/07/2015	\$ 15,824
Cisco Systems Inc	4.450%	1/15/2020	\$ 22,037
E I DU Pont De Nemours & CO	4.625%	01/15/2020	\$ 16,673
Federal Farm Cr	3.680%	01/12/2016	\$ 21,566
JP Morgan Chase and CO	4.950%	3/25/2020	\$ 21,839
Merck & Co., Inc.	4.750%	03/01/2015	\$ 26,698

Credit Risk

The Town does not have a formal policy which addresses the credit risks associated with its investments. The following investments are subject to credit risk:

<u>Description</u>	<u>Standard & Poors</u>	<u>Moody's Investor Service</u>
Bank America	A-	BAA2
General Electric Capital	AA+	A1
Citigroup, Inc.	BBB+	Baa3
Cisco Systems Inc	A+	A1
E I DU Pont De Nemours & CO	A	A2
Federal Farm Cr	AA+	Aaa
JP Morgan Chase and CO	A	A2
Merck & Co., Inc.	AA	A1

Concentration of Credit Risk

The Town does not have a formal policy that limits the amount that may be invested in any one issuer. All of the Trust Funds' investments are held in an internal investment pool. Net investment income for the year is allocated to each Trust Fund based on the ratio of each fund's fund balance to the total combined fund balance at the beginning of the year. Operating transfers out to Trust beneficiaries are allocated to the Trust Funds for which the withdrawals are allowable. Each withdrawal is allocated to the applicable Trust Funds based on the ratio of each fund's fund balance to the combined fund balance of the applicable funds at the beginning of the year.

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

4. CAPITAL ASSETS

Activity for governmental activity capital assets is summarized below:

	<u>Balances</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>June 30, 2013</u>
<u>Governmental activity capital assets</u>				
Land (not being depreciated)	\$ 1,104,141		\$ -	\$ 1,104,141
Construction in progress (not being depreciated)	-			-
Buildings and land improvements	16,338,322			16,338,322
Motor Vehicles	5,294,912			5,294,912
Equipment	9,977,762			9,977,762
Equipment and Trailers	318,830			318,830
Infrastructure	36,606,593			36,606,593
Total Cost	<u>69,640,560</u>	-	-	<u>69,640,560</u>
Less: accumulated depreciation:				
Buildings and improvements	(10,043,369)			(10,043,369)
Motor Vehicles	(2,640,865)			(2,640,865)
Equipment	(7,928,249)			(7,928,249)
Equipment and Trailers	(288,359)			(288,359)
Infrastructure	(19,012,680)			(19,012,680)
Total accumulated depreciation	<u>(39,913,522)</u>	-	-	<u>(39,913,522)</u>
Net capital assets	<u>\$ 29,727,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,727,038</u>

Generally accepted accounting principles, require that capital assets be capitalized and depreciated. The current year additions, retirements and depreciation were not recorded for 2013 due to insufficient records.

5. OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

In addition to the pension benefits described in Note 12, the Town provides postemployment benefits (health insurance) in accordance with union contract provisions. For the year ended June 30, 2013, six (6) municipal retirees met the eligibility requirements for Town provided coverage. The Town pays 100% of the cost of these benefits on a pay-as-you-go basis, which amounted to approximately \$93,844.

The Town's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the Town (ARC) under the accrual basis of accounting. The Town has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement 45 for employers with plans including more than 100 total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the year ended June 30, 2013, the amount actually contributed to the plan, and the Town's net OPEB obligation to the plan as of June 30, 2013.

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

5. OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

<u>Annual OPEB Cost</u>	<u>Year ended June 30, 2013</u>
Annual required contribution	\$ 420,724
Amortization adjustment	(52,381)
Interest	56,409
Annual OPEB cost	<u>424,752</u>
Implicit rate subsidy	(41,970)
Contributions made during year	(93,844)
Net OPEB obligation at beginning of year	<u>1,410,227</u>
Net OPEB obligation at end of year	<u>\$ 1,699,165</u>

Town contributions to the plan for the year ended June 30, 2013 represented 32% of annual OPEB expense, of \$424,752. The difference represents the Town's OPEB obligation to the plan and has been accrued as an expense in the government-wide financial statements.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information on page 43 will, over time, present multi-year trend information about whether the actuarial value of plan assets (none at present) is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

Funding Policy

The Town's funding policy provides for actuarially determined periodic contributions to the plans at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due.

Funded Status of Plan

The required supplementary information which follows the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Listed below are the details of the funding progress of the General Municipal Employees' Pension Plan with a valuation date of June 30, 2012 which is the most recent report available from the State who administers this plan:

- Actuarial value of assets - \$739,870
- Actuarial accrued liability - \$4,332,008
- Unfunded actuarial accrued liability (UAAL) - \$3,592,138
- Funded Ratio – 17.08%
- Annual covered payroll - \$2,935,090
- UAAL as percentage of payroll – 122.39%

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

5. OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Funded Status of Plan (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (as understood by the employees and management) and include the type of benefit provided at the time of each valuation. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following assumptions were made:

The age adjustment factor applied to premiums during the valuation process to better approximate the actual costs associated with retiree benefits in situations where blended premiums are charged to actives and retirees. This factor is used in the financial reporting process to similarly adjust the contribution made toward OPEB.

- Valuation date – June 30, 2012
- Discount rate - 4.00%
- Participation - All eligible retirees are assumed to elect medical and dental coverage.
- Payroll Growth Rate - 3.50%
- Amortization Period - 10 years
- Amortization Method - Level Percent of Payroll Amortization
- Mortality – RP-2000 Combined Mortality Table

6. UNAVAILABLE PROPERTY TAX REVENUE

General Fund unavailable property tax revenues relate to revenue that is measurable but not available. General Fund unavailable property tax revenues are summarized as follows:

Property taxes receivable (net).....	\$ 555,228
Less: current year 60 day accrual.....	<u>(180,270)</u>
Total unavailable property tax revenue.....	<u>\$ 374,958</u>

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

7. LONG-TERM DEBT

General long-term debt consists of the long-term liabilities that are not recorded as fund liabilities (i.e., debt of the proprietary fund). Amounts are as follows:

	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance Outstanding June 30, 2012	Additions	Retirements	Balance Outstanding June 30, 2013	Current Portion
Public improvements	04/01/02	\$ 1,800,000	1.27%	9/1/03-22	\$ 1,121,656	\$ -	\$ 87,338	\$ 1,034,318	\$ 90,004
Public improvements	08/15/02	\$ 805,000	4.64%	1/15/03-22	-			-	
Public improvements	07/15/02	\$ 3,195,000	3.75-4.88%	7/15/02-22	-			-	
Public improvements	08/15/04	\$ 725,000	0.05	8/15/05-24	140,000		35,000	105,000	35,000
Public improvements	12/15/05	\$ 905,000	1.11%-1.56%	9/1/06-25	667,000		42,000	625,000 *	43,000
Public improvements	02/15/06	\$ 310,000	3.95%	2/15/06-26	210,000		15,000	195,000	15,000
Public improvements	05/07/07	\$ 1,690,000	4.05%	5/15/08-27	1,160,000		75,000	1,085,000	75,000
Public improvements	05/01/08	\$ 3,885,000	3.5%	5/15/09-28	2,315,000		390,000	1,925,000	130,000
Public improvements	08/15/09	\$ 1,985,000	2.25-4.75%	08/15/10-29	1,645,000		170,000	1,475,000	175,000
Public improvements	03/11/2011	\$ 2,000,000	.42-3.33%	09/1/2039	2,000,000		80,000	1,920,000 *	80,000
Public improvements	04/12/2012	\$ 2,220,000	2-3.625%	1/15/13-32	2,220,000		160,000	2,060,000	145,000
Public improvements	04/12/2012	\$ 2,415,000	2-3%	1/15/13-24	2,415,000		240,000	2,175,000	220,000
Total general obligations bonds					13,893,656	-	1,294,338	12,599,318	1,008,004
Compensated Absences					1,562,974	18,040		1,581,014	158,101
Total long-term debt					\$ 15,456,630	\$ 18,040	\$ 1,294,338	\$ 14,180,332	\$ 1,166,105

* As of June 30, 2013, \$241,526 and \$1,980,000 remains in custody of funding agency and is available for future draw downs. There were \$68,050 of monies drawn down on the loans as of June 30, 2012.

Total interest expense paid on long term debt for the year ended June 30, 2013 was approximately \$450,000

Schedule of long-term debt by purpose is as follows:

	Amount	Percent
Public improvements	\$ 12,599,318	88.9%
Compensated absences	1,581,014	11.1%
Total	\$ 14,180,332	100%

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

7. LONG-TERM DEBT (Continued)

The ratio of Town debt to net taxable valuation at June 30, 2013 was as follows:

Net taxable valuation	\$1,251,768,189
Town debt outstanding.....	\$ 12,599,318
Ratio of Town debt to net taxable valuation.....	1.00%

Schedule of long-term bond and debt requirements:

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,008,005	\$ 258,168	\$ 1,266,173
2015	1,017,753	242,151	1,259,904
2016	1,017,584	225,561	1,243,145
2017	1,032,502	194,584	1,227,086
2018	1,033,509	177,436	1,210,945
2019-2023	4,507,965	627,504	5,135,469
2024-2028	2,136,000	259,686	2,395,686
2029-2032	846,000	33,845	879,845
	<u>\$ 12,599,318</u>	<u>\$ 2,018,935</u>	<u>\$ 14,618,253</u>

In April 2012, the Town issued \$2,415,000 of general obligation refunding bonds to provide resources that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$350,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. This advanced refunding was undertaken to reduce total debt service payments over the next 13 years by \$232,121 and resulted in an economic gain of \$197,824. As of June 30, 2013, the in-substance defeased bonds, which remain outstanding was \$315,000.

8. OPERATING LEASES

During January 2011 the Town of Warren entered into a five year operating lease for a copier ending January 2016. The lease payments for these copiers during the year ended June 30, 2013 amounted to \$3,180.

Future minimum lease payments are as follows:

2014	\$ 3,180
2015	3,180
2016	<u>1,855</u>
Total	<u>\$ 8,215</u>

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

9. FUND EQUITY

a) Fund Deficits

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

Kee Farm Preservation	\$23,837
Planning Challenge Grant.....	\$12,417
Cops Technology Grant.....	\$949
Substance abuse	\$11,662
Town Beach Stormwater.....	\$474
Jamiel's Park Grant.....	\$5,876

The deficits are expected to be funded through transfers from the Town's general fund.

b) Fund Balances

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Town has classified governmental fund balances at June 30, 2013 as follows:

Non-Spendable	
Permanent Funds	\$ 80,138
Long-term advances	55,215
Inventory	17,423
Total Non-Spendable fund balance	<u>152,776</u>
Restricted:	
Restricted for capital project funds	476,155
Restricted for special revenue funds	310,152
Total Restricted fund balance	<u>786,307</u>
Committed:	
Committed for FY14 capital budget.....	4,484,301
Total Committed fund balance	<u>4,484,301</u>
Unassigned:	
Fund balance not designated for future expenditures...	<u>1,482,752</u>
Total	<u>\$6,906,136</u>

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

9. FUND EQUITY (Continued)

(c) Transfers In and Out

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all costs with revenue generated by the fund. The composition of interfund transfers for the year ended June 30, 2013 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 23,737	\$ 372,258
State Paving Grant	146,846	
Fire Legislative Grant	1,496	
Revaluation	7,304	
Road Salt Storage Project	4,281	
Sewer Project - EPA	3,733	
RI JAG Byrne Stimulus Grant	5,977	
Jamiels Park Chafee	81,413	
Substance Abuse	4,490	
Jamiels Park DEM Grant	116,718	
Industrial Pretreatment		23,737
Total	<u>\$ 395,995</u>	<u>\$ 395,995</u>

10. RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of Town assets; errors and omissions; injuries to employees; and natural disasters. These risks are insured through the Town's participation in the RI Interlocal Risk Management Trust (Trust), a public entity risk pool operated for the benefit of the State's various public entities. The Town pays an annual premium for Worker's Compensation, Property and Liability, and Excess Liability insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

The Town is also involved in several lawsuits which are not covered by the risk management insurance. Legal Counsel has expressed an opinion as to the ultimate outcome of all the cases, and as a result, an accrued contingency has been recorded in the accompanying financial statements.

11. CONTINGENCIES AND COMMITMENTS

The Town has a contract with a commercial management company for the operation and maintenance of the sewer treatment facility and pump stations. The contract is renewable annually every July 1, with the annual cost determined through the Town's annual budget process.

The Town has an agreement with the local water authority which requires annual rental payments for fire hydrants. The agreement expires June 30, 2018 and requires annual payments of \$400 per hydrant. The minimum payments under this agreement for each of the fiscal years remaining in the agreement are expected to be approximately \$75,600.

The Town has a commitment to fund its proportionate share of the 2013-2014 budget of the Bristol-Warren Regional School District in the amount of \$11,681,278.

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

11. CONTINGENCIES AND COMMITMENTS (Continued)

The government is a defendant in various lawsuits. Although the outcome of most of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters which may have a material adverse effect on the financial condition of the government have been appropriately provided for.

The Town is a defendant in a suit filed by the Bristol Warren Regional School District (the District). The suit arose from claims by the District that the Town failed to contribute the full amount of the 2012-2013 assessment as approved by the Joint Finance Committee. The suit is seeking approximately \$416,000 in unfunded assessment plus interest and legal fees. The Town believes that the claims are without merit and is vigorously defending its position. The matter has been argued in Superior Court and the Town is awaiting the court's decision.

12. PENSION PLAN

Plan Description

Effective July 1, 2012, the State administered retirement system was modified to include both defined benefit and defined contribution plan components. General employees participate in a hybrid plan that combines both a defined benefit plan and a defined contribution plan. Police and fire employees participate only in the defined benefit plan unless they do not participate in Social Security in which case they also participate in the defined contribution plan.

Municipal Employees' Retirement System (MERS) – Defined Benefit Plan

a. Plan Description

All full-time Town general, police and fire employees participate in MERS, an agent multiple-employer defined benefit plan administered by the Employees' Retirement System of Rhode Island (the System). The plan provides retirement, death and disability benefits and an optional cost of living adjustment (COLA) as outlined in Chapter 45-21 and Chapter 45-21.2 of the Rhode Island General Laws (RIGL). The benefits may be amended by the Rhode Island General Assembly.

Disability retirement provisions - The plan also provides nonservice-connected disability benefits after 5 years of service; service-connected disability pensions with no minimum service requirement.

General Employee

Retirement eligibility and plan benefits – Service credits accrued at June 30, 2012 are protected under the Rhode Island Retirement Security Act. Beginning July 1, 2012, members receive a benefit accrual of 1.0% per year. Effective July 1, 2012 the retirement age mirrors the Social Security Normal Retirement Age not to exceed age 67. Benefits are based on the five-year average compensation multiplied by the accumulated service credit percentage. Joint and survivor retirement benefit options are available.

Police and Fire

Retirement eligibility and plan benefits – Effective July 1, 2012 the benefit accrual for all plans is 2.0% per year based on the five-year average compensation, exclusive of overtime. Retirement age is 55 years old with 25 years of total service or for members with five years of service but less than 25 years of service the new retirement age will mirror the Social Security Normal Retirement Age not to exceed 67. Police officers or firefighters who were at least 45 years old, had 10 or more years of contributing service and were eligible to retire prior to age 52 under the law in effect on June 30, 2012, may retire at age 52.

CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

12. PENSION PLAN (Continued)

a. Plan Description (Continued)

Police and Fire (Continued)

Retirement eligibility and plan benefits (Continued) – Police and fire employees may retire with a reduced pension benefit if they have 20 years of service and are within five years of their retirement eligibility. The actuarially reduced benefit is calculated based on how close the member is to the eligibility date that is prescribed in the Rhode Island Retirement Security Act. Joint and survivor retirement benefit options are available.

Cost of Living Adjustments – Pursuant to the Rhode Island Retirement Security Act, the Cost of Living Adjustment (COLA) has been suspended for any unit whose funding level is less than 80%. The COLA provision can be reviewed in a five-year interval. When the funding level of a plan exceeds 80%, eligible retirees may receive a COLA annually effective on their date of retirement plus one month. The COLA will be calculated as the five (5) year smoothed investment rate of return less 5.50%, with a 0.00% floor and a 4.00% cap. COLA will be delayed until the later of age 55 or three years after retirement. The COLA will be applied to the first \$25,000 of benefits indexed annually.

b. Plan Funding Policy

The funding policy is outlined in RIGL sections 45-21-41, 45-21-42, 45-21.2-14 and 45-21-52 (which can be amended by the Rhode Island General Assembly).

General Employee

Active non police and fire members must contribute 2% with COLA of his/her compensation. *(modify for option chosen)*

Police and Fire

Active police and fire members must contribute 8% with COLA of his/her compensation.

The Town is required to contribute at an actuarially determined rate expressed as a percentage of total compensation paid to the active membership. The rate for fiscal year 2013 was 13.78% for general employees and 23.11% for police and fire.

c. Annual Pension Cost

The Town's annual pension cost of \$638,995 for MERS was equal to the Town's required and actual contributions.

General Employee

Three Year Trend Information for MERS General Employee			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2013	\$275,103	100%	\$0
6/30/2012	\$268,601	100%	\$0
6/30/2011	\$249,794	100%	\$0

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

12. PENSION PLAN (Continued)

c. Annual Pension Cost (Continued)

Police and Fire

Three Year Trend Information for MERS Police and Fire			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2013	\$363,892	100%	\$0
6/30/2012	\$378,397	100%	\$0
6/30/2011	\$359,604	100%	\$0

The required contribution for fiscal 2013 was determined as part of the actuarial valuation performed as of June 30, 2010. The most recent valuation of the plans within the system was performed as of June 30, 2012. The actuarial methods and assumptions used in those valuations are summarized in the following table.

Summary of Actuarial Assumptions Used in the MERS June 30, 2010 and June 30, 2012 Valuations	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Equivalent Single Remaining Amortization Period	25 years as of June 30, 2010 23 years as of June 30, 2012
Asset Valuation Method	5 Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return	7.50%
Projected Salary Increases	<u>General Employees</u> 4.00% to 8.00% <u>Police & Fire Employees</u> 4.25% to 14.25%
Inflation	2.75%

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

12. PENSION PLAN (Continued)

c. Annual Pension Cost (Continued)

Cost of Living Adjustments are equal to the average five-year fund asset performance (percent) greater than 5.5% up to a maximum of 4% - the COLA is to be applied to the first \$25,000 of benefits, indexed over time. COLA is delayed until the later of Social Security eligibility age or 3 years after retirement. For MERS Police and Fire, COLA is delayed until the later of age 55 or 3 years after retirement. A 2% COLA is assumed after July 1, 2012.

d. Funded Status and Funding Progress

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

General Employee

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2012	\$4,457,641	\$6,170,834	\$(1,713,193)	72.2%	\$1,708,040	100.3%

Police and Fire

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2012	\$7,972,189	\$12,527,880	\$(4,555,691)	79.5%	\$2,742,094	192.9%

The System issues an annual financial report that includes financial statements and required supplementary information for all of the plans it administers. The reports can be obtained at www.ersri.org.

Defined Contribution Plan

a. Plan Description:

General employees participating in the defined benefit plan(s), as described above, also participate in a defined contribution plan of the Employees' Retirement System as authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF and the Employees' Retirement System of Rhode Island (the System). Employees may choose among various investment options available to plan participants.

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

12. PENSION PLAN (Continued)

Defined Contribution Plan (Continued)

a. Plan Description (Continued):

General employee contributions are immediately vested while employer contributions are vested after three years of contributory service. Contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

b. Plan Funding Policy

The funding policy is outlined in RIGL chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). Active non-police and fire members must contribute 5% of his/her compensation and the Town is required to contribute 1%. The plan members and Town contributed \$95,386 and \$19,077, respectively, during the fiscal year ended June 30, 2013.

The System issues an annual financial report that includes financial statements and required supplementary information for all of the plans it administers. The reports can be obtained at www.ersri.org.

13. SUBSEQUENT EVENTS

In October 2013, the Town issued \$3,195,000 of General Obligation Bonds to fund various capital projects. The Bonds' interest rate range from 2.00% to 4.50% and mature from 2014 through 2033.

(CONCLUDED)

Required Supplementary Information



TOWN OF WARREN, RHODE ISLAND

**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND
AND OTHER POSTEMPLOYMENT BENEFITS
JUNE 30, 2013**

D-1

Town of Warren, Rhode Island

Schedule of funding Progress for the Municipal Employees' Retirement System

<u>Actuarial Valuation Date (1)</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as Percentage of Covered Payroll</u>
6/30/2005	\$ 9,643,134	\$ 14,569,068	\$ (4,925,934)	66.19%	\$ 2,661,784	-185.06%
6/30/2006	\$ 10,130,235	\$ 14,990,904	\$ (4,860,669)	67.58%	\$ 2,767,079	-175.66%
6/30/2007	\$ 11,236,283	\$ 16,255,654	\$ (5,019,371)	69.12%	\$ 2,888,716	-173.76%
6/30/2008	\$ 12,291,025	\$ 17,061,933	\$ (4,770,908)	72.04%	\$ 3,094,800	-154.16%
6/30/2009	\$ 12,302,595	\$ 17,552,341	\$ (5,249,746)	70.09%	\$ 3,116,101	-168.47%
6/30/2010 *	\$ 12,109,679	\$ 17,839,289	\$ (5,729,610)	67.88%	\$ 3,156,690	-181.51%
6/30/2011 *	\$ 12,135,728	\$ 18,097,134	\$ (5,961,406)	67.06%	\$ 3,252,107	-183.31%
6/30/2012 *	\$ 12,429,830	\$ 18,698,714	\$ (6,268,884)	66.47%	\$ 3,122,757	-200.75%

(1) The actuarial Valuation Dates are presented for the most recent years of available information provided by the State of Rhode Island.

* As revised 11/18/2011 – the State of Rhode Island passed legislation under the Pension Reform Security Act (Act) of 2011 which made changes to current plan provisions. Such changes will be effective July 1, 2012.

Schedule of funding Progress for Other Postemployment Benefits.

<u>Actuarial Valuation Date (1)</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as Percentage of Covered Payroll</u>
7/1/2007	\$ 700,000	\$ 3,018,423	\$ (2,318,423)	23.19%	\$ 3,019,466	-76.78%
7/1/2009	\$ 700,000	\$ 3,018,423	\$ (2,318,423)	23.19%	\$ 3,019,466	-76.78%
7/1/2011	\$ 739,870	\$ 4,332,008	\$ (3,592,138)	17.08%	\$ 2,935,090	-122.39%

(CONTINUED)

Schedule of Revenues and Expenses (Non-GAAP Budgetary Basis)
Budget and ActualGeneral Fund
For the year ended June 30, 2013

	Continuing Appropriation June 30, 2012	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Continuing Appropriation June 30, 2013	Under Over (Unfavorable)
Revenues						
General property taxes	\$ -	\$ 21,899,738	\$ 21,899,738	\$ 22,052,524	\$ -	\$ 152,786
Intergovernmental		502,500	502,500	538,595		36,095
Licenses, fees, permits and fines		1,004,870	1,004,870	1,531,186		526,316
Water and sewer use fees		64,500	64,500	22,398		(42,102)
Interest and investment income (loss)		137,680	137,680	304,505		166,825
Other		94,298	94,298	138,927		44,629
Total revenues	<u>-</u>	<u>23,703,586</u>	<u>23,703,586</u>	<u>24,588,135</u>	<u>-</u>	<u>884,549</u>
Expenditures						
General government		3,532,516	3,532,516	3,505,639		26,877
Town offices		798,052	798,052	764,360		33,692
Financial administration		221,289	221,289	232,448		(11,159)
Public safety		2,194,357	2,194,357	2,162,960		31,397
Fire safety		454,425	454,425	456,201		(1,776)
Transfer station		427,013	427,013	393,139		33,874
Waste water treatment		1,246,064	1,246,064	1,101,290		144,774
Highway department		1,340,752	1,340,752	1,394,766		(54,014)
Grants and contributions		291,410	291,410	291,396		14
Education		11,748,790	11,748,790	11,748,790		-
Debt services		1,703,918	1,703,918	1,674,187		29,731
Cost of collections		-	-	354		(354)
Capital	4,205,109	1,708,694	5,913,803	1,429,502	4,484,301	-
Total expenditures	<u>4,205,109</u>	<u>25,667,280</u>	<u>29,872,389</u>	<u>25,155,032</u>	<u>4,484,301</u>	<u>233,056</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>(4,205,109)</u>	<u>(1,963,694)</u>	<u>(6,168,803)</u>	<u>(566,897)</u>	<u>(4,484,301)</u>	<u>1,117,605</u>
Other financing sources (uses)						
Transfer from fund balance	4,205,109	1,963,694	6,168,803	6,168,803		-
Transfers in/(out)		-	-	5,228		5,228
Net other financing sources (uses)	<u>4,205,109</u>	<u>1,963,694</u>	<u>6,168,803</u>	<u>6,174,031</u>	<u>-</u>	<u>5,228</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>5,607,134</u>	<u>\$ (4,484,301)</u>	<u>\$ 1,122,833</u>
Reconciliation to Exhibit B-2:						
Plumbing and Electrical Inspection revenues and expenditures				3,221		
Reappropriation of Fund Balance				(6,168,803)		
Excess of revenues and other sources over expenditures and other uses, GAAP Basis				<u>\$ (558,448)</u>		

Schedule of Revenues and Expenses (Non-GAAP Budgetary Basis)
Budget and ActualGeneral Fund
For the year ended June 30, 2013

	Continuing Appropriation June 30, 2012	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Continuing Appropriation June 30, 2013	Under Over (Unfavorable)
General property taxes:						
Real estate, tangible and motor vehicle	\$ -	\$ 21,899,738	\$ 21,899,738	\$ 22,052,524	\$ -	\$ 152,786
Total general property taxes	-	21,899,738	21,899,738	22,052,524	-	152,786
Intergovernmental and departmental:						
Excise Tax/State				79,439		79,439
General state aid		83,000	83,000	0		(83,000)
PILOT - BCWA		120,000	120,000	94,343		(25,657)
Restaurant (Meals) tax		179,500	179,500	230,369		50,869
Telephone tax transfer		120,000	120,000	134,444		14,444
Tax sale revenue		-	-	0		-
Total intergovernmental and departmental	-	502,500	502,500	538,595	-	36,095
Licenses, fees, permits and fines:						
Government center rent		10,000	10,000	4,513		(5,487)
Town building conveyance revenue		-	-	225,000		225,000
Marriage, birth & death certificate		10,800	10,800	11,573		773
Municipal court revenue		65,000	65,000	50,756		(14,244)
Municipal lien certificates		-	-	9,915		9,915
MVQ - Head Start rental		16,500	16,500	26,986		10,486
PILOT - Housing Authority		35,000	35,000	40,367		5,367
Police fines and penalties		10,000	10,000	14,420		4,420
Police AFIS fingerprinting		1,600	1,600	(204)		(1,804)
Police reports		3,000	3,000	3,085		85
Police VIN checks		2,000	2,000	9,535		7,535
Revenue - Building/plumbing permits & fees		50,000	50,000	102,326		52,326
Revenue - Permit processing fees		-	-	1,040		1,040
Revenue - Business taxes & licenses		39,000	39,000	52,706		13,706
Revenue - Completion fees		20,000	20,000	40,760		20,760
Revenue - Dog & kennel licenses		2,500	2,500	1,615		(885)
Revenue - Harbor		107,000	107,000	79,947		(27,053)
Revenue - Pavilion rental		4,725	4,725	6,225		1,500
Revenue - Photo copy		8,180	8,180	8,232		52
Revenue - Probate court fees		11,600	11,600	14,608		3,008
Revenue - Realty transfers		59,665	59,665	114,102		54,437
Revenue - Recording fees		88,000	88,000	105,451		17,451
Road cut permits		300	300	255		(45)
Road duty revenue		40,000	40,000	35,559		(4,441)
Liberty Street School rent		-	-	400		400
Third party billing		275,000	275,000	361,977		86,977
Zoning & planning fees		10,000	10,000	14,294		4,294
Transfer station		135,000	135,000	195,743		60,743
Business taxes/certified copies		-	-	0		-
Total licenses, fees, permits and fines	-	1,004,870	1,004,870	1,531,186	-	526,316
Water and sewer user fees						
Sewer use fees		62,000	62,000	13,998		(48,002)
Sewer permits		2,500	2,500	8,400		5,900
Septage fees		-	-	0		-
Total water and sewer fees	-	64,500	64,500	22,398	-	(42,102)
Interest:						
Property tax interest		127,680	127,680	297,069		169,389
General fund investment earnings		10,000	10,000	7,436		(2,564)
Total interest	-	137,680	137,680	304,505	-	166,825
Other:						
Other miscellaneous receipts		20,000	20,000	63,809		43,809
Other sources/social services/senior center		74,298	74,298	75,118		820
Total other	-	94,298	94,298	138,927	-	44,629
Total Operating Revenues	-	23,703,586	23,703,586	24,588,135	-	884,549
Other financing sources:						
Transfer from fund balance	4,205,109	1,963,694	6,168,803	6,168,803		-
Transfers in				23,737		23,737
Total other financing sources	4,205,109	1,963,694	6,168,803	6,192,540	-	23,737
Total revenue and other financing sources	\$ 4,205,109	\$ 25,667,280	\$ 29,872,389	\$ 30,780,675	\$ -	\$ 908,286

Schedule of Revenues and Expenses (Non-GAAP Budgetary Basis)
Budget and ActualGeneral Fund
For the year ended June 30, 2013

	Continuing Appropriation June 30, 2012	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Continuing Appropriation June 30, 2013	Under Over (Unfavorable)
EXPENDITURES:						
GENERAL GOVERNMENT						
ADVERTISING	\$ -	\$ 15,000	\$ 15,000	\$ 18,427	\$ -	\$ (3,427)
ATTENDANCE PREMIUMS		53,493	53,493	26,405		27,088
COMPUTER SERVICES		2,700	2,700	2,895		5
COPYING EXPENSE		6,000	6,000	6,854		(854)
ELECTRICITY/WATER AT PARKS		10,000	10,000	8,970		1,030
EMPLOYEE BENEFITS		1,213,369	1,213,369	1,181,318		32,051
FINANCING EXPENSES		7,500	7,500	-		7,500
FIRE HYDRANTS		76,000	75,000	75,600		400
GASB 45		9,000	9,000	4,500		4,500
GOVERNMENT CENTER		72,000	72,000	73,752		(1,752)
GOVERNMENT CENTER CUSTODIAN		45,106	45,106	43,318		1,788
LEAGUE OF CITIES & TOWNS		4,522	4,522	4,522		-
LONGEVITY		175,000	175,000	175,505		(505)
MARY V /MAIN /LIBERTY SCHOOLS		49,500	49,500	64,221		(14,721)
POSTAGE		28,000	28,000	26,339		1,661
PROP. & LIAB. INSURANCE		521,850	521,850	470,087		51,763
RETIREE BENEFIT ADJUSTMENT		8,870	8,870	8,741		129
SOCIAL SECURITY TAX		324,000	324,000	320,840		3,160
STREET LIGHTING		160,000	160,000	177,963		(17,963)
TELEPHONE		2,500	2,500	7,105		(4,605)
TOWN AUDIT		20,000	20,000	30,000		(10,000)
TOWN EMPL. PENSION COST		625,000	625,000	638,834		(13,834)
TOWN HALL EXPENSES		54,000	54,000	95,851		(41,851)
TOWN HALL CUSTODIAN		45,106	45,106	43,792		1,314
UNEMPLOYMENT RESERVE ACCT.		4,000	4,000	0		4,000
Total General Government	-	3,532,516	3,532,516	3,505,639	-	26,877
TOWN OFFICES						
Boards and Commissions						
ADMINISTRATIVE OFFICER		5,356	5,356	5,356		-
CONSERVATION BOARD EXPENSE		1,000	1,000	951		49
ECONOMIC DEVELOPMENT		500	500	0		500
HISTORICAL COMMISSION		1,500	1,500	1,100		400
JUVENILE HEARING BOARD		2,000	2,000	1,800		200
PLANNING BOARD EXPENSES		1,800	1,800	1,791		9
PLANNING/ZONING STENOGRAPHER		4,800	4,800	3,580		1,220
TREE COMMISSION		400	400	287		113
ZONING BOARD EXPENSES		1,800	1,800	1,785		15
Total Boards and Commissions	-	19,156	19,156	16,650	-	2,506
Building Inspector						
BUILDING OFFICIAL SALARY		53,645	53,645	53,645		-
BLDG. OFFICIAL CLERK		29,391	29,391	30,051		(660)
BLDG. OFFICE EXPENSE		3,870	3,870	3,793		77
COMPUTER SERVICES		900	900	900		-
OUTSIDE SERVICES		4,410	4,410	3,607		803
Total Building Inspector	-	92,216	92,216	91,996	-	220
Town Clerk						
TOWN CLERKS SALARY		51,687	51,687	47,922		3,765
DEPUTY TOWN CLERK		42,495	42,495	42,495		-
DOCUMENT MANAGEMENT		4,500	4,500	4,500		-
INDEXING/COMPUTER FILING		15,000	15,000	14,100		900
COMPUTER SERVICES		3,150	3,150	3,029		121
PROBATE JUDGE		3,000	3,000	3,000		-
TOWN CLERK'S OFFICE EXPENSE		13,500	13,500	12,821		679
TOWN CLERKS STAFF		59,231	59,231	58,371		860
MUNICIPAL COURT JUDGE		8,000	8,000	8,000		-
MUNICIPAL COURT EXPENSES		1,200	1,200	1,173		27
MUNICIPAL COURT CLERKS		15,000	15,000	12,472		2,528
CANVASSER'S EXPENSE		6,500	6,500	6,313		187
BOARD OF CANVASSERS		1,625	1,625	1,625		-
ELECTION OFFICIAL'S PAY		12,000	12,000	10,604		1,396
	-	236,888	236,888	226,425	-	10,463

(Continued)

Schedule of Revenues and Expenses (Non-GAAP Budgetary Basis)
Budget and ActualGeneral Fund
For the year ended June 30, 2013

	Continuing Appropriation June 30, 2012	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Continuing Appropriation June 30, 2013	Under Over (Unfavorable)
Harbor Master						
HARBOR MASTER PAY	\$ -	\$ 18,613	\$ 18,613	\$ 14,676	\$ -	\$ 3,937
ASST. HARBOR MASTER PAY		4,200	4,200	4,887		(687)
OPERATING EXPENSES		18,000	18,000	12,154		5,846
Total Harbor Master	-	40,813	40,813	31,717	-	9,096
Town Manager						
TOWN MANAGER SALARY		70,000	70,000	70,000		-
TOWN MANAGER EXPENSE		3,000	3,000	1,514		1,486
COMPUTER SERVICES		1,800	1,800	1,438		362
CLERK		8,500	8,500	7,550		950
OFFICE CLERK		29,391	29,391	29,390		1
Total Town Manager	-	112,691	112,691	109,892	-	2,799
Town Offices						
COUNCIL CONTINGENCY		13,500	13,500	8,313		5,187
PLANNING/ZONING SOLICITOR		12,000	12,000	12,231		(231)
TOWN COUNCIL PAY		6,000	6,000	6,000		-
TOWN MODERATOR'S PAY		100	100	-		100
TOWN SERGEANT'S PAY		100	100	100		-
TOWN SOLICITOR'S PAY		71,374	71,374	72,746		(1,372)
TREE WARDEN		3,000	3,000	2,942		58
Total Town Offices	-	106,074	106,074	102,332	-	3,742
Town Planner						
TOWN PLANNER		52,020	52,020	52,020		-
COMPUTER SERVICES		900	900	38		862
GENERAL & OFFICE EXPENSE		900	900	863		37
GIS MAPPING SOFTWARE/EQUIPMENT		6,000	6,000	5,919		81
MATCH FOR GRANTS		2,500	2,500	-		2,500
BUSINESS OUTREACH SERVICES (EZ)		2,250	2,250	3,300		(1,050)
WEBSITE		410	410	410		-
Total Town Planner	-	64,980	64,980	62,550	-	2,430
Recreation						
RECREATION BOARD EXPENSE		45,000	45,000	45,139		(139)
RECREATION DIRECTOR WAGES		15,000	15,000	13,239		1,761
Total Recreation	-	60,000	60,000	58,378	-	1,622
Senior Center						
SENIOR CENTER DIRECTOR		30,538	30,538	30,538		-
SENIOR CENTER - MEAL SITE MANAGER		1,500	1,500	1,500		-
SENIOR CENTER - COMPUTERSERVICES		900	900	891		9
SENIOR CENTER MAINTENANCE		2,500	2,500	1,826		674
Total Senior Center	-	35,438	35,438	34,755	-	683
Social Services						
SOCIAL SERVICE DIRECTOR'S PAY		13,896	13,896	13,903		(7)
COMPUTER SERVICES		900	900	779		121
SOCIAL SERVICE EXPENSE		15,000	15,000	14,983		17
Total Social Services	-	29,796	29,796	29,665	-	131
TOTAL TOWN OFFICES	-	798,052	798,052	764,360	-	33,692
FINANCIAL ADMINISTRATION						
Treasury						
FINANCE DIRECTOR'S SALARY		62,424	62,424	77,358		(14,934)
FINANCE CLERKS		59,231	59,231	58,781		450
OFFICE EXPENSE		5,000	5,000	3,686		1,314
COMPUTER SERVICES		2,700	2,700	3,538		(838)
PAYROLL PROCESSING & SERVICES		10,000	10,000	10,000		-
OUTSIDE SERVICES		18,000	18,000	17,535		465
Total Treasury	-	157,355	157,355	170,898	-	(13,543)
Assessor						
TAX ASSESSOR'S SALARY		46,034	46,034	46,034		-
COMPUTER SERVICES		900	900	765		135
OFFICE EXPENSE		5,850	5,850	4,509		1,341
OUTSIDE SERVICES		11,150	11,150	10,242		908
Total Assessor	-	63,934	63,934	61,550	-	2,384
TOTAL FINANCIAL ADMINISTRATION	-	221,289	221,289	232,448	-	(11,159)

Schedule of Revenues and Expenses (Non GAAP Budgetary Basis)
Budget and Actual

General Fund
For the year ended June 30, 2013

	Continuing Appropriation June 30, 2012	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Continuing Appropriation June 30, 2013	Under Over (Unfavorable)
FIRE SAFETY						
FIRE CHIEF SALARY	\$ -	\$ 63,634	\$ 63,634	63,634	\$ -	\$ -
FIRE/EMS COORDINATOR		29,391	29,391	29,391		-
EMA/EMS DIRECTOR (FIRE CHIEF)		4,800	4,800	4,892		(92)
APPARATUS REPAIR		18,000	18,000	16,764		1,236
ASSISTANT CHIEFS/DEPUTY		3,600	3,600	3,600		-
BAKER STREET STATION		2,750	2,750	2,496		254
CLOTHING		850	850	850		-
COMMUNICATIONS		13,500	13,500	12,871		629
COMPANY FEES		14,000	14,000	14,000		-
COMPANY STEWARDS		11,250	11,250	9,531		1,719
COMPUTER SERVICES		2,250	2,250	1,599		651
EQUIPMENT EXPENSES		42,750	42,750	37,061		5,689
FIREFIGHTER GEAR		10,000	10,000	12,329		(2,329)
FUEL/DIESEL		28,500	28,500	30,956		(2,456)
MEDICAL SUPPLIES		25,000	25,000	26,918		(1,918)
OPERATING EXPENSES		69,300	69,300	66,577		2,723
RESCUE STIPEND		95,050	95,050	102,814		(7,764)
STATION UPKEEP		10,000	10,000	10,000		-
TRAINING EXPENSES		9,800	9,800	9,918		(118)
TOTAL FIRE SAFETY	-	454,425	454,425	456,201	-	(1,776)
GRANTS & CONTRIBUTIONS						
BAND CONCERTS		1,000	1,000	1,000		-
EAST BAY ARC OF RI		2,500	2,500	2,500		-
EAST BAY CENTER		25,000	25,000	25,000		-
EAST BAY COMM. ACTION PROG.		17,000	17,000	17,000		-
GEORGE HAILE LIBRARY		235,620	235,620	235,620		-
MEMORIAL DAY		2,300	2,300	2,286		14
MOSAICO		500	500	500		-
SUBSTANCE ABUSE - GRANT MATCH		4,490	4,490	4,490		-
VISITING NURSES		1,000	1,000	1,000		-
WILDLIFE REHABILITATORS ASSOC OF RI		500	500	500		-
WOMEN'S RESOURCE CENTER		1,500	1,500	1,500		-
TOTAL GRANTS & CONTRIBUTIONS	-	291,410	291,410	291,396	-	14
PUBLIC SAFETY						
POLICE CHIEF SALARY		78,681	78,681	78,681		-
ADMINISTRATIVE ASSISTANT		16,152	16,152	16,154		(2)
ADVANCED DEGREE INCENTIVE		9,400	9,400	7,800		1,600
AFIS MAINTENANCE CONTRACT		4,000	4,000	4,000		-
CLOTHING		34,650	34,650	34,650		-
EQUIPMENT/VEHICLES		5,000	5,000	4,824		176
COMMUNICATIONS EXPENSE		7,200	7,200	6,662		538
COMPUTER SYSTEM COSTS		12,600	12,600	11,685		915
DISABILITY EXPENSE		87,785	87,785	82,624		5,161
DISPATCH CENTER UPGRADE		-	-	-		-
EQUIPMENT REPLACEMENT		-	-	-		-
FUEL - CRUISER EXPENSE		45,000	45,000	55,060		(10,060)
HOLIDAY PAY		70,455	70,455	71,151		(696)
INCENTIVE EDUCATION ACT		17,424	17,424	0		17,424
IN-SERVICE TRAINING		18,000	18,000	11,556		6,444
OVER-TIME REGULAR		258,000	258,000	284,688		(26,688)
POLICE OPERATION EXPENSE		45,900	45,900	42,437		3,463
POLICE SHIFT DIFFERENTIAL		17,000	17,000	14,673		2,327
SERVING OFFICERS		1,144,919	1,144,919	1,112,805		32,114
DISPATCHERS		195,936	195,936	193,137		2,799
DISPATCH OVERTIME		29,400	29,400	39,301		(9,901)
DISPATCHER DIFFERENTIAL		3,100	3,100	2,936		164
CLOTHING ALLOWANCE-DISP		4,000	4,000	3,750		250
HOLIDAY PAY-DISPATCHERS		12,500	12,500	12,660		(160)
ANIMAL CONTROL OFFICER		40,005	40,005	40,000		5
ASSIST. ANIMAL CONTROL OFFICER		13,000	13,000	13,168		(168)
OVERTIME		2,500	2,500	1,704		796
CLOTHING		550	550	550		-
GENERAL & OPERATING EXPENSES		16,200	16,200	12,803		3,397
ANIMAL SHELTER REPAIR		5,000	5,000	3,501		1,499
TOTAL PUBLIC SAFETY	-	2,194,357	2,194,357	2,162,960	-	31,397

Schedule of Revenues and Expenses (Non-GAAP Budgetary Basis)
Budget and ActualGeneral Fund
For the year ended June 30, 2013

	Continuing Appropriation June 30, 2012	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Continuing Appropriation June 30, 2013	Under Over (Unfavorable)
PUBLIC WORKS						
DIRECTOR'S SALARY	\$ -	\$ 64,915	\$ 64,915	64,032	\$ -	\$ 883
CLOTHING		11,500	11,500	12,375		(875)
COMPUTER SERVICES		3,150	3,150	1,063		2,087
CONTRACTUAL PAYROLL		716,000	716,000	695,950		20,050
ENGINEERING SERVICE		4,000	4,000	2,710		1,290
EQUIPMENT EXPENSES		80,000	80,000	88,538		(8,538)
FIELD MAINT		5,000	5,000	2,092		2,908
FOREMAN'S SALARY		51,687	51,687	51,687		-
FUEL/DIESEL		53,000	53,000	75,107		(22,107)
MOSQUITO CONTROL		3,000	3,000	3,000		-
OPERATIONS' EXPENSE		85,500	85,500	109,078		(23,578)
OTHER PART TIME/DITCH CLEANING		35,000	35,000	43,176		(8,176)
OUTSIDE SERVICES		23,000	23,000	26,510		(3,510)
OVERTIME		45,000	45,000	64,798		(19,798)
TRASH COLLECTION		160,000	160,000	154,650		5,350
TOTAL PUBLIC WORKS	-	1,340,752	1,340,752	1,394,766	-	(54,014)
TRANSFER STATION						
TIPPING FEES		190,000	190,000	197,714		(7,714)
OVERTIME		9,000	9,000	10,309		(1,309)
TRANSFER STATION OPERATOR SALARY		41,963	41,963	36,662		5,301
TRAILER TRUCK DRIVER SALARY		46,414	46,414	45,889		525
EMPLOYEE BENEFITS		63,936	63,936	41,614		22,322
GENERAL EXPENSES		7,200	7,200	13,427		(6,227)
VEHICLE & EQUIPMENT MAINTENANCE		42,500	42,500	22,615		19,885
UTILITIES & FUEL		26,000	26,000	24,909		1,091
TOTAL TRANSFER STATION	-	427,013	427,013	393,139	-	33,874
WATER TREATMENT						
OPERATION CONTRACT		568,564	568,564	568,134		430
PLANT OPERATION EXPENSE		364,500	364,500	363,906		594
RI WATER RESOURCE PERMIT		8,000	8,000	2,421		5,579
SLUDGE DISPOSAL		180,000	180,000	166,829		13,171
PUMP STATION ALARM SYSTEM		-	-	-		-
WASTE WATER MGT DISTRICT EXPENSE		125,000	125,000	-		125,000
TOTAL WATER TREATMENT	-	1,246,064	1,246,064	1,101,290	-	144,774
COSTS OF COLLECTIONS	-	-	-	354	-	(354)
CAPITAL EXPENDITURES	4,205,109	1,708,694	5,913,803	1,429,502	4,484,301	-
DEBT SERVICE	-	1,703,918	1,703,918	1,674,187	-	29,731
EDUCATION GENERAL COST (NET)	-	11,748,790	11,748,790	11,748,790	-	-
Total Expenditures	4,205,109	25,667,280	29,872,389	25,155,032	4,484,301	233,056
Other financing sources/(uses):						
Transfers out				18,509		(18,509)
Total Other financing sources/(uses)	-	-	-	18,509	-	(18,509)
Total Expenditures and other financing sources/(uses)	\$ 4,205,109	\$ 25,667,280	\$ 29,872,389	\$ 25,173,541	\$ 4,484,301	\$ 214,547

(Concluded)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2013**

Budgetary To GAAP Basis Reconciliation

The following reconciliation summarizes the difference between budgetary and GAAP basis accounting principles for the year ended June 30, 2013:

	<u>General Fund</u>
Excess of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 5,607,134
Plumbing and Electrical Inspection revenues and expenditures	3,221
Use of accumulated fund balance	<u>(6,168,803)</u>
Excess of revenues and other sources under expenditures and other uses (GAAP)	<u>\$ (558,448)</u>

(CONTINUED)

TOWN OF WARREN, RHODE ISLAND

**NOTES TO THE PENSION SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2013**

Changes affecting the June 30, 2012 actuarial valuation:

The assumptions for the Municipal Employees' Retirement System are consistent with the 2011 valuation, with the exception of certain assumption changes that resulted from the enactment of the Rhode Island Retirement Security Act of 2011. The marriage assumption was modified to reflect the expected percentage of members that will be eligible for survivor benefits upon their death, the incidence of disability was lowered to incorporate a continued trend of significantly fewer incidents of disability than anticipated by the current assumption, and the missing data assumption was updated to incorporate an assumption for missing beneficiary data.

The method used to determine the actuarial value of assets is the five-year smoothed market method. A small adjustment was made to the method used to smooth investment gains and losses to allow gains and losses to offset each other immediately. This modification will reduce future volatility in the actuarial value of assets while ensuring that the actuarial value always trends directly towards the market value of assets.

Changes affecting the June 30, 2011 actuarial valuation:

The retirement rates were modified to be consistent with the retirement eligibility changes instituted by the Rhode Island Retirement Security Act of 2011. Members that were assumed to retire prior to the Act, but before the earliest allowable age under the Act, are assumed to retire once eligible.

(CONCLUDED)

Non-major Governmental Funds:

Planning Challenge Grant—accounts for revenue and expenditures related to.

Historical Street Signs—accounts for revenue and expenditures relating to restoration and replacement of street signs.

Community Gardens— accounts for revenue and expenditures for the use of Town's Open Space for Community Gardens. Townspeople pay rent for a plot of land to farm as they see fit.

ACO Donations—accounts for donations for ACO activities.

Cops that Care—accounts for revenues and expenditures related to activities for Cops that Care program.

Social Services Donations— accounts for donations to be used for various social service activities.

Marijuana Grant- accounts for revenue and expenditures related to the activities preventing and reducing the use of marijuana and other drugs by youths.

Warren Beautification Donation - accounts for activity related to the Beautification Donation Program.



Non-major Governmental Funds:

Animal Rescue—accounts for revenue and expenditures related to medical care of animals to ready for adoption or for necessary medical care. Funded by a portion of each pet license issued.

Revaluation Fund—accounts for expenditures relating to revaluation activities.

Animal Spading—accounts for revenue and expenditures relating to the spading of local animals within the Town to minimize stray animal population.

Community Development Block Grant —accounts for revenues and expenditures related to federally funded Community Development Block Grant programs.

Police Bike Patrol Grant- Senate grant funds for revenue and expenses related to conducting bike path and street/foot patrols.

Stormwater Permitting - accounts for revenues and expenditures related to the Phase II Stormwater requirements by DEM.

State Paving Grant—accounts for revenues and expenditures related to road paving activities.



Non-major Governmental Funds:

Byrnes Justice Grant—accounts for federal revenue, via reimbursement, and expenditures related to purchases of police technology equipment.

AFIS Live Scan Fed Grant—accounts for revenue and expenditures relating to the AFIS Live Scan Fed Grant.

RI State Byrnes Justice Grant—accounts for revenue and expenditures related to cell service fees for the police vehicles' mobile data terminals and command staff and investigators' cell phone service fees.

Road Salt Storage Project—accounts for revenue and expenditures related to construction of a salt shed to limit the migration of salt and sediments into two Town water sheds. RI DEM partially funded project; payment on a reimbursement basis.

RI JAG Byrne Stimulus Grant—accounts for revenue and expenses related to cell service fees for police vehicles' mobile data terminals and command staff & investigators' cell phone service fees.

Memorial Tree Fund—accounts for expenditures relating to Memorial Tree.

Strategic Plan Energy Conservation—accounts for revenue and expenditures related to improve the energy efficiency of the Town's municipal buildings.

Sewer Project—EPA accounts for activity related to Sewer Project .

Summer Concerts - accounts for activity related to the Summer Concerts Program.



Non-major Governmental Funds:

Project Playground—accounts for the revenue and expenditures related to equipment and upkeep of the Community playground located in the Hugh Cole Recreation Area (Town Open Space).

Jamiel's Park Chafee—accounts for revenue and expenditures related to \$247,000 federal grant awarded in 2007 for facility improvements at the Jamiel's Park (Town Open Space).

Safe Routes to School- accounts for activity related to the Safe Routes to School Program.

Substance Abuse—accounts for State grant funding of Substance Abuse Prevention Program.

Fire Inspections—accounts for revenue and expenditures for periodic fire inspections.

Jamiel's Park Grant DEM Grant—accounts for revenue and expenditures related to \$300,000 State Recreation Grant awarded in 2006 for facility improvements at the Jamiel's Park Recreation Development (Town Open Space).

Fire State Med Plans—accounts for revenue and expenditures related to the authorization and procurement of vaccinations and/or medications as dictated by the RI Center of Emergency Management and Response.



Non-major Governmental Funds:

FEMA Sandy Event Grant—accounts for revenue and expenditures related to the local storm activity.

Industrial Pretreatment—accounts for activity related to industrial pretreatment initiative.

Veterans Honor Roll—accounts for revenues and expenditures for the construction and maintenance of Honor Roll monument.

Government Center—accounts for activity related to operation of Government Center.

Holiday Committee—accounts for activity for the holiday committee at the Town Hall.

Narcotics —accounts for revenues and expenditures of police participation with Narcotics Strike Force.

Employee Charity Fund - accounts for employees pay for Friday Casual Day participation.

Ship Shape - accounts for revenue and expenditures related to the incentive to clean up storefronts and the exteriors of homes.

Parker Ave Clean Up—accounts for revenues and expenditures related to the Parker Avenue clean up.



Non-major Governmental Funds:

Town Trust—accounts for revenues and expenditures to preservation of Town documents, including land evidence records; and birth/death/marriage certificates; and Town meeting minutes.

Police Trust - accounts for revenues and expenditures of Police Trust, dedicated to public safety needs.

Sara B. Burtis-accounts for revenue and expenditures of Sara B. Burtis Trust.

RI EME Grant - accounts for revenues and expenditures related to the Homeland Security Grant.

Warren Arts Initiative - accounts for revenue and expenditures related to the work group of the Economic Development Board that addresses the arts.

DEM Diesel Emissions Reduction Act—accounts for revenues and expenditures related to the DEM Diesel Emissions reduction Act.

Road Duty—accounts for monies received for Sworn Constables and off-duty police assignments and resulting wage disbursements.



Non-major Governmental Funds:

Champlin Foundation Grant— accounts for revenues and expenditures related to the Champlin Foundation Award.

Behavior Health Youth Tobacco Enforcement—accounts for revenues and expenditures related to the Behavior Health/Youth Tobacco Enforcement Grant.

Recreational Trails Grant—accounts for revenues and expenditures related to the Recreational Trails Grant.



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

	<u>Special Revenue Funds</u>						
	<u>Enterprise Zone</u>	<u>Senior Center</u>	<u>Kee Farm Preservation</u>	<u>Road Duty</u>	<u>Rec Department Donation</u>	<u>State Paving Grant</u>	<u>Fire Legislative Grant</u>
ASSETS							
Cash and cash equivalents	\$ 9,182	\$ 43,790	\$ -	\$ -	\$ 2,265	\$ -	\$ -
Cash on deposit RICWFA							
Investments							
Due from state			26,935	20,181			
Receivables (net)	16,591			7,804			
TOTAL ASSETS	25,773	43,790	26,935	27,985	2,265	-	-
LIABILITIES							
Accounts payable		1,171					
Accrued expenses							
Due to other funds			23,837	\$ 17,547			
Unearned revenue	18,879		26,935				
TOTAL LIABILITIES	18,879	1,171	50,772	17,547	-	-	-
FUND BALANCES							
Non-Spendable							
Restricted	6,894	42,619		10,438	2,265		
Committed							
Assigned							
Unassigned			(23,837)				
TOTAL FUND BALANCES	\$ 6,894	\$ 42,619	\$ (23,837)	\$ 10,438	\$ 2,265	\$ -	\$ -

(Continued)

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

	<u>Special Revenue Funds</u>						
	<u>Gun Buy Back</u>	<u>RI DOT Hwy Safety Grant</u>	<u>WPD RI Senatorial Grant</u>	<u>Recycling Grant</u>	<u>Planning Challenge Grant</u>	<u>Champlain Foundation</u>	<u>Historical Street Signs</u>
ASSETS							
Cash and cash equivalents	\$ 2,000	\$ -	\$ 2,832	\$ 11,606	\$ -	\$ 48,305	\$ -
Cash on deposit RICWFA							
Investments							
Due from state					30,000		
Receivables (net)							
TOTAL ASSETS	<u>2,000</u>	<u>-</u>	<u>2,832</u>	<u>11,606</u>	<u>30,000</u>	<u>48,305</u>	<u>-</u>
LIABILITIES							
Accounts payable							
Accrued expenses							
Due to other funds					12,417		
Unearned revenue					30,000		
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,417</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Non-Spendable							
Restricted			2,832	11,606		48,305	-
Committed							
Assigned							
Unassigned	2,000				(12,417)		
TOTAL FUND BALANCES	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 2,832</u>	<u>\$ 11,606</u>	<u>\$ (12,417)</u>	<u>\$ 48,305</u>	<u>\$ -</u>

(Continued)

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

Special Revenue Funds

	<u>Community Gardens</u>	<u>ACO Donations</u>	<u>Diesel Equipment Repair</u>	<u>Cops that Care</u>	<u>Social Services Donations</u>	<u>Marijuana Grant</u>
ASSETS						
Cash and cash equivalents	\$ 2,272	\$ 35,739	\$ 4,832	\$ 21	\$ 1,012	\$ 23,906
Cash on deposit RICWFA						
Investments						
Due from state						4,860
Receivables (net)						
TOTAL ASSETS	<u>2,272</u>	<u>35,739</u>	<u>4,832</u>	<u>21</u>	<u>1,012</u>	<u>28,766</u>
LIABILITIES						
Accounts payable						969
Accrued expenses						
Due to other funds						
Unearned revenue			4,832			
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>4,832</u>	<u>-</u>	<u>-</u>	<u>969</u>
FUND BALANCES						
Non-Spendable						
Restricted	2,272	35,739	-	21	1,012	27,797
Committed						
Assigned						
Unassigned						
TOTAL FUND BALANCES	<u>\$ 2,272</u>	<u>\$ 35,739</u>	<u>\$ -</u>	<u>\$ 21</u>	<u>\$ 1,012</u>	<u>\$ 27,797</u>

(Continued)

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

Special Revenue Funds

	Warren Beautification <u>Donation</u>	Animal Rescue	Revaluation Fund	Animal Spading	Police Bicycle Patrol Grant	Byrnes Justice Grant
ASSETS						
Cash and cash equivalents	\$ 2,122	\$ 12,257	\$ -	\$ -	\$ 3,264	\$ 77
Cash on deposit RICWFA						
Investments						
Due from state						
Receivables (net)						
TOTAL ASSETS	<u>2,122</u>	<u>12,257</u>	<u>-</u>	<u>-</u>	<u>3,264</u>	<u>77</u>
LIABILITIES						
Accounts payable		1,936				
Accrued expenses						
Due to other funds						
Unearned revenue						
TOTAL LIABILITIES	<u>-</u>	<u>1,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Non-Spendable						
Restricted	2,122	10,321			3,264	77
Committed						
Assigned						
Unassigned			-	-		
TOTAL FUND BALANCES	<u>\$ 2,122</u>	<u>\$ 10,321</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,264</u>	<u>\$ 77</u>

(Continued)

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

Special Revenue Funds

	<u>Youth Tobacco Enforcement</u>	<u>AFIS Live Scan Fed Grant</u>	<u>RI State Byrnes Justice Grant</u>	<u>Road Salt Storage Project</u>	<u>RI JAG Byrne Stimulus Grant</u>	<u>Memorial Tree Fund</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ 250	\$ 1,263	\$ -	\$ -	\$ 321
Cash on deposit RICWFA						
Investments						
Due from state				-		
Receivables (net)						
TOTAL ASSETS	<u>-</u>	<u>250</u>	<u>1,263</u>	<u>-</u>	<u>-</u>	<u>321</u>
LIABILITIES						
Accounts payable						
Accrued expenses						
Due to other funds						
Unearned revenue				-		
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Non-Spendable						
Restricted		250	1,263			321
Committed						
Assigned						
Unassigned	-			-	-	
TOTAL FUND BALANCES	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 1,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321</u>

(Continued)

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

Special Revenue Funds

	Strategic Plan Energy Consv	Sewer Project - EPA	Stormwater Permitting	Recreational Trails Grant	Summer Concerts	RI EME Grant
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 26,923	\$ -	\$ 4,609	\$ -
Cash on deposit RICWFA						
Investments						
Due from state						
Receivables (net)				63,200		
TOTAL ASSETS	-	-	26,923	63,200	4,609	-
LIABILITIES						
Accounts payable						
Accrued expenses						
Due to other funds				36,507		
Unearned revenue				26,693		
TOTAL LIABILITIES	-	-	-	63,200	-	-
FUND BALANCES						
Non-Spendable						
Restricted	-		26,923		4,609	
Committed						
Assigned						
Unassigned		-		-		-
TOTAL FUND BALANCES	\$ -	\$ -	\$ 26,923	\$ -	\$ 4,609	\$ -

(Continued)

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

Special Revenue Funds

	<u>Project Playground</u>	<u>Fire Dept Reserve</u>	<u>Safe Routes To School</u>	<u>Substance Abuse</u>	<u>Fire Inspections</u>	<u>Jamiel's Park DEM Grant</u>
ASSETS						
Cash and cash equivalents	\$ 1,000	\$ -	\$ -	\$ -	\$ 13,196	\$ -
Cash on deposit RICWFA						
Investments						
Due from state			17,000			5,876
Receivables (net)				1,871		
TOTAL ASSETS	<u>1,000</u>	<u>-</u>	<u>17,000</u>	<u>1,871</u>	<u>13,196</u>	<u>5,876</u>
LIABILITIES						
Accounts payable						
Accrued expenses				626		
Due to other funds			8,329	12,907		5,876
Unearned revenue			8,671			5,876
TOTAL LIABILITIES		<u>-</u>	<u>17,000</u>	<u>13,533</u>	<u>-</u>	<u>11,752</u>
FUND BALANCES						
Non-Spendable						
Restricted	1,000	-	-		13,196	
Committed						
Assigned						
Unassigned				(11,662)		(5,876)
TOTAL FUND BALANCES	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,662)</u>	<u>\$ 13,196</u>	<u>\$ (5,876)</u>

(Continued)

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

Special Revenue Funds

	<u>Fire State Meds Plan</u>	<u>Police Forfeiture</u>	<u>FEMA Sandy Event</u>	<u>Community Development Block Grant</u>	<u>Industrial Pretreatment</u>	<u>Veterans Honor Roll</u>
ASSETS						
Cash and cash equivalents	\$ 13,780	\$ -	\$ 12,562	\$ 1,279	\$ -	\$ 16,866
Cash on deposit RICWFA						
Investments						
Due from state			1,875			
Receivables (net)						
TOTAL ASSETS	<u>13,780</u>	<u>-</u>	<u>14,437</u>	<u>1,279</u>	<u>-</u>	<u>16,866</u>
LIABILITIES						
Accounts payable	1,500					
Accrued expenses						
Due to other funds						
Unearned revenue						
TOTAL LIABILITIES	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Non-Spendable						
Restricted	12,280	-	14,437	1,279	-	16,866
Committed						
Assigned						
Unassigned						
TOTAL FUND BALANCES	<u>\$ 12,280</u>	<u>\$ -</u>	<u>\$ 14,437</u>	<u>\$ 1,279</u>	<u>\$ -</u>	<u>\$ 16,866</u>

(Continued)

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

Special Revenue Funds

	<u>Government Center</u>	<u>Parker Avenue Clean Up</u>	<u>Ship Shape</u>	<u>Holiday Committee</u>	<u>Town Beach Stormwater</u>	<u>Narcotics</u>	<u>Employee Charity Fund</u>
ASSETS							
Cash and cash equivalents	\$ 2,107	\$ -	\$ 1,700	\$ -	\$ -	\$ 7,586	\$ 205
Cash on deposit RICWFA							
Investments							
Due from state							
Receivables (net)							
TOTAL ASSETS	<u>2,107</u>	<u>-</u>	<u>1,700</u>	<u>-</u>	<u>-</u>	<u>7,586</u>	<u>205</u>
LIABILITIES							
Accounts payable			900		474	80	
Accrued expenses							
Due to other funds							
Unearned revenue							
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>900</u>	<u>-</u>	<u>474</u>	<u>80</u>	<u>-</u>
FUND BALANCES							
Non-Spendable							
Restricted	2,107		800	-	(474)	7,506	205
Committed							
Assigned							
Unassigned		-					
TOTAL FUND BALANCES	<u>\$ 2,107</u>	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ (474)</u>	<u>\$ 7,506</u>	<u>\$ 205</u>

(Continued)

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

	<u>Capital Project Fund</u>		<u>Permanent Funds</u>			
	<u>RICWFA Bond 2005A</u>	<u>RICWFA Bond 2011A</u>	<u>Town Trust</u>	<u>Police Trust</u>	<u>Sara B. Burtis</u>	<u>GRAND TOTALS</u>
ASSETS						
Cash and cash equivalents			\$ 44,915	\$ 3,170	\$ 922	\$ 358,136
Cash on deposit RICWFA	\$ 29,616	\$ 446,539				476,155
Investments					31,284	31,284
Due from state						106,727
Receivables (net)						89,466
TOTAL ASSETS	<u>29,616</u>	<u>446,539</u>	<u>44,915</u>	<u>3,170</u>	<u>32,206</u>	<u>1,061,768</u>
LIABILITIES						
Accounts payable			153			7,183
Accrued expenses						626
Due to other funds						117,420
Grants provided in advance						121,886
TOTAL LIABILITIES	<u>-</u>		<u>153</u>	<u>-</u>	<u>-</u>	<u>247,115</u>
FUND BALANCES						
Non-Spendable			44,762	3,170	32,206	80,138
Restricted	29,616	446,539				786,307
Committed						-
Assigned						-
Unassigned						(51,792)
TOTAL FUND BALANCES	<u>\$ 29,616</u>	<u>\$ 446,539</u>	<u>\$ 44,762</u>	<u>\$ 3,170</u>	<u>\$ 32,206</u>	<u>\$ 814,653</u>

(Concluded)

TOWN OF WARREN, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the year ended June 30, 2013

	<i>Special Revenue Funds</i>						
	<u>Enterprise Zone</u>	<u>Senior Center</u>	<u>Kee Farm Preservation</u>	<u>Road Duty</u>	<u>Rec Department Donation</u>	<u>State Paving Grant</u>	<u>Fire Legislative Grant</u>
REVENUES							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees, permits and fines							
Intergovernmental		46,969					
Other				113,504	450		
TOTAL REVENUES	-	46,969	-	113,504	450	-	-
EXPENDITURES							
General government		38,955					
Public safety				109,080			
Fire safety							
Waste water treatment							
Capital and special appropriations							
TOTAL EXPENDITURES	-	38,955	-	109,080	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	-	8,014	-	4,424	450	-	-
OTHER FINANCING SOURCES/USES							
Transfers in						146,846	1,496
Transfers out							
NET OTHER SOURCES/USES	-	-	-	-	-	146,846	1,496
NET CHANGE IN FUND BALANCE	-	8,014	-	4,424	450	146,846	1,496
FUND BALANCE - BEGINNING	6,894	34,605	(23,837)	6,014	1,815	(146,846)	(1,496)
FUND BALANCE - ENDING	\$ 6,894	\$ 42,619	\$ (23,837)	\$ 10,438	\$ 2,265	\$ -	\$ -

(Continued)

TOWN OF WARREN, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the year ended June 30, 2013

	<u>Special Revenue Funds</u>						
	<u>Gun Buy Back</u>	<u>RI DOT Hwy Safety Grant</u>	<u>WPD RI Senatorial Grant</u>	<u>Recycling Grant</u>	<u>Planning Challenge Grant</u>	<u>Champlain Foundation</u>	<u>Historical Street Signs</u>
REVENUES							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115	\$ -
Licenses, fees, permits and fines							
Intergovernmental		58,391	3,000	26,818	3,273		
Other							
TOTAL REVENUES	-	58,391	3,000	26,818	3,273	115	-
EXPENDITURES							
General government			2,168	21,969	5,224		63
Public safety		65,962					
Fire safety							
Waste water treatment							
Capital and special appropriations							
TOTAL EXPENDITURES	-	65,962	2,168	21,969	5,224	-	63
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	-	(7,571)	832	4,849	(1,951)	115	(63)
OTHER FINANCING SOURCES/USES							
Transfers in							
Transfers out							
NET OTHER SOURCES/USES	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	(7,571)	832	4,849	(1,951)	115	(63)
FUND BALANCE - BEGINNING	2,000	7,571	2,000	6,757	(10,466)	48,190	63
FUND BALANCE - ENDING	\$ 2,000	\$ -	\$ 2,832	\$ 11,606	\$ (12,417)	\$ 48,305	\$ -

(Continued)

TOWN OF WARREN, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the year ended June 30, 2013

	<u>Special Revenue Funds</u>					
	<u>Community Gardens</u>	<u>ACO Donations</u>	<u>Diesel Equipment Repair</u>	<u>Cops that Care</u>	<u>Social Services Donations</u>	<u>Marijuana Grant</u>
REVENUES						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees, permits and fines						
Intergovernmental						49,575
Other	45	10,890				
TOTAL REVENUES	<u>45</u>	<u>10,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,575</u>
EXPENDITURES						
General government					792	43,425
Public safety						
Fire safety						
Waste water treatment						
Capital and special appropriations						
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>792</u>	<u>43,425</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	<u>45</u>	<u>10,890</u>	<u>-</u>	<u>-</u>	<u>(792)</u>	<u>6,150</u>
OTHER FINANCING SOURCES/USES						
Transfers in						
Transfers out						
NET OTHER SOURCES/USES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	45	10,890	-	-	(792)	6,150
FUND BALANCE - BEGINNING	2,227	24,849	-	21	1,804	21,647
FUND BALANCE - ENDING	<u>\$ 2,272</u>	<u>\$ 35,739</u>	<u>\$ -</u>	<u>\$ 21</u>	<u>\$ 1,012</u>	<u>\$ 27,797</u>

(Continued)

TOWN OF WARREN, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the year ended June 30, 2013

	<i>Special Revenue Funds</i>					
	Warren Beautification Donation	Animal Rescue	Revaluation Fund	Animal Spading	Police Bicycle Patrol Grant	Byrnes Justice Grant
REVENUES						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees, permits and fines						
Intergovernmental				3,760	-	
Other		4,449				
TOTAL REVENUES	-	4,449	-	3,760	-	-
EXPENDITURES						
General government		14,348				
Public safety						
Fire safety						
Waste water treatment						
Capital and special appropriations						
TOTAL EXPENDITURES	-	14,348	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	-	(9,899)	-	3,760	-	-
OTHER FINANCING SOURCES/USES						
Transfers in			7,304			
Transfers out						
NET OTHER SOURCES/USES	-	-	7,304	-	-	-
NET CHANGE IN FUND BALANCE	-	(9,899)	7,304	3,760	-	-
FUND BALANCE - BEGINNING	2,122	20,220	(7,304)	(3,760)	3,264	77
FUND BALANCE - ENDING	\$ 2,122	\$ 10,321	\$ -	\$ -	\$ 3,264	\$ 77

(Continued)

TOWN OF WARREN, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the year ended June 30, 2013

	<i>Special Revenue Funds</i>					
	Youth Tobacco Enforcement	AFIS Live Scan Fed Grant	RI State Byrnes Justice Grant	Road Salt Storage Project	RI JAG Byrne Stimulus Grant	Memorial Tree Fund
REVENUES						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees, permits and fines						
Intergovernmental				-		
Other	171				-	400
TOTAL REVENUES	171	-	-	-	-	400
EXPENDITURES						
General government						195
Public safety						
Fire safety						
Waste water treatment						
Capital and special appropriations						
TOTAL EXPENDITURES	-	-	-	-	-	195
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	171	-	-	-	-	205
OTHER FINANCING SOURCES/USES						
Transfers in				4,281	5,977	
Transfers out						
NET OTHER SOURCES/USES	-	-	-	4,281	5,977	-
NET CHANGE IN FUND BALANCE	171	-	-	4,281	5,977	205
FUND BALANCE - BEGINNING	(171)	250	1,263	(4,281)	(5,977)	116
FUND BALANCE - ENDING	\$ -	\$ 250	\$ 1,263	\$ -	\$ -	\$ 321

(Continued)

TOWN OF WARREN, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the year ended June 30, 2013

	<i>Special Revenue Funds</i>					
	Strategic Plan Energy Consv	Sewer Project - EPA	Stormwater Permitting	Recreational Trails Grant	Summer Concerts	RI EME Grant
REVENUES						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees, permits and fines						
Intergovernmental	30,907			18,291	-	
Other					1,000	171
TOTAL REVENUES	30,907	-	-	18,291	1,000	171
EXPENDITURES						
General government	30,907			18,291	325	
Public safety						
Fire safety						
Waste water treatment						
Capital and special appropriations						
TOTAL EXPENDITURES	30,907	-	-	18,291	325	-
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	-	-	-	-	675	171
OTHER FINANCING SOURCES/USES						
Transfers in		3,733				
Transfers out						
NET OTHER SOURCES/USES	-	3,733	-	-	-	-
NET CHANGE IN FUND BALANCE	-	3,733	-	-	675	171
FUND BALANCE - BEGINNING	-	(3,733)	26,923	-	3,934	(171)
FUND BALANCE - ENDING	\$ -	\$ -	\$ 26,923	\$ -	\$ 4,609	\$ -

(Continued)

TOWN OF WARREN, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the year ended June 30, 2013

	<u>Special Revenue Funds</u>					
	<u>Project Playground</u>	<u>Jamiels Park Chafee</u>	<u>Safe Routes To School</u>	<u>Substance Abuse</u>	<u>Fire Inspections</u>	<u>Jamiel's Park DEM Grant</u>
REVENUES						
Interest and investment income	\$ -	\$ -	\$ -		\$ -	\$ -
Licenses, fees, permits and fines	-				3,685	
Intergovernmental			8,329	\$ 27,141		
Other						
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>8,329</u>	<u>27,141</u>	<u>3,685</u>	<u>-</u>
EXPENDITURES						
General government				42,494		51,562
Public safety			8,329			
Fire safety					2,109	
Waste water treatment						
Capital and special appropriations						
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>8,329</u>	<u>42,494</u>	<u>2,109</u>	<u>51,562</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,353)</u>	<u>1,576</u>	<u>(51,562)</u>
OTHER FINANCING SOURCES/USES						
Transfers in		81,413		4,490		116,718
Transfers out						
NET OTHER SOURCES/USES	<u>-</u>	<u>81,413</u>	<u>-</u>	<u>4,490</u>	<u>-</u>	<u>116,718</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>81,413</u>	<u>-</u>	<u>(10,863)</u>	<u>1,576</u>	<u>65,156</u>
FUND BALANCE - BEGINNING	1,000	(81,413)	-	(799)	11,620	(71,032)
FUND BALANCE - ENDING	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,662)</u>	<u>\$ 13,196</u>	<u>\$ (5,876)</u>

(Continued)

TOWN OF WARREN, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the year ended June 30, 2013

	<u>Special Revenue Funds</u>					
	<u>Fire State Meds Plan</u>	<u>Arts Initiative</u>	<u>FEMA Sandy Event</u>	<u>Community Development Block Grant</u>	<u>Industrial Pretreatment</u>	<u>Veterans Honor Roll</u>
REVENUES						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees, permits and fines						
Intergovernmental	3,750		63,300	116,334		1,500
Other						
TOTAL REVENUES	<u>3,750</u>	<u>-</u>	<u>63,300</u>	<u>116,334</u>	<u>-</u>	<u>1,500</u>
EXPENDITURES						
General government	1,500	500	84,197	123,958		2,360
Public safety						
Fire safety						
Waste water treatment						
Capital and special appropriations						
TOTAL EXPENDITURES	<u>1,500</u>	<u>500</u>	<u>84,197</u>	<u>123,958</u>	<u>-</u>	<u>2,360</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	<u>2,250</u>	<u>(500)</u>	<u>(20,897)</u>	<u>(7,624)</u>	<u>-</u>	<u>(860)</u>
OTHER FINANCING SOURCES/USES						
Transfers in						
Transfers out					(23,737)	
NET OTHER SOURCES/USES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,737)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2,250	(500)	(20,897)	(7,624)	(23,737)	(860)
FUND BALANCE - BEGINNING	10,030	500	35,334	8,903	23,737	17,726
FUND BALANCE - ENDING	<u>\$ 12,280</u>	<u>\$ -</u>	<u>\$ 14,437</u>	<u>\$ 1,279</u>	<u>\$ -</u>	<u>\$ 16,866</u>

(Continued)

TOWN OF WARREN, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the year ended June 30, 2013

	<u>Special Revenue Funds</u>						
	<u>Government Center</u>	<u>Parker Avenue Clean Up</u>	<u>Ship Shape</u>	<u>Holiday Committee</u>	<u>Town Beach Stormwater</u>	<u>Narcotics</u>	<u>Employee Charity Fund</u>
REVENUES							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees, permits and fines						1,644	
Intergovernmental				5,339			110
Other		9,939	1,000				
TOTAL REVENUES	-	9,939	1,000	5,339	-	1,644	110
EXPENDITURES							
General government			1,200	5,339	474	3,873	350
Public safety							
Fire safety							
Waste water treatment							
Capital and special appropriations							
TOTAL EXPENDITURES	-	-	1,200	5,339	474	3,873	350
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	-	9,939	(200)	-	(474)	(2,229)	(240)
OTHER FINANCING SOURCES/USES							
Transfers in							
Transfers out							
NET OTHER SOURCES/USES	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	9,939	(200)	-	(474)	(2,229)	(240)
FUND BALANCE - BEGINNING	2,107	(9,939)	1,000	-	-	9,735	445
FUND BALANCE - ENDING	\$ 2,107	\$ -	\$ 800	\$ -	\$ (474)	\$ 7,506	\$ 205

(Continued)

TOWN OF WARREN, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the year ended June 30, 2013

	Capital Project Fund		Permanent Funds			GRAND TOTALS
	RICWFA Bond 2005A	RICWFA Bond 2011A	Town Trust	Police Trust	Sara B. Burtis	
REVENUES						
Interest and investment income	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ 116
Licenses, fees, permits and fines			14,716			20,045
Intergovernmental						466,787
Other					4,054	146,073
TOTAL REVENUES	-	-	14,716	1	4,054	633,021
EXPENDITURES						
General government			153		4,232	498,854
Public safety						183,371
Fire safety						2,109
Waste water treatment						-
Capital and special appropriations	211,910	1,533,461				1,745,371
TOTAL EXPENDITURES	211,910	1,533,461	153	-	4,232	2,429,705
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	(211,910)	(1,533,461)	14,563	1	(178)	(1,796,684)
OTHER FINANCING SOURCES/USES						
Transfers in						372,258
Transfers out						(23,737)
NET OTHER SOURCES/USES	-	-	-	-	-	348,521
NET CHANGE IN FUND BALANCE	(211,910)	(1,533,461)	14,563	1	(178)	(1,448,163)
FUND BALANCE - BEGINNING	241,526	1,980,000	30,199	3,169	32,384	2,262,816
FUND BALANCE - ENDING	\$ 29,616	\$ 446,539	\$ 44,762	\$ 3,170	\$ 32,206	\$ 814,653

(Concluded)

Private-purpose Trust Funds

These trust funds account for gifts and bequests restricted as to use for the benefit of parties outside of the Town, and can not be used at the Town's discretion or to support the Town's general operations. Certain of these trusts are for the benefit of local educational organizations, social benefit groups, and other private parties.



TOWN OF WARREN, RHODE ISLAND
Combining Statement of Net Position
Private-purpose Trusts
June 30, 2013

	<u>Samuel P. Colt Fund</u>	<u>Joseph Martin Fund</u>	<u>Abby A. Cole Fund</u>	<u>Asylum Farm Fund</u>	<u>Joseph W. Smith Fund</u>	<u>C. Richard Gardener Fund</u>	<u>Totals</u>
ASSETS							
Cash	\$ 5,165	\$ 3,689	\$ 1,291	\$ 2,398	\$ 4,243	\$ 738	\$ 17,524
Investments	175,190	125,136	43,797	81,338	143,906	25,027	594,394
TOTAL ASSETS	180,355	128,825	45,088	83,736	148,149	25,765	611,918
LIABILITIES							
	-	-	-	-	-	-	-
NET POSITION							
Held in Trust for private purposes	\$ 180,355	\$ 128,825	\$ 45,088	\$ 83,736	\$ 148,149	\$ 25,765	\$ 611,918

TOWN OF WARREN, RHODE ISLAND
Combining Statement of Changes in Net Position
Private-purpose Trusts
For the year ended June 30, 2013

	<u>Samuel P. Colt Fund</u>	<u>Joseph Martin Fund</u>	<u>Abby A. Cole Fund</u>	<u>Asylum Farm Fund</u>	<u>Joseph W. Smith Fund</u>	<u>C. Richard Gardener Fund</u>	<u>Totals</u>
ADDITIONS:							
Investment income	\$ 1,846	\$ 1,318	\$ 461	\$ 857	\$ 1,516	\$ 264	\$ 6,262
DEDUCTIONS:							
Portfolio management fees	2,839	2,028	710	1,318	2,332	406	9,633
Other expenses							
Total Deductions	2,839	2,028	710	1,318	2,332	406	9,633
CHANGE IN NET ASSETS	(993)	(710)	(249)	(461)	(816)	(142)	(3,371)
Net Position - beginning	181,348	129,535	45,337	84,197	148,965	25,907	615,289
Net Position - ending	<u>\$ 180,355</u>	<u>\$ 128,825</u>	<u>\$ 45,088</u>	<u>\$ 83,736</u>	<u>\$ 148,149</u>	<u>\$ 25,765</u>	<u>\$ 611,918</u>

Agency Funds

These funds account for assets held on behalf of others on a temporary basis.

Performance Bonds—accounts for monies held by Town while contractors perform expected duties.



TOWN OF WARREN, RHODE ISLAND

**Statement of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2013**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>Performance Bonds</u>				
ASSET				
Cash	<u>\$ 84,184</u>	<u>\$ 745</u>	<u>\$ 364</u>	<u>\$ 84,565</u>
LIABILITY				
Deposits Held in Custody for Others	<u>\$ 84,184</u>	<u>\$ 745</u>	<u>\$ 364</u>	<u>\$ 84,565</u>