

TOWN OF WARREN, RHODE ISLAND

BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2022



Kate Michaud
Manager

Fung Y. Chan
Finance Director

TOWN OF WARREN, RHODE ISLAND

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Introductory Section

List of Town Officials

TOWN COUNCIL

John W. Hanley, President
Steven P. Calenda, Vice President
Joseph A. DePasquale
P. Brandt Heckert
Keri M. Cronin

Town Manager	Kate Michaud
Town Solicitor	Anthony DeSisto
Town Clerk	Sandrea Speroni
Tax Assessor	Kristopher Leadem
Finance Director	Fung Y. Chan
Public Works Director	Brian Wheeler
Police Chief	Roy Borges
Fire Chief	James A. Sousa
Building/Zone Official	Matthew Cabral
Harbor Master	Edward Cabral

Financial Section

Independent Auditor's Report

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Supplementary Information

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Independent Auditor's Report

To the Honorable Town Council
Town of Warren, Rhode Island

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Warren, Rhode Island ("the Town"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Warren, Rhode Island, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Warren's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 16 during the fiscal year 2022 the Town adopted new accounting guidance Governmental Accounting Standards Board Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements, tax collector's annual report and annual supplemental transparency portal (MTP2) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the tax collector's annual report and annual supplemental transparency portal (MTP2) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2022, on our consideration of the Town of Warren’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Town of Warren’s 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 Town of Warren’s internal control over financial reporting and compliance.

Hague, Sabady & Co. PC

Fall River, Massachusetts
November 14, 2022

TOWN OF WARREN, RHODE ISLAND

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2022

As management of the Town of Warren (“the Town”), we offer readers of the Town’s financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. We encourage readers to consider this information in addition to the statements and notes.

The Town complies with financial reporting requirements issues by the *Governmental Accounting Standard Board* (GASB). GASB is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Users of these financial statements, such as investors and rating agencies, rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users can assess the financial condition of one government compared to others.

Financial Highlights

Government-wide:

- The Town assets plus deferred outflow of resources exceeded its liabilities and deferred inflow of resources as of June 30, 2022, by \$595,516 (net position).
- The Town of Warren’s total net position increased by \$297,430 for the current fiscal year.
- The governmental net position increased by \$214,972 and the business-type net position increased by \$82,458.

Governmental:

- As of June 30, 2022, the Town of Warren’s governmental funds reported combined ending fund balances of \$10,101,963, a decrease of \$2,092,655 from fiscal year 2021 fund balance of \$12,194,618.
- As of June 30, 2022, the total fund balance for the General Fund was \$7,959,689 or approximately 26% of total general fund expenditures.
- As of June 30, 2022, the unassigned fund balance for the General Fund was \$7,914,003, a decrease of \$287,365 over the prior year unassigned fund balance of \$8,201,368.
- The Town of Warren’s total debt for its governmental activities is \$31,652,127 a 6% decrease during 2022. The Town paid down principal of \$2,299,841 on existing bond issues.
- For the purpose of this audit, the Transfer Station Fund has been included with the General Fund and is not considered a proprietary fund.
- As of June 30, 2022, the fund balance for the sewer fund was \$384,659 or approximately 23% of total sewer fund expenditures.

TOWN OF WARREN, RHODE ISLAND

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2022

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of the three components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Basic 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's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the Town'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 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 the cash flows*. Thus, revenue and expenses reported in this statement for some items 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 and activities of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions and activities that are intended to recover all or a significant portion of their costs through user fees or charges (*business-type activities*). The governmental activities include general government, public safety, public works, parks and recreation. The business-type activities include the Town's sewer system.

The Statement of Net Position and Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. They take into account all revenues recognized and expenses incurred even if cash has not been received or paid.

The government-wide financial statements can be found on pages 15 to 18 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 uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on the *near-term inflows and outflow of spendable resources*, as well as on *balances*

TOWN OF WARREN, RHODE ISLAND

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2022

Overview of the Financial Statements (continued)

Governmental Funds (continued)

of spendable resources available at the end of the fiscal year. Such information may be useful in the evaluation of a government's near-term financing requirements.

Because the focus of governmental funds financial statements 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. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains 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. The General Fund and RIDOT Top Water St. Project are considered major funds. Data from the remaining special revenue funds, capital project funds and permanent trust funds are combined into a single, aggregate presentation. Individual fund data for each of the non-major governmental funds combining statements is provided as supplementary information.

The basic governmental fund financial statements can be found on pages 19 to 22 of this report.

The Town of Warren adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for to demonstrate compliance with budgets and are presented on pages 70 to 76 of this report.

Proprietary Funds

Proprietary funds are used to account for business like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The Town has one enterprise fund, the sewer fund. The Town has no internal service fund.

The proprietary fund financial statements can be found on pages 23 to 25 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 included in the government-wide financial statements because the resources of the funds are not available to support the Town's own functions and activities. The accounting used for fiduciary funds is much like that used for proprietary funds.

- Private purpose trust funds, post-employment benefits trust funds and custodial funds are reported and combined into a single, aggregate presentation in the fiduciary funds' financial statements under the captions;
 - *Private Purpose Trust Funds*
 - *Other Post-Employment Benefits Trust Funds*
 - *Custodial Funds*
- The *Other Post-Employment Benefits Trust Funds* was established to hold the assets that will fund the long-term liability associated with town retirees' health benefits.

The fiduciary fund financial statements can be found on pages 26 and 27 of this report

TOWN OF WARREN, RHODE ISLAND

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2022

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 on pages 28 to 70 of this report.

Other Information

In addition to the basic financial statements and the accompanying notes, *required supplementary information*, which presents schedules relating to the Town’s pension and other postemployment benefits plan, as well as budgetary comparison schedules for the General Fund to demonstrate compliance with its respective budget. Required supplementary information can be found on pages 71 to 87 of this report.

Supplementary Information

In addition to the required supplementary information, this report also presents other supplementary information concerning remaining budgetary comparison information, combining non-major and individual fund financial statements, tax collector’s annual report, and the MTP2 Municipal Transparency Portal. This other supplementary information can be found 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 and deferred outflows exceeded liabilities and deferred inflows by \$484,037 as of June 30, 2022.

**Statement of Net Position
June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 13,713,766	\$ 14,123,261	\$ 712,524	\$ 321,876	\$ 14,426,290	\$ 14,445,137
Capital assets	33,199,947	33,936,918	-	-	33,199,947	33,936,918
Total assets	<u>46,913,714</u>	<u>48,060,179</u>	<u>712,524</u>	<u>321,876</u>	<u>47,626,237</u>	<u>48,382,055</u>
Deferred outflows of resources	1,081,013	17,038,563	-	-	1,081,013	17,038,563
Liabilities						
Long-term debt	40,436,572	45,814,304	-	-	40,436,572	45,814,304
Other liabilities	3,956,752	3,715,833	327,865	19,675	4,284,617	3,735,508
Total liabilities	<u>44,393,324</u>	<u>49,530,137</u>	<u>327,865</u>	<u>19,675</u>	<u>44,721,189</u>	<u>49,549,812</u>
Deferred inflows of resources	3,390,545	530,579	-	-	3,390,545	530,579
Net position						
Net investment in capital assets	857,444	(526,519)	-	-	857,444	(526,519)
Restricted	3,288,859	3,647,892	-	-	3,288,859	3,647,892
Unrestricted	(3,935,445)	(3,418,059)	384,659	302,201	(3,550,786)	(3,115,858)
Total net position	<u>\$ 210,857</u>	<u>\$ (296,686)</u>	<u>\$384,659</u>	<u>\$302,201</u>	<u>\$ 595,516</u>	<u>\$ 5,515</u>

TOWN OF WARREN, RHODE ISLAND

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2022

The general capital assets (e.g., land, building, machinery and equipment) of the governmental activities of the Town less outstanding debt equal \$857,444. A portion of the outstanding debt of the governmental activities was incurred for the installation of infrastructure.

Included within the total net position are net investment in capital assets of \$857,444 and restricted net position of \$3,288,859 as of June 30, 2022, leaving an unrestricted balance of \$(3,935,445). In comparison, governmental activities net position as of June 30, 2021, as stated in the fiscal year 2021 financial statement totaled \$(296,686).

Even though 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.

Analysis of the Town's Net Position:

Governmental activities increased the Town's net position by \$214,972.

Business-type activities increased the Town's net position by \$82,458.

Changes in Net Position for the period ending June 30, 2022 and June 30, 2021

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for service	\$ 73,405	\$ 50,186	\$ 1,743,622	\$ 1,667,322	\$ 1,817,027	\$ 1,717,508
Grants	610,504	469,268	-	-	610,504	469,268
General Revenues						
Property taxes	25,547,131	24,678,941	-	-	25,547,131	24,678,941
Intergovernmental	2,012,443	1,851,071	-	-	2,012,443	1,851,071
Licenses, fees, permits and fines	1,881,193	1,860,666	-	-	1,881,193	1,860,666
Investment earnings	252,235	287,311	-	-	252,235	287,311
Miscellaneous	1,456,790	-	-	-	1,456,790	-
Total revenues	<u>\$31,833,701</u>	<u>\$29,197,443</u>	<u>\$ 1,743,622</u>	<u>\$ 1,667,322</u>	<u>\$ 33,577,323</u>	<u>\$ 30,864,765</u>
Expenses						
General government	4,612,735	5,935,174	-	-	4,612,735	5,935,174
Town offices	1,523,805	1,418,915	-	-	1,523,805	1,418,915
Financial Administration	340,643	309,168	-	-	340,643	309,168
Public safety	2,917,760	3,221,718	-	-	2,917,760	3,221,718
Fire safety	1,126,858	627,536	-	-	1,126,858	627,536
Waste water treatment	458,631	349,780	1,661,164	1,621,161	2,119,795	1,970,941
Highway department	3,103,562	2,233,928	-	-	3,103,562	2,233,928
Grants and contribution	357,928	354,119	-	-	357,928	354,119
Capital and other appropriation	2,960,984	6,334,042	-	-	2,960,984	6,334,042
Education	13,270,075	12,419,413	-	-	13,270,075	12,419,413
Interest on debt	945,749	945,764	-	-	945,749	945,764
Total expenses	<u>31,618,730</u>	<u>34,149,558</u>	<u>1,661,164</u>	<u>1,621,161</u>	<u>33,279,894</u>	<u>35,770,719</u>
Increase(decrease) in net position	214,972	(4,952,114)	82,458	46,161	297,430	(4,905,954)
Net position-beginning restated	<u>(4,114)</u>	<u>4,655,428</u>	<u>302,201</u>	<u>256,040</u>	<u>298,087</u>	<u>4,911,468</u>
Net position-ending	<u>\$ 210,857</u>	<u>\$ (296,686)</u>	<u>\$ 384,659</u>	<u>\$ 302,201</u>	<u>\$ 595,516</u>	<u>\$ 5,515</u>

TOWN OF WARREN, RHODE ISLAND

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2022

Financial Analysis of Governmental Funds

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

Governmental funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned 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, 2022, the Town of Warren's total governmental funds reported a combined ending fund balance of \$10,101,963 a decrease of \$2,092,655 in comparison with the prior year. The unassigned fund balance of \$7,914,003 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 unexpendable inventory items, those governmental funds with a deficit fund balance and the permanent funds. The committed fund balance has been designated to fund appropriations of the subsequent fiscal year. The restricted fund balance has been assigned all non-major governmental funds fund balances as it is restricted for the legal use of each fund.

General Fund Budgetary Highlights

The Town of Warren's tax rate changed from \$17.36 per thousand in fiscal year 2021 to \$17.72 per thousand dollars of assessed value in fiscal year 2022.

Capital Asset and Debt Administration

Capital Assets

The Town of Warren's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$33,199,947 net of accumulated depreciation and amortization. This investment in capital assets includes land, buildings, improvement other than buildings, machinery and equipment, and infrastructure. Additional information on the Town of Warren's capital assets can be found in Note 5 to the financial statements, which accompany this report.

Several major additions to the Town's capital assets related to its governmental fund activities were made during the year, including, infrastructure repairs and improvements, Department of Public Works equipment and sewer infrastructure projects. The Town also implemented GASB No. 87 Leases for capital leases - right to use during fiscal year 2022.

TOWN OF WARREN, RHODE ISLAND

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2022

Capital Asset and Debt Administration (continued)

Capital Asset (continued)

	Governmental Activities	
	2022	2021
Land	\$ 3,073,867	\$ 3,073,867
Infrastructure	39,031,938	37,987,231
Building and improvements	21,138,030	20,944,062
Equipment	6,699,132	6,176,915
Vehicles	9,056,571	8,804,780
Leased equipment	292,571	-
Total capital assets	79,292,109	76,986,855
Less: accumulated depreciation and amortization	46,092,162	43,049,937
Net capital assets	<u>\$ 33,199,947</u>	<u>\$ 33,936,918</u>

Additional information about the Town’s capital assets can be found in Note 5 to the basic financial statements.

Long-Term Debt

At the end of the current fiscal year, the Town of Warren has total general obligation debt outstanding of \$9,354,145 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% of its total equalized valuation. As of June 30, 2022, the Town of Warren’s ratio of Town Debt to net taxable valuation is 2.1%. The current debt limitation for the Town is \$44,568,901 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 6 to the financial statements and also in the statistical section of this report.

Total debt consists of the following:

	Debt Administration	
	Governmental Activities	
	2022	2021
General obligation bonds	\$ 9,354,145	\$ 10,464,145
RIIB Loan	22,297,982	23,238,824
Capital leases - Right to use	247,200	292,571
Total	<u>\$ 31,899,327</u>	<u>\$ 33,995,540</u>

TOWN OF WARREN, RHODE ISLAND

Management Discussion & Analysis (MD&A)

For the Year Ended June 30, 2022

Economic Factors and Next Year's Budget and Rates

In fiscal year 2022 operating revenues finished over budget and expenditures finished the year under budget. The Town was funding the capital expenditures of \$2.2M from its fund balance reserve ending the fiscal year with a deficit of \$1.8M.

The operating revenue deficit was due to the following categories coming in under budgetary projections. Excise tax/state came in under budget by \$152k. Various license and fees came in under budget. The transfer station did not meet the budgeted projection of \$180k (short fall of \$50k). In the past the Town accepted out of town disposals for a fee but discontinued the practice because expenditures outpaced revenues. Property tax interest came in overbudget by \$64k. General property taxes had a surplus of \$41.7k. Restaurant (meals) tax also had a surplus of \$77.5k.

The operating expenditures came in under budget. Positive budget variances occurred in general government of \$249k (primarily due to savings in employee benefits, contingency, and uncollectible reserve). There were also positive budget variances in town clerk category of \$24k (primarily due to lower than anticipated costs). Public works came in under budget by \$109k (primarily due to lower than anticipated costs)

For fiscal year 2023 the Town will continue to fund the capital expenditures of \$1.7M with its fund balance reserve. The school appropriation increased by 3.84%. The fiscal year 2023 budget came to \$32,446,815 representing an increase of \$3,296,749 over the fiscal year 2022 budget. The tax rate increased from \$17.72 in fiscal year 2022 to \$18.01 in fiscal year 2023.

Request 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 request 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, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalent	\$ 11,536,907	\$ 698,132	\$ 12,235,039
Investments	10,499	-	10,499
Cash escrow	243,977	-	243,977
Receivables, net	364,478	14,392	378,870
Other receivables	481,192	-	481,192
Inventories	45,686	-	45,686
Intergovernmental	1,031,027	-	1,031,027
Non-current assets			-
Capital assets (non-depreciable)	3,073,867	-	3,073,867
Depreciable assets, net	30,126,080	-	30,126,080
Total capital assets	33,199,947	-	33,199,947
Total assets	46,913,714	712,524	47,626,238
DEFERRED OUTFLOWS OF RESOURCES			
Pension related outflows	1,081,013	-	1,081,013
Total assets and deferred outflows of resources	\$ 47,994,727	\$ 712,524	\$ 48,707,251

The accompanying notes are an integral part of this statement

TOWN OF WARREN, RHODE ISLAND

Statement of Net Position

June 30, 2022

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities			
Accounts payable	\$ 1,001,212	\$ 327,865	\$ 1,329,077
Accrued liabilities	204,668	-	204,668
Accrued interest	284,978	-	284,978
Current portion of long-term liabilities	2,465,894	-	2,465,894
Non-current liabilities			
Capital lease right to use	200,524	-	200,524
Bonds payable	29,430,523	-	29,430,523
Bond premium, net	158,198	-	158,198
Compensated absences	1,778,524	-	1,778,524
Net pension liability (NPL)	3,569,469	-	3,569,469
Net OPEB liability (NOL)	5,299,334	-	5,299,334
Total liabilities	<u>44,393,324</u>	<u>327,865</u>	<u>44,721,189</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB related inflows	79,232	-	79,232
Pension related inflows	3,311,313	-	3,311,313
Total deferred inflows of resources	<u>3,390,545</u>	<u>-</u>	<u>3,390,545</u>
NET POSITION			
Net investment in capital assets	857,444	-	857,444
Restricted	3,288,859	-	3,288,859
Unrestricted	<u>(3,935,445)</u>	<u>384,659</u>	<u>(3,550,786)</u>
Total Net Position	<u>210,857</u>	<u>384,659</u>	<u>595,516</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 47,994,727</u>	<u>\$ 712,524</u>	<u>\$ 48,707,251</u>

The accompanying notes are an integral part of this statement

TOWN OF WARREN, RHODE ISLAND

Statement of Activities

For the Year Ended June 30, 2022

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business - Type Activities	Total
Governmental Activities							
General government	\$ 4,612,735	\$ 20,660	\$ 200,163	\$ -	\$ (4,391,912)	\$ -	\$ (4,391,912)
Town offices	1,523,805	-	-	-	(1,523,805)	-	(1,523,805)
Financial administration	340,643	-	-	-	(340,643)	-	(340,643)
Public safety	2,917,760	-	290,792	-	(2,626,968)	-	(2,626,968)
Fire safety	1,126,858	52,745	-	-	(1,074,113)	-	(1,074,113)
Waste water treatment	458,631	-	-	-	(458,631)	-	(458,631)
Highway department	3,103,562	-	119,549	-	(2,984,013)	-	(2,984,013)
Grants and contributions	357,928	-	-	-	(357,928)	-	(357,928)
Capital and special appropriation	2,960,984	-	-	-	(2,960,984)	-	(2,960,984)
Education	13,270,075	-	-	-	(13,270,075)	-	(13,270,075)
Interest on debt	945,749	-	-	-	(945,749)	-	(945,749)
Total governmental activities	<u>31,618,730</u>	<u>73,405</u>	<u>610,504</u>	<u>-</u>	<u>(30,934,821)</u>	<u>-</u>	<u>(30,934,821)</u>
Business-Type Activities							
Sewer Fund	<u>1,661,164</u>	<u>1,743,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,458</u>	<u>82,458</u>
Total business-type activities	<u>1,661,164</u>	<u>1,743,622</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,458</u>	<u>82,458</u>
Total Town of Warren	<u><u>33,279,894</u></u>	<u><u>1,817,027</u></u>	<u><u>610,504</u></u>	<u><u>-</u></u>	<u><u>(30,934,821)</u></u>	<u><u>82,458</u></u>	<u><u>(30,852,363)</u></u>

TOWN OF WARREN, RHODE ISLAND

Statement of Activities

For the Year Ended June 30, 2022

	Primary Government		
	Governmental Activities	Business - Type Activities	Total
Total Town of Warren	(30,934,821)	82,458	(30,852,363)
General Revenues			
Property taxes	25,547,131	-	25,547,131
Intergovernmental	2,012,443	-	2,012,443
Licenses, fees, permits and fines	1,881,193	-	1,881,193
Investment income	252,235	-	252,235
Other Revenue	1,456,790	-	1,456,790
Total general revenues	<u>31,149,792</u>	<u>-</u>	<u>31,149,792</u>
Changes in net position	214,972	82,458	297,430
Net position-July 1, 2021, restated	<u>(4,114)</u>	<u>302,201</u>	<u>298,087</u>
Net position-June 30, 2022	<u>\$ 210,857</u>	<u>\$ 384,659</u>	<u>\$ 595,516</u>

The accompanying notes are an integral part of this statement

TOWN OF WARREN, RHODE ISLAND

Governmental Funds

Balance Sheet

June 30, 2022

	Major Fund				Non-Major	Total
	General Fund	RIDOT		20M RIIB Bond	Other	Governmental Funds
		TIP Water St Project	504K RIIB Bond		Governmental Funds	
Assets						
Cash and cash equivalents	\$ 8,154,510	\$ (765,568)	\$ 2,271,679	\$ -	\$ 1,876,286	\$ 11,536,907
Investments	-	-	-	-	10,499	10,499
Cash escrow	-	-	-	243,977	-	243,977
Prepays	18,751	-	-	-	-	18,751
Receivables:						
Property taxes, net	364,478	-	-	-	-	364,478
Intergovernmental	242,953	-	-	-	788,074	1,031,027
Other	264,962	158,347	-	-	57,883	481,192
Inventory	26,935	-	-	-	-	26,935
Total assets	9,072,589	(607,221)	2,271,679	243,977	2,732,742	13,713,766
Deferred outflows of resources						
Deferred outflows	-	-	-	-	-	-
Total assets and deferred outflows of resources	9,072,589	(607,221)	2,271,679	243,977	2,732,742	13,713,766
Liabilities						
Accounts payable and accrued expenses	1,001,212	-	-	-	-	1,001,212
Other liabilities	-	-	-	-	204,668	204,668
Total liabilities	1,001,212	-	-	-	204,668	1,205,880
Deferred inflows of resources						
Deferred property taxes	111,688	-	-	-	-	111,688
Other deferred revenue	-	158,347	-	-	2,135,889	2,294,236
Total deferred inflows of resources	111,688	158,347	-	-	2,135,889	2,405,924
Fund balance						
Nonspendable	45,686	-	-	-	-	45,686
Restricted	-	-	2,271,679	243,977	727,517	3,243,173
Committed	-	-	-	-	-	-
Unassigned	7,914,003	(765,568)	-	-	(335,331)	6,813,104
Total fund balance	7,959,689	(765,568)	2,271,679	243,977	392,186	10,101,963
Total liabilities, deferred inflows of resources, and fund balance	\$ 9,072,589	\$ (607,221)	\$ 2,271,679	\$ 243,977	\$ 2,732,742	\$ 13,713,766

TOWN OF WARREN, RHODE ISLAND

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position

June 30, 2022

Total governmental fund balances	\$ 10,101,963
Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	
Capital assets, net	33,199,947
Unavailable property tax revenues (net of an allowance for uncollectibles) are recorded in the funds, but are not deferred under the measurement focus employed in the Statement of Net Position	2,405,924
Other long-term assets related to net pension activity and other postemployment benefits and therefore, are deferred inflows of resources in the funds	(3,311,313)
Other long-term assets related to net pension activity and other postemployment benefits and therefore, are deferred outflows of resources in the funds	1,001,781
In the statement of activities, interest is accrued on outstanding long-term debt whereas in governmental funds interest is not reported until due	(284,978)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds	
Bonds and notes payable	(31,652,127)
Bond premium	(158,198)
Capital leases	(247,200)
Compensated absences	(1,976,138)
Other postemployment benefits	(5,299,334)
MERS net pension liability	<u>(3,569,469)</u>
Net position of governmental activities	<u>\$ 210,857</u>

TOWN OF WARREN, RHODE ISLAND

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2022

	Major Fund				Non-Major	Total
	General Fund	RI DOT TIP Water St Project	504K RIIB Bond	20M RIIB Bond	Other Governmental Funds	Governmental Funds
Revenues						
General property taxes	\$ 25,634,188	\$ -	\$ -	\$ -	\$ -	\$ 25,634,188
Investment income	254,431	-	-	-	-	254,431
Licenses, fees, permits and fines	1,859,637	-	-	-	21,556	1,881,193
Intergovernmental	1,554,919	-	-	-	457,524	2,012,443
Other revenue	94,144	-	-	-	589,696	683,840
Total revenues	29,397,319	-	-	-	1,068,776	30,466,095
Expenditures						
General government	4,105,075	-	-	-	552,060	4,657,135
Town offices	1,523,805	-	-	-	-	1,523,805
Financial administration	340,643	-	-	-	-	340,643
Public safety	2,847,721	-	-	-	318,519	3,166,240
Fire safety	953,847	-	-	-	21,509	975,356
DPW department	2,281,088	-	-	-	-	2,281,088
Grants and contributions	357,928	-	-	-	-	357,928
Education	13,270,075	-	-	-	-	13,270,075
Capital and special appropriations	2,202,209	-	66,240	692,535	-	2,960,984
Debt service	-	-	-	-	-	-
Principal	2,309,841	-	-	-	-	2,309,841
Interest	964,655	-	-	-	-	964,655
Total expenditures	31,156,887	-	66,240	692,535	892,088	32,807,750
Excess (deficiency) of revenues over expenditures	(1,759,568)	-	(66,240)	(692,535)	176,688	(2,341,655)
Other financing sources (uses)						
Bond proceeds	-	-	249,000	-	-	249,000
Total other financing sources (uses)	-	-	249,000	-	-	249,000
Excess of revenue and other sources over expenditures and other uses	(1,759,568)	-	182,760	(692,535)	176,688	(2,092,655)
Fund Balance, July 1, 2021	9,719,257	(765,568)	2,088,919	936,512	215,498	12,194,618
Fund Balance, June 30, 2022	\$ 7,959,689	\$ (765,568)	\$ 2,271,679	\$ 243,977	\$ 392,186	\$ 10,101,963

TOWN OF WARREN, RHODE ISLAND

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2022

Net change in fund balance-total governmental funds	\$ (2,092,655)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	(1,029,542)
Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.	1,377,605
This issuance of long-term (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,102,028
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due.	18,906
Some expenses reported in the Statement of Activities, such as compensated absences, do not require in the current financial resources, and therefore, are not reported as expenditures in the governmental funds.	(57,272)
The other postemployment benefit expense reported in the Statement of Activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds	(801,855)
The net pension liability expense reported in the Statement of Activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds.	4,180,563
To record the change in deferred outflows of resources related to pension as required by GASB Statement No. 68 and GASB No. 75	(608,813)
Adjustment to the deferred inflows of resources. The increase from prior year balances is reflected in the Statement of Activities and Changes in Net Position	<u>(2,873,993)</u>
Change in net position of governmental activities	<u>\$ 214,972</u>

The accompanying notes are an integral part of this statement

TOWN OF WARREN, RHODE ISLAND

Proprietary Fund

Statement of Net Position

June 30, 2022

	<u>Sewer Fund</u>
Assets	
Cash and cash equivalents	\$ 698,132
Receivables, net:	
User fees, net	<u>14,392</u>
 Total assets	 <u>712,524</u>
 Deferred outflows of resources	
Deferred outflows	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 712,524</u>
 Liabilities	
Accounts payable	<u>327,865</u>
 Total liabilities	 <u>327,865</u>
 Deferred inflows of resources	
Deferred inflows	<u>-</u>
 Total deferred inflows of resources	 <u>-</u>
 Net position	
Net investment in capital assets	-
Restricted	-
Unrestricted	<u>384,659</u>
 Total net position	 <u>\$ 384,659</u>

The accompanying notes are an integral part of this statement

TOWN OF WARREN, RHODE ISLAND

Proprietary Fund

Statement of Revenue, Expenses and Changes in Net Position

For the Year Ended June 30, 2022

	<u>Sewer Fund</u>
Operating revenues	
User fees and charges	<u>\$ 1,743,622</u>
Total operating revenues	<u>1,743,622</u>
Operating expenses	
Maintenance and servicing	<u>1,661,164</u>
Total operating expenses	<u>1,661,164</u>
Operating income (loss)	<u>82,458</u>
Income (loss) before transfers	<u>82,458</u>
Change in net position	82,458
Net position, July 1, 2021	<u>302,201</u>
Net position, June 30, 2022	<u><u>\$ 384,659</u></u>

The accompanying notes are an integral part of this statement

TOWN OF WARREN, RHODE ISLAND

Proprietary Fund

Statement of Cash Flows

For the Year Ended June 30, 2022

	<u>Sewer Enterprise</u>
Cash flows from operating activities:	
Cash received from customers	\$ 1,738,398
Payments to suppliers and employees	<u>(1,352,974)</u>
Net cash provided (used) by operating activities	<u>385,424</u>
Net increase in cash and cash equivalents	385,424
Balances-beginning of the year	\$ 312,708
Balances-end of the year	<u>698,132</u>
Displayed as:	
Cash and short-term investments	<u>\$ 698,132</u>
Total cash and short-term investments	<u>\$ 698,132</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ 82,458
Adjustments to reconcile net income to net cash provided by operating activities:	
Change in assets and liabilities:	
(Increase) decrease in user charges receivables, net	(5,224)
Increase (decrease) in accounts payable and accrued expenses	<u>308,190</u>
Net cash provided (used) by operating activities	<u>\$ 385,424</u>

The accompanying notes are an integral part of this statement

TOWN OF WARREN, RHODE ISLAND

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2022

	OPEB Trust Funds	Private Purpose Trust Funds
Assets		
Cash and cash equivalents	\$ -	\$ -
Investments, at fair value	939,534	199,475
Total assets	<u>939,534</u>	<u>199,475</u>
Deferred outflows of resources		
None	-	-
Total assets and deferred outflows of resources	<u>939,534</u>	<u>199,475</u>
Liabilities		
Deposits held	-	-
Total liabilities	-	-
Deferred inflows of resources		
Deferred inflows	-	-
Net position		
Restricted	939,534	199,475
Total net position	<u>939,534</u>	<u>199,475</u>
Total liabilities and net position	<u>\$ 939,534</u>	<u>\$ 199,475</u>

The accompanying notes are an integral part of this statement

TOWN OF WARREN, RHODE ISLAND

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2022

	OPEB Trust Funds	Private Purpose Trust Funds
Additions		
Employer contributions	\$ 198,547	\$ -
Investment income (net of related fees)	(132,021)	-
Other	-	16,995
Total additions	<u>66,526</u>	<u>16,995</u>
Deductions		
Administrative expenses	3,364	-
Benefits paid	198,547	-
Social services	-	82,282
Total deductions	<u>201,911</u>	<u>82,282</u>
Changes in fund equity held in trust for individuals, organizational, and other governments	(135,385)	(65,287)
Net position, July 1, 2021	<u>1,074,919</u>	<u>264,762</u>
Net position, June 30, 2022	<u>\$ 939,534</u>	<u>\$ 199,475</u>

The accompanying notes are an integral part of this statement

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Warren, Rhode Island (“the Town”) have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental entities (U.S. GAAP). The *Governmental Accounting Standards Board* (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant Town acquiring policies.

Reporting Entity

Primary Government

The Town was founded in 1746 and incorporated in 1747. The Town covers 8.7 square miles and is located in southeastern New England. 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 the 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’s Charter Amendment 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. The Council has the power to create offices, department or agencies of the Town, to preserve public peace, health and safety, to establish 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 public schools in the Towns of Warren and Bristol. The regional school district includes all grades and programs currently provided and any other grades and programs specified by the regional school committee.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the Town’s financial statements.

The effect of inter-fund activity has been eliminated from the government-wide statements.

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting entity, the Town applied the criteria prescribed by 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 appointed 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 burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example any of the following conditions exists:

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting Entity (continued)

Primary Government (continued)

- (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

Basis of Presentation

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major and other funds). Both the government-wide and fund financial statements required to categorize primary activities.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the Town as a whole and distinguish between governmental and business-type activities. They include all funds of the Town except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (public safety, public works, etc.). The functions are also supported by general government revenues (property, certain intergovernmental revenues, fines, permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows or resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. Nonmajor funds are aggregated and displayed in a single column.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Major Fund Criteria

A fund is considered major if it is the primary operating fund of the Town or it meets the following criteria:

- (a) If the total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least ten (10%) of the corresponding total for all funds of that category or type; and
- (b) Total assets plus deferred outflows or resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least (5%) of the corresponding total for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund. Fiduciary funds are reported by fund type.

Measurement focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The governmental-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- (a) *Charges to customers* or applicants who purchase, use, or directly benefits from goods, services, or privileges provided by a given function or segment.
- (b) *Grants and contributions* that are restricted to meeting the operational requirements of a particular function or segment.
- (c) *Grants and contributions* that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements.

Fund Financial Statements

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement focus, Basis of Accounting and Financial Statement Presentation (continued)

Fund Financial Statements (continued)

Expenditures are recorded when the related fund liability is incurred, except for interest on general long-term debt which is recognized when due, and the non-current portion of compensated absences, capital leases, landfill post closure care costs, net pension liability, and post-employment benefits which are recognized when the obligations are expected to be liquidated with current expendable available resources.

In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. Those resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

The Town considers property taxes as available if they are due and collected within 60 days after fiscal year-end. Licenses and permits, user charges, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received. Investment earnings are recorded as earned.

The Town reports the following major governmental funds:

- The **General Fund** is the primary operating fund of the Town. It is used to account for all financial resources, except those that are legally or administratively required to be accounted for in another fund.
- The **RIDOT TIP Water St. Project Fund** is a capital project fund used to account for the construction costs of the Water Street project.
- The **Nonmajor Governmental Funds** consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the nonmajor governmental funds column on the governmental fund financial statements. The following describes the general use of these fund types:
 - The **Special Revenue Fund** is used to account for the proceeds of specific revenue sources (other than permanent funds or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.
 - The **Capital Projects Fund** is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by enterprise and trust funds).
 - The **Permanent Fund** is used to account for financial resources that are legally restricted to the extent that only earning, not principal, may be used for purposes that support the governmental programs.

Proprietary Fund Financial Statement

Proprietary funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The Town has one enterprise fund, the sewer fund. The Town has no internal service funds.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

Fiduciary Fund Financial Statement

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held by the Town in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported as follows:

- The **Private-Purpose Trust Fund** is used to account for trust arrangements, other than those properly reported in the permanent fund (nonmajor governmental funds), under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The **Other Post-Employment Benefits Trust Fund (OPEB)** is used to account for assets held that will fund the long-term liability associated with the Town's retiree's health benefits.
- The **Custodial Fund** is used to account for assets held in purely custodial capacity. Currently the Town of Warren has no custodial funds.

Cash and Investments

Government-Wide and Fund Financial Statements

Cash and Cash Equivalents

Cash and cash equivalents are carried at cost. Cash equivalents include amounts invested in certificate of deposits as management believes that these certificates can be accessed at any point in time. Substantially, all of the Town's cash and cash equivalents are held in public deposit institutions. Pursuant to Section 35-10-1 of the Rhode Island General Laws, as of October 1, 1991, public institutions are required to insure accounts which hold public funds in excess of the \$250,000 which is guaranteed by the FDIC. At times, the Town pools cash resources of its various funds to facilitate the management of cash and maximize investment returns. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in short term treasury securities or as investments. State statutes authorize governments to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

Investments

The Town invests in various types of investments which are stated at fair value based on quoted market prices. There are no investments reported at amortized cost.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurement

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds. Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1: Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.
- Level 2: Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.
- Level 3: Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgement or estimation. In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgement used in measuring fair value. It is reasonable possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 3- Fair Market Value of Investments.

Accounts Receivable

Government-Wide and Fund Financial Statements

In the government-wide statement, receivables of all revenues earned at year end and not received yet. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. In the fund financial statements, material receivables such as property taxes, grants and other similar intergovernmental revenues since that are usually both measurable and available. Non-exchange transactions collectible but not yet 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.

Amounts due from federal and state sources represent receivables on grant awards and state aid not received as of the balance sheet date include: *Real Estate, Personal Property Tax and Tax Liens.*

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intergovernmental Receivables

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants receivables are recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recognized when the qualifying expenditures are incurred, and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectible.

Accounts Payable

Payable balances consist primarily of amounts due 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 December 31 (lien date) and an enforceable lien is attached on the property as of July 1 (levy date). Taxes may be paid in full or in equal installments on 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.

Inventories

Government-Wide and Fund Financial Statements

Inventories of the governmental funds and the sanitation enterprise fund are recorded as expenditures at the time of purchase. Such inventories are not material in total to the basic financial statements, and therefore are not reported.

Prepaid Items

The cost of prepaid items is recorded under the consumption method whereby the expenditures/expense is recorded when consumed rather than purchased. 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.

Capital Assets and Depreciation

Capital assets, which include land, vehicles, buildings and improvements, leased assets, capital improvements, machinery and equipment, infrastructure (roadways and similar items), and construction in progress are reported in the applicable governmental or business-type activities column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Except for the capital assets of the governmental activities' column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets if material.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets and Depreciation (continued)

All purchases and construction costs in excess of \$10,000 are capitalized at the date of the acquisition or construction, respectively, with expected useful lives of five years or greater.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Asset Class</u>	<u>Estimated Useful Life (in years)</u>
Buildings and land improvements	25-40
Infrastructure	25-40
Equipment and heavy machinery	10-20
Motor vehicles	5-10
Office equipment	5-10
Other assets	5-10

Capital assets costs are recorded as expenditures in the fiscal year of purchase for the various funds.

Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as “internal balances.”

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are not eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as “Due from other funds” or “Due to other funds” on the balance sheet.

Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as operating transfers in and operating transfers out.

Government-Wide Financial Statements

Operating transfers between and within governmental funds are eliminated from the governmental activities in statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as “Transfers, net.”

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Transfers (continued)

Fund Financial Statements

Operating transfers between and within funds are not eliminated from the individual fund statements and are reported as operating transfers in and operating transfers out.

Government-Wide Financial Statements

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The Town reported deferred outflows of resources related to pensions in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reported deferred inflows of resource related to pensions in this category.

Governmental Funds Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents assets that have not been recorded in the governmental fund financial statements, but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until it becomes available. The Town has recorded unavailable revenue as deferred inflows of resources in the governmental funds balance sheet. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

Unearned Revenue

Unearned revenue is recorded for governmental fund receivables that are measurable and available, but have not met the criteria for revenue recognition, such as grant awards. These are recorded as unearned revenue in the government-wide and the fund financial statements. These amounts are not considered deferred inflows since qualifying expenditures for reimbursement have not been incurred as of year-end.

Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

Net position is classified into 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 provision or enabling legislation.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position and Fund Equity (continued)

Net Position has been “restricted” for the following:

- (1) *Permanent funds-expendable*: represents amounts held in trust for which the expenditures are restricted by various trust agreements.

Fund Financial Statements (Fund Balances)

- (2) *Permanent funds-non-expendable*: represents amounts held in trust for which only investment earning may be expended
- (3) *Other specific purposes*: represent restrictions placed on assets from outside parties.

- (c) *Unrestricted net position*: All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

The Town uses the following criteria for fund balance classification:

- For *non-spendable* fund balance: includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- For *restricted* fund balance: when constraints places on the use of the resources are either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- For *committed* fund balance: (1) the government’s highest level of decision-making authority and (2) the formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment.
- For *assigned* fund balance: (1) the body or official authorized to assign amounts to a specific purpose and (2) the policy established by the governing body pursuant to which the authorization is given.
- For *unassigned* fund balance: it is the residual classification for the general fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes it may be necessary to report a negative unassigned fund balance.

The Town uses the following criteria for fund balance policies and procedures:

- When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the unrestricted amount will be considered to have been spent.
- When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the least restricted amount will be considered to have been spent.

Long-Term Debt

Government-Wide and Proprietary Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

A lease is a contract that conveys the control of the right to use another entity's nonfinancial asset (the Underlying asset) for a period of time in an exchange or exchange like transaction. The Town has contracts in which it is a lessee. Lessors recognize a lease receivable and a deferred inflow of resources (not applicable to the Town). Lessees recognize an intangible right to use asset and a lease liability. These transactions are measured at the present value of payments expected to be made during the lease term using the discount rate in the lease. If the lease discount rate cannot be readily determined from the lease, the Town uses its incremental borrowing rate.

A right to use lease asset with a lease term greater than 1 year and an initial present value over \$50,000 are recorded as intangible assets. Right to use lease assets are amortized over the contract term of the lease. Leases that do not meet these criteria are recognized as current period revenues and expenses.

Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Rhode Island General Laws (RIGL).

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 Employees

Under the terms of various contracts and agreements, Town employees are entitled to varying amounts of vacation based on length of service. Town employees may also carry forward up to two weeks of vacation days succeeding years.

Town employees earn 1.5 days of sick leave per month worked and may be accumulated to a maximum of 180 days. Upon retirement or termination of employment, employees will be paid 75% of their accumulated sick time at the employee's current rate of pay.

Full time Town employees retiring between the ages of 62 and 64 will continue to receive medical insurance coverage until the age of 65. Full time Town employees retired at the age of 65 will have applicable medical coverage paid for by the Town for a period of three years.

Police

Police are entitled to varying amounts of vacation based on length of service. Police can accumulate vacation days up to 120 days and carry them forward to the next year. Any vacation time in excess of 120 days not used or redeemed will be forfeited.

Police earn 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. Each year, on June 30, the police are paid 75% of the days in excess of 180 days 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.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The amount of earned but not unpaid vacation and sick leave relating to governmental fund employees is recorded as a long-term debt in the government-wide financial statements.

Government-Wide Financial Statements

The total amount to be paid in future years is presented in the governmental activity's column of the government-wide statement of net position. The liability for vacation leave is based on the amount earned but not used; for sick leave, it is based on the amount accumulated at the balance sheet date (vesting method).

Governmental Fund Financial Statements

The portion of the liability related to unused sick and vacation time that has matured or is due as of June 30, 2022 is recorded in the governmental fund financial statements.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System (MERS) of Rhode Island and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates

Government-Wide and Fund Financial Statements

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

Total Column

Government-Wide Financial Statements

The total column presented on the government-wide financial statements represents consolidated financial information.

Fund Financial Statements

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not comparable to the consolidated financial information.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Issued Accounting Standards – For the year ending June 30, 2022, the Town implemented the following pronouncements issued by the GASB:

The GASB issued Statement No. 87, Leases in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2021.

The GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of Construction Period. This Statement requires that interest cost incurred before the end of construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. Changes adopted to conform to the provisions of this Statement should be applied prospectively. The Town will be evaluating the future impact of this standard.

The GASB issued statement No. 92, Omnibus 2020 was originally effective for reporting periods beginning after June 15, 2020, however, it was postponed an additional year by GASB 95. The Statement enhances the consistency of authoritative literature by addressing practice issues identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including, but not limited to: effective dates of GASB 87 leases for interim financial reports, reporting of transfers between the primary government and component unit defined benefit or defined benefit OPEB plan and the applicability of GASB 84 Fiduciary Activities to post employment benefit arrangements.

The GASB issued statement No. 93 Replacement of Interbank Offered Rates was originally effective for reporting periods beginning after June 15, 2020, however, it was postponed an additional year by GASB 95. The objective of this statement is to address those and other accounting and financial implications that result from the replacement of an IBOR. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate.

Except for GASB 87, which recognize a lease liability or a lease asset, none of the other accounting standards had an impact on the financial statements.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Accounting standards that the Town is currently reviewing for applicability and potential impacts on future financial statements include

The GASB issued statement No. 94, Public-Private and Public-Public Partnerships and Availability payment arrangements is effective for fiscal year beginning after June 15, 2022. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying the control of the right to operate or use a nonfinancial transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange of an exchange -like transactions. The Town will be evaluating the future impact of this standard.

The GASB issued statement No. 96, Subscription- Based Information Technology Arrangements is effective for fiscal years beginning after June 15, 2022. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This Statement (1) defines an SBITA, (2) established that an SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, (3) provides the capitalization criteria for outlays other than subscription payments, including the implementation costs of SBITA, and (4) requires note disclosures regarding a SBITA. The Town will be evaluating the future impact of this standard.

The GASB issued statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Defined Compensation Plans- an amendment of GASB Statements No. 18 and No.84 and a supersession of GASB Statement No. 32 is effective for fiscal years beginning after June 30, 2021. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have governing board and the primary government performs the duties that a governing board typically would perform (2) Mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The Town will be evaluating the future impact of this standard.

GASB Statement No. 99, Omnibus 2022, the requirements of this Statement are effective as follows: The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pleading governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements relate to leases, PPS, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

GASB Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No.62, This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

GASB Statement No. 101, Compensated Absences, This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 2- STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Basis of Accounting

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 year. The budget for the General Fund is presented in the Statement of Revenues, Expenditures, and Changes in Fund Balance – Budgeted and Actual. All annual appropriations lapse at year end unless specifically approved for carryover to the following year by the taxpayers by a vote at the Financial Town Meeting. The budget for the General Fund is appropriated at the individual account level, also known as the line item level.

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 period may differ from the Town’s 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, 2022, expenditures exceed budget at the department level as follows:

Fire Safety \$ (9,392)

Deficit Fund Balances

Several individual fund deficits exist within the special revenue funds and the RI DOT TIP Water St Project. These individual deficits will be eliminated through subsequent activity during fiscal year 2023.

<u>Fund Name</u>	<u>Fund Deficit</u>
Road Duty	\$ (121,619)
Planning Challenge Grant	(1,827)
Election	(12,640)
Tourister Peer Review	(47,939)
Recreational Trails Grant	(84,956)
Burr's Hill Park Tennis Courts	(15,824)
Stormwater Permitting	(15,000)
Water St. Subsurface Infiltration	(13,908)
Jamie's Park DEM Grant	(18,102)
Performance Bond	(3,456)
COVID Clinic	(60)
RI DOT TIP Water St Project	<u>(765,568)</u>
	<u>\$ (1,100,899)</u>

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 3-CASH AND INVESTMENTS

The State of Rhode Island requires that certain uninsured deposits be collateralized. Section 35-10.1-7 of the General Laws of the State of Rhode Island, dealing with the collateralization of public deposits, requires that all time deposits with maturities of greater than 60 days and all deposits in institutions that do not meet the minimum capital requirements of federal regulations must be collateralized. The Town does not have a formally adopted investment policy.

Cash and Cash Equivalents

The Town’s deposits are in various financial institutions and are carried at cost, which approximates fair value. The carrying amount of deposits is separately displayed on the balance sheet as “Cash and cash equivalents” and includes \$840 of petty cash.

At June 30, 2022 the Town’s carrying amount of deposits was:

	Carrying Amount
Total Deposits	\$ 12,234,199
Cash in Escrow	243,977
Petty Cash	<u>840</u>
Total Cash and Cash Equivalent	<u>\$ 12,479,016</u>

Proceeds from revenue bonds of \$243,977 are classified as restricted assets on the *statement of net position* because they are maintained on a separate escrow account.

Custodial and Credit Risk

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 fair value to the amount of the deposit is the Town’s investment policy for custodial credit risk. At June 30, 2022 the bank balance subjected to custodial credit risk was:

	Bank Balance
Total Deposits	\$ 9,803,709
Insured by FDIC	502,958
Collateralized with securities held by pledging financial institution or its agent, but not in the Town's name	<u>9,300,751</u>
Total uninsured	<u>\$ -</u>

Credit Risk

As of June 30, 2022, the Town’s investments in money markets are not rated, as of the fund invests in short-term obligations.

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 must, at all times, be comprised of at a least three separate investment instruments; with no one instrument holding more than 50% of the total fund principal. Furthermore, at least 30% of the invested funds must be in instruments that can be redeemed by the Town on demand within one day.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 3-CASH AND INVESTMENTS (continued)

Investments

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

At June 30, 2022 the Town held the following Investments:

Private Purpose Trusts	
Corporate Bonds	\$ 24,329
US Treasury Bonds	24,106
Common Stock	135,916
Mutual Funds	4,417
Cash and other holdings	<u>10,707</u>
Total Private Purpose	<u>199,475</u>
Permanent Funds	
Cash and other holdings	<u>10,499</u>
Total Permanent Funds	<u>10,499</u>
OPEB Trust Fund	
Mutual Funds	<u>939,534</u>
Total Investments	<u><u>\$ 1,149,508</u></u>

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 & Poor's</u>	<u>Moody's Investor Service</u>
Commercial Bonds	AA-/BBB-	A1/Baa2

Interest Credit 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</u>	<u>Maturity</u>	<u>Fair Value</u>
Corporate Bonds	3.45% - 4.23%	3/15/2029	\$ 24,329
US Treasury Bonds	.0125% - 2.25%	1/15/2030	\$ 24,106

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 3-CASH AND INVESTMENTS (continued)

Fair Value of Financial Instruments

GASB 72 establishes a hierarchy of inputs for use in the measurement of fair value, maximizing the use of observable inputs and minimizing the use of unobservable inputs by requiring that the most observable inputs be used when available. The fair value hierarchy is categorized into three levels on the inputs as follows:

- Level 1: Inputs are quoted priced (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs are inputs other than quoted prices included within Level 1 and that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable inputs for the asset or liability and rely on management’s own assumptions about assumptions market participants would use in pricing the asset or liability. The unobservable inputs are developed based on the best information available in the circumstances and may include the Organization’s own data.

<u>Description</u>	<u>Fair Value at June 30, 2022</u>	<u>Fair Value Measurement</u>		
		<u>Quote Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Corporate Bonds	\$ 24,329	\$ -	\$ 24,329	\$ -
US Treasury Bonds	24,106	24,106	-	-
Common Stock	135,916	135,916	-	-
Mutual Funds	943,951	943,951	-	-
Cash	10,707	-	-	10,707
Other Holdings	10,499	-	-	10,499
Total Investment	<u>\$ 1,149,508</u>	<u>\$ 1,103,973</u>	<u>\$ 24,329</u>	<u>\$ 21,206</u>

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 funds at the beginning of the year.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 4-RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end that are not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of the receivables.

The Town recognized property tax revenues in accordance with Section P70, "Property Taxes" of the Codification of Governmental Accounting and Financial Reporting Standards on the Fund Statements. Unpaid property taxes amounted to \$676,296 as of June 30, 2022 and are recorded as a receivable, net of allowance for uncollectible property taxes of \$423,297. Major receivable balances for the governmental activities include property taxes at 21%, and intergovernmental grants, aid and other receivables at 86% of the balance.

The portion of the property tax receivable, which is not collected within the 60 days immediately following June 30, 2022 are recorded as unavailable revenue and amounted to \$111,688. This unavailable revenue amount is deferred and will be recognized as an inflow of resources in the year(s) in which the amounts become available.

The allowance for uncollectible accounts is based on that portion of current and delinquent taxes receivable, which is estimated to be doubtful of collection. This provision does not constitute an abandonment of claim or the cessation of collection effort.

At June 30, 2022 the Town of Warren had intergovernmental receivables of \$874,219. Intergovernmental revenues for the Town is made up of various grants due to the Town at year end.

Intergovernmental Receivables

A summary of the intergovernmental receivables as follows:

Intergovernmental	
General Fund	
Public Service Court Tax	\$ 129,780
Meal Tax	93,173
Revaluation Reimbursement	20,000
Total General Fund	<u>\$ 242,953</u>
Special Revenue	
Planning Challenge Grant	5,213
STOP Grant	18,896
Marijuana Grant	5,082
Drug Free Communities Grant	37,108
Youth Mentoring Grant	7,257
Burr's Hill Park Tennis Court Grant	16,010
Stormwater Permitting	20,000
Recreational Trails Grant	16,874
Water St. Subsurface Infiltration	228,000
Picnic Shelter	67,755
Take It Outside Grant	9,980
DEM Grant	187,774
FEMA	90,011
CBDG	72,534
COVID Clinic Grant	5,580
Total Special Revenue	<u>\$ 788,074</u>
Total Intergovernmental	\$ 1,031,027

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 4-RECEIVABLES *(continued)*

Other Receivables

A summary of other receivables as follows:

Other Receivables	
General Fund	
WHA- Pilot	\$ 53,501
BCWA - Pilot	1,168
Fuel - BWRSD	3,416
Fuel - WHA	1,557
Wood Street Repair	123,613
Miscellaneous Vendors	81,708
Total General Fund	<u>\$ 264,962</u>
RI DOT TIP Water St. Project	
RI DOT	<u>\$ 158,347</u>
Total RI DOT TIP Water St. Project	<u>\$ 158,347</u>
Special Revenue	
Road Duty	\$ 50,155
Unclaimed Estates	7,584
Jamiel's Park Substance Abuse	144
Total Special Revenue	<u>\$ 57,883</u>
Total Other Receivables	\$ 481,192

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 5-CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities				
<i>Non-depreciable assets</i>				
Land	\$ 3,073,867	\$ -	\$ -	\$ 3,073,867
<i>Total non-depreciable assets</i>	<u>3,073,867</u>	<u>-</u>	<u>-</u>	<u>3,073,867</u>
<i>Depreciable assets</i>				
Infrastructure	37,987,231	1,044,707	-	39,031,938
Buildings and improvements	20,944,062	193,968	-	21,138,030
Machinery and equipment	6,176,915	522,217	-	6,699,132
Vehicles	8,804,780	251,791	-	9,056,571
<i>Total depreciable assets</i>	<u>73,912,988</u>	<u>2,012,683</u>	<u>-</u>	<u>75,925,671</u>
<i>Amortized assets</i>				
<i>Intangible right of use</i>				
Leased Equipment	292,571	-	-	292,571
<i>Total amortized assets</i>	<u>292,571</u>	<u>-</u>	<u>-</u>	<u>292,571</u>
Total capital assets	<u>77,279,426</u>	<u>2,012,683</u>	<u>-</u>	<u>79,292,109</u>
Less accumulated depreciation	<u>43,049,937</u>	<u>2,996,854</u>	<u>-</u>	<u>46,046,791</u>
Less accumulated amortization	<u>-</u>	<u>45,371</u>	<u>-</u>	<u>45,371</u>
Governmental activities capital assets, net restated	<u>\$ 34,229,489</u>	<u>\$ (1,029,542)</u>	<u>\$ -</u>	<u>\$ 33,199,947</u>

Capital asset additions by department consisted of the following:

General government	1,436,038
Public safety	146,869
Waste water	26,755
Fire safety	118,921
Highway department	284,100
Total additions	<u>\$ 2,012,683</u>

Depreciation expense was charged to the following functions:

General government	861,717
Public safety	272,754
Waste water	485,386
Fire safety	270,423
Highway department	1,106,574
Total depreciation expense	<u>\$ 2,996,854</u>

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 6-LONG-TERM DEBT

The ratio of Town debt to net taxable valuation at June 30, 2022 was as follows:

- Net taxable valuation: \$1,485,630,031
- Town debt outstanding: \$31,652,127
- Ratio of Town debt to net taxable valuation: 2.13%

Schedule of long-term bond requirements:

<u>Fiscal Year Ending June 30,</u>	<u>General Obligation Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	790,000	325,825	1,115,825
2024	800,000	301,663	1,101,663
2025	805,000	275,097	1,080,097
2026	810,000	246,488	1,056,488
2027	825,000	217,516	1,042,516
2028-2032	2,865,000	756,264	3,621,264
2033-2037	2,100,000	255,800	2,355,800
2038-2042	359,145	12,775	371,920
	<u>\$ 9,354,145</u>	<u>\$ 2,391,428</u>	<u>\$ 11,745,573</u>

<u>Fiscal Year Ending June 30,</u>	<u>RIB Loan</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	1,424,224	452,982	1,877,206
2024	1,329,591	432,562	1,762,153
2025	1,352,956	411,719	1,764,675
2026	1,377,262	389,195	1,766,457
2027	1,350,493	365,391	1,715,884
2028-2032	6,967,361	1,409,077	8,376,438
2033-2037	6,960,607	595,629	7,556,236
2038-2042	1,535,488	21,360	1,556,848
	<u>\$ 22,297,982</u>	<u>\$ 4,077,915</u>	<u>\$ 26,375,897</u>

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 6-LONG-TERM DEBT (continued)

General Obligation Bond	Date Issued	Interest Rate	Maturity Date	Authorized and Issued	Outstanding June 30, 2021	New Issues	Retirements	Subsidized Retirements	Outstanding June 30, 2022	Current Portion
Public improvements	08/15/09	2.25-4.75%	8/15/10-29	\$ 1,985,000	\$ 225,000	\$ -	\$ 25,000	\$ -	\$ 200,000	\$ 25,000
Public improvements	04/12/12	2.00-3.63%	1/15/13-32	2,220,000	825,000	-	175,000	-	650,000	55,000
Public improvements	04/12/12	2.00-3.00%	1/15/13-24	2,415,000	270,000	-	230,000	-	40,000	20,000
Public improvements	10/13/13	2.00-4.50%	8/15/14-23	3,195,000	2,270,000	-	140,000	-	2,130,000	145,000
Public improvements	06/02/16	3.00-4.00%	8/15/16-27	3,400,000	2,040,000	-	320,000	-	1,720,000	320,000
Public improvements	04/25/18	2.00%-4.00%	2/15/19-38	5,525,000	4,834,145	-	220,000	-	4,614,145	225,000
Total General Obligation Bond				<u>18,740,000</u>	<u>10,464,145</u>	<u>-</u>	<u>1,110,000</u>	<u>-</u>	<u>9,354,145</u>	<u>790,000</u>
Rhode Island Infrastructure Bank Clean Water Loan (RIIB)										
Public improvements	04/01/02	1.27%	9/1/03-22	1,800,000	232,463	-	114,485	-	117,978	117,978
Public improvements	12/15/05	1.11-1.56%	9/1/06-25	905,000	257,856	-	48,856	-	209,000	51,000
Public improvements	03/11/11	0.42-3.33%	9/1/20-39	2,000,000	1,110,395	-	84,226	-	1,026,169	97,000
Public improvements	06/02/16	0.48-2.24%	9/1/17-35	1,700,000	1,386,000	-	81,000	-	1,305,000	82,000
Public improvements	12/13/17	1.53-2.93%	12/13/17-33	504,000	446,000	-	30,000	-	416,000	30,000
Public improvements	06/12/18	1.11%-2.93%	9/1/18-33	20,000,000	17,817,109	-	831,274	-	16,985,835	886,826
Public improvements	11/01/18	0.93%-2.71%	11/1/18-38	2,000,000	1,989,000	-	-	-	1,989,000	117,000
Public improvements	05/12/22	0.00%	9/1/20227	249,000	-	249,000	-	-	249,000	49,800
Total RIIB				<u>29,158,000</u>	<u>23,238,824</u>	<u>249,000</u>	<u>1,189,841</u>	<u>-</u>	<u>22,297,982</u>	<u>1,431,604</u>
Total Outstanding LTD				<u>\$ 47,898,000</u>	<u>\$ 33,702,969</u>	<u>\$ 249,000</u>	<u>\$ 2,299,841</u>	<u>\$ -</u>	<u>\$ 31,652,127</u>	<u>\$ 2,221,604</u>
Other Liabilities										
Compensated absences					\$ 1,918,866	\$ 57,272	\$ -	\$ -	\$ 1,976,138	\$ 197,614
Lease right to use payable					292,571	-	45,371	-	247,200	46,676
Net OPEB obligation					4,497,479	801,855	-	-	5,299,334	-
Net pension liability					7,750,032	-	4,180,563	-	3,569,469	-
Total long-term liabilities					<u>\$ 48,161,917</u>	<u>\$ 1,108,127</u>	<u>\$ 6,525,775</u>	<u>\$ -</u>	<u>\$ 42,744,268</u>	<u>\$ 2,465,894</u>

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

	Amount	Percent
General Obligation Bond	\$ 9,354,145	21.9%
RIIB Debt	22,297,982	52.2%
Compensated absences	1,976,138	4.6%
Capital lease right to use payable	247,200	0.6%
Net OPEB obligation	5,299,334	12.4%
Net pension liability	3,569,469	8.4%

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 7-CAPITAL LEASES RIGHT TO USE

In October 18, 2017, the Town entered into a capital lease agreement between Municipal Leasing Consulting and the Town of Warren for the use of LED Streetlights. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum payments as of the inception date.

Schedule of payments for capital leases at June 30, 2022 were as follows:

Fiscal Year Ending June 30,	Capital Leases		Amount
	Principal	Interest	Outstanding
2023	46,676	7,112	53,788
2024	48,019	5,769	53,788
2025	49,400	4,388	53,788
2026	50,822	2,966	53,788
2027	52,283	1,504	53,787
	<u>\$247,200</u>	<u>\$21,739</u>	<u>\$ 268,939</u>

NOTE 8-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, 2022 as follows:

Non-spendable fund balance	
Inventory and prepaid	\$ 45,686
Total non-spendable fund balance	45,686
Restricted fund balance	
Restricted for special revenue funds	693,418
Restricted for permanent funds	34,099
Restricted for 20M RIIB Bond	243,977
Restricted for 504K RIIB Bond	2,271,679
Total restricted fund balance	3,243,173
Unassigned fund balance	
Unassigned for RI DOT TIP Water	(765,568)
Unassigned for Special Revenue	(335,331)
Unassigned	7,914,003
Total Unassigned fund balance	6,813,104
Total fund balance	<u>\$ 10,101,963</u>

NOTE 9-INTERFUND TRANSFERS

The principal purpose of interfund transfers is to provide financing source to various funds that may not have the ability to cover all costs with revenue generated by the fund. The Town did not have any interfund transfers for the year ended June 30, 2022.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 10-PENSION PLANS

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan

Plan Description - The Municipal Employees' Retirement System (MERS) – an agent multiple-employer defined benefit pension plan - provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Law and placed under the management of the Employee's Retirement System of Rhode Island (ERSRI) Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate. Benefit provisions are subject to amendment by the General Assembly.

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at www.ersri.org

Benefits provided – General employees, police officers and firefighters employed by electing municipalities participate in MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be designated as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be designated as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable.

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

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

Final Compensation: Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three-year FAC as of July 1, 2012 or the five-year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 10-PENSION PLANS *(continued)*

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan *(continued)*

General employees

Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age (SSNRA).

Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's prior Retirement Date, described below, and the retirement age applicable to members hired after June 30, 2012 as described above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's prior Retirement Date. The minimum retirement age is 59.

Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If this option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

Effective July 1, 2015, members will be eligible to retire with full benefits at the earlier of their current Rhode Island Retirement Security Act (RIRSA) date described above or upon the attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.

A member who is within five years of reaching their retirement eligibility date and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

Prior to July 1, 2012, members were eligible for retirement on or after age 58 if they had credit for 10 or more years of service, or at any age if they had credit for at least 30 years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% of the member's monthly FAC for each year of service from July 1, 2012 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.0% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.0% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

Police and Fire employees

Members are eligible to retire when they are at least 50 years old and have a minimum of 25 years of contributing service or if they have 27 years of contributing service at any age. Members with less than 25 years of contributing service are eligible for retirement on or after their Social Security normal retirement age.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 10-PENSION PLANS (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan (continued)

Police and Fire employees (continued)

Members who, as of June 30, 2012, had at least 10 years of contributing service, had attained age 45, and had a prior Retirement Date before age 52 may retire at age 52.

Active members on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

A member who is within five years of reaching their retirement eligibility date, as described in this section, and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

Prior to July 1, 2012, members designated as police officers or firefighters were eligible for retirement at or after age 55 with credit for at least 10 years of service or at any age with credit for 25 or more years of service. Members were also eligible to retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elected to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member was eligible to retire at any age with 20 or more years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

A monthly benefit is paid equal to 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum).

If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012: benefits are based on 2.50% of the member's FAC for each year of service prior to July 1, 2012 and 2.00% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC.

Active members (including future hires), members who retire after July 1, 2015 and after attaining age 57 with 30 years of service will have a benefit equal to the greater of their current benefit described in (a) and (b) above and one calculated based on a 2.25% multiplier for all years of service.

Other benefit provisions

Death and disability benefits are also provided to members. A member is eligible for a disability retirement provided he/she has credit for at least five years of service or if the disability is work-related. Members are not eligible for an ordinary disability benefit if they are eligible for unreduced retirement.

Joint and survivor benefit options are available to retirees. For some employees, a Social Security Option is also available where an annuity is paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 10-PENSION PLANS (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan (continued)

Other benefit provisions (continued)

Post-retirement benefit increases are paid to members who retire after June 30, 2012. Members will be eligible to receive cost of living increases at the later of the member’s third anniversary of retirement and the month following their SSNRA (age 55 for members designated as police officers and/or firefighters). When a municipality elects’ coverage, it may elect either COLA C (covering only current and future active members and excluding members already retired) or COLA B (covering current retired members as well as current and future active members).

a. The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.

b. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%

c. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on every fourth-year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

Employees covered by benefit terms

At the June 30, 2021 valuation date, the following employees were covered by the benefit terms:

	<u>General Employees</u>	<u>Police and Fire</u>	<u>Total</u>
Retirees and Beneficiaries	29	25	54
Inactive, Non-retired Members	13	6	19
Active Members	45	26	71
Total	87	57	144

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% of their salaries. The Town of Warren contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$291,281 for general employees and \$531,870 for police and Fire in the year ended June 30, 2022 which was 10.68% and 26.71% of annual covered payroll.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 10-PENSION PLANS (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan (continued)

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2020 and rolled forward to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement.

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2021 measurement date (June 30, 2020 valuation rolled forward to June 30, 2021)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.25%; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.5 %
Mortality	Mortality – variants of the PUB (10) Tables for healthy and disabled retirees projected with scale ultimate MP 16.
Cost of Living Adjustments	The Known COLA for certain MERS units in calendar years 2019 and 2020 were 1.86% and 1.56%, respectively, and this was reflected in the June 30, 2019 valuation. All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision

The actuarial assumptions used in the June 30, 2020 valuation rolled forward to June 30, 2021 and the calculation of the total pension liability at June 30, 2021 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2021 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 10-PENSION PLANS (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan (continued)

Asset class	Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity		
U.S. equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Market Equity	5.00%	8.04%
Private Growth		
Private Equity	11.25%	9.47%
Non-Core Real Estate	2.25%	5.32%
Opportunistic Private Credit	1.50%	9.47%
Income		
High Yield Infrastructure	1.00%	3.19%
REITS	1.00%	5.32%
Equity Options	2.00%	5.59%
EMD (50/50 Blend)	2.00%	1.96%
Liquid Credit	2.80%	3.19%
Private Credit	3.20%	3.19%
Crisis Protection Class		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
Inflation Protection		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.30%
Volatility Protection		
IG Corp Credit	3.25%	1.24%
Secunitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
Total	100.00%	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

Discount rate - The discount rate used to measure the total pension liability of the plans was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 10-PENSION PLANS (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan (continued)

	Changes in the Net Pension Liability (Asset)		
	General Employees		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2020	\$ 8,548,766	\$ 6,325,599	\$ 2,223,167
Changes for the Year			
Service cost	195,464	-	195,464
Interest on the total pension liability	592,187	-	592,187
Changes in benefits	-	-	-
Difference between expected and actual experience	(236,297)	-	(236,297)
Changes in assumptions	-	-	-
Employer contributions	-	274,364	(274,364)
Employee contributions	-	76,052	(76,052)
Net investment income	-	1,737,550	(1,737,550)
Benefit payments, including employee refunds	(373,371)	(373,371)	-
Administrative expense	-	(6,620)	6,620
Other changes	-	-	-
Net changes	177,983	1,707,975	(1,529,992)
Balances as of June 30, 2021	\$ 8,726,749	\$ 8,033,574	\$ 693,175

	Changes in the Net Pension Liability (Asset)		
	Police and Fire		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2020	\$ 17,811,638	\$ 12,284,773	\$ 5,526,865
Changes for the Year:			
Service cost	386,462	-	386,462
Interest on the total pension liability	1,230,567	-	1,230,567
Changes in benefits	-	-	-
Difference between expected and actual experience	(180,203)	-	(180,203)
Changes in assumptions	-	-	-
Employer contributions	-	547,814	(547,814)
Employee contributions	-	195,289	(195,289)
Net investment income	-	3,357,085	(3,357,085)
Benefit payments, including employee refunds	(850,668)	(850,668)	-
Administrative expense	-	(12,791)	12,791
Other changes	-	-	-
Net changes	586,158	3,236,729	(2,650,571)
Balances as of June 30, 2021	\$ 18,397,796	\$ 15,521,502	\$ 2,876,294

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 10-PENSION PLANS (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan (continued)

	Changes in the Net Pension Liability (Asset)		
	Aggregate Data of All Plans		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2020	\$ 26,360,404	\$ 18,610,372	\$ 7,750,032
Changes for the Year:			
Service cost	581,926	-	581,926
Interest on the total pension liability	1,822,754	-	1,822,754
Changes in benefits	-	-	-
Difference between expected and actual experience	(416,500)	-	(416,500)
Changes in assumptions	-	-	-
Employer contributions	-	822,178	(822,178)
Employee contributions	-	271,341	(271,341)
Net investment income	-	5,094,635	(5,094,635)
Benefit payments, including employee refunds	(1,224,039)	(1,224,039)	-
Administrative expense	-	(19,411)	19,411
Other changes	-	-	-
Net changes	764,141	4,944,704	(4,180,563)
Balances as of June 30, 2021	\$ 27,124,545	\$ 23,555,076	\$ 3,569,469

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.0 percent, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

General Employees Plan:

1% Decrease (6.00%)	Current Discount Rate Rate (7.00%)	1% Increase (8.00%)
\$ 1,441,447	\$ 693,175	\$ (261,906)

Police and Fire Plan:

1% Decrease (6.00%)	Current Discount Rate Rate (7.00%)	1% Increase (8.00%)
\$ 4,459,373	\$ 2,876,294	\$ 855,700

Pension plan fiduciary net position - detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 10-PENSION PLANS (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022 the employer recognized pension expense of \$120,055. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

General Employees Plan

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 88,122	\$ 279,717
Changes of assumptions	97,889	57,960
Net difference between projected and actual earnings on pension plan investments	-	918,305
Town contributions subsequent to measurement date	291,282	-
	<u>\$ 477,293</u>	<u>\$ 1,255,982</u>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		\$ (1,069,971)

Police and Fire Plan

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,123	\$ 280,330
Changes of assumptions	49,727	-
Net difference between projected and actual earnings on pension plan investments	-	1,775,001
Town contributions subsequent to measurement date	531,870	-
	<u>\$ 603,720</u>	<u>\$ 2,055,331</u>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		\$ (1,983,481)

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 10-PENSION PLANS (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Total Aggregate Data from All Plans

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 110,245	\$ 560,047
Changes of assumptions	147,616	57,960
Net difference between projected and actual earnings on pension plan investments	-	2,693,306
Town contributions subsequent to measurement date	823,152	-
	\$ 1,081,013	\$ 3,311,313
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		\$ (3,053,452)

\$823,152 reported as deferred outflows of resources related to pensions resulting from the Town of Warren contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

General Employees:

Year Ending June 30	
2023	\$ (233,076)
2024	(218,837)
2025	(263,198)
2026	(290,347)
2027	(27,711)
Thereafter	(36,792)
	\$ (1,069,961)

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 10-PENSION PLANS (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions Police and Fire:

<u>Year Ending June 30</u>	
2023	\$ (505,953)
2024	(476,526)
2025	(455,166)
2026	(533,653)
2027	(12,183)
Thereafter	-
	<u>\$ (1,983,481)</u>

Total Aggregate:

<u>Year Ending June 30</u>	
2021	\$ (739,029)
2022	(695,363)
2023	(718,364)
2025	(824,000)
2025	(39,894)
Thereafter	(36,792)
	<u>\$ (3,053,442)</u>

Defined Contribution Plan Description:

Certain employees participating in the defined benefit plan, as described above, may also participate in a defined contribution plan 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. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute 1% of annual covered salary. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and 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.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 10-PENSION PLANS (continued)

Defined Contribution Plan Description (continued)

The Town of Warren recognized pension expense of \$28,856, for the fiscal year ended June 30, 2022.

The System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the system. The report may be obtained at <http://www.ersri.org>.

NOTE 11-OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

In addition to the pension benefits described in Note 11, the Town provides post-employment benefits (health insurance) in accordance with union contract provisions.

For the year ended June 30, 2022 eight (8) 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 \$198,547.

Eligibility

All employees are eligible for retiree health benefits once they meet the Rhode Island Municipal Employee Retirement System (MERS) retirement eligibility requirements as described below.

Employees eligible to retire as of 7/1/2012 are not impacted by the new eligibility requirements described below:

- a) Prior to 7/1/2012, employees are eligible to retire at the earlier of
 - i. Age 58 with 10 years of service or,
 - ii. 30 years of service (no age requirement)

- b) Employees who were not eligible to retire as of 7/1/2012
 - i. Members with less than five years of contributing service credit on 06/30/2012 may retire at their social security retirement age
 - ii. Members with at least five (5) years of contributing service credit on 06/30/2012 may retire at an individually determined age, which is the result of interpolating the member's prior Retirement Date (described in Note 11) and the retirement age applicable to membered hired after 06/30/2012 (described Note 11)
 - iii. Members with at least ten (10) years of contributing service credit on (06/30/2012) may retire at their prior retirement date (described in Note 11) if they continue to work and contribute until that date

All membered who are within five years of reaching their retirement eligibility date (described in Note 11) may retire at any time if they have at least 20 years of service.

Benefits and Employee Contributions

The medical benefits available to retirees are the same as active employees. The Town purchases its health insurance through Blue Cross Blue Shield (BCBS) of Rhode Island, and its health plans are operated on a fully-insured arrangement.

Surviving spouse is eligible for COBRA coverage upon death of retiree.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 11-OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(continued)

Benefit and Employee Contributions (continued)

At June 30, 2022, plan membership consisted of the following:

<u>Description</u>	<u>Active Employees</u>	<u>Inactive or Beneficiaries Receiving Benefits</u>	<u>Total</u>
Number	72	8	80

Contributions

The Annual Required Contribution (ARC) for OPEB consists of two pieces;

- a) Normal Cost: the cost of benefits earned each year which should be accrued in that year, plus,
- b) Past Service: a catch-up accrual to amortize the unfunded accrued liability.

The actuarial valuation selected a 30-year amortization period for past service costs, which is the maximum period by GASB.

The annual OPEB expense for governmental activities for the fiscal year ended June 30, 2022 was \$827,911.

Net OPEB Liability

The Town’s net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions

The projection of future benefits 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.

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate potential effects of legal or contractual funding limitations on the pattern of cost-sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with the perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Some key assumptions are as follows:

<u>Description</u>	<u>Assumption</u>
Single Equivalent Discount Rate	4.62%, net of OPEB plan investment expense, including inflation.
Inflation	2.20% per year
Investment rate of return	5.75%, net of OPEB plan investment expense, including inflation.
Salary increases	3.50% annually as of June 30, 2022 and for future periods

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 11-OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(continued)

Actuarial Methods and Assumptions (continued)

Investments Policy

OPEB Benefits Plan’s policy in regard to the allocation of invested assets is established and may be amended by the Town’s Board of Directors by a majority vote of its members. It is the policy of the Town to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Town’s investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans.

The long-term expected rate of return on OPEB plan investment is assumed to be 5.75%. This was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. Thee expected future real rates of return are then combined to produce the long-term expected rate of return by weighing them based on the target asset allocation percentage and adding in expected inflation (2.20%). The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan’s target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S Equity	22.00%	6.50%
Non-U.S Equity	14.00%	8.40%
U.S. Aggregate Bonds	23.00%	4.00%
Intermediate-Term Credit	14.00%	4.60%
Short-Term Credit	8.00%	4.20%
Intermediate-Term TIPS	15.00%	3.70%
REITs	4.00%	6.40%
Total	<u>100.00%</u>	<u>5.25%</u>

Discount Rate

The discount rate used to measure the total OPEB liability was 4.62%. The projection of cash flows used to determine the discount rate assumed that the Town contributions will be made at rates equal to the actuarially determined contributions rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return to OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 11-OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(continued)

Changes in Net OPEB Liability

	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2021	\$ 5,572,398	\$ 1,074,919	\$ 4,497,479
Service cost	274,673	-	274,673
Interest on net OPEB liability and service cost	157,508	-	157,508
Change of benefit terms	1,510,291	-	1,510,291
Differences between actual and expected experience	(173,610)	-	(173,610)
Changes in assumptions	(903,845)	-	(903,845)
Benefit payments, including refunds	(198,547)	(198,547)	-
Trust administrative expenses	-	(3,364)	3,364
Contributions - employer	-	198,547	(198,547)
Net investment income	-	(132,021)	132,021
Net changes	<u>666,470</u>	<u>(135,385)</u>	<u>801,855</u>
Balances at June 30, 2022	<u>\$ 6,238,868</u>	<u>\$ 939,534</u>	<u>\$ 5,299,334</u>

The components of the net OPEB liability of the Town at June 30, 2022 were as follows:

Total OPEB liability	\$ 6,238,868
Plans fiduciary net position	<u>939,534</u>
Town's net OPEB liability	<u>\$ 5,299,334</u>
Plan net position as a percentage of the total OPEB liability	15.1%

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2022 the Town recognized OPEB expenses of \$827,911. At June 30, 2022 the Town's deferred outflow and inflows of resources related to OPEB were the following:

Deferred outflows of resources	
Net difference between projected and actual earnings on OPEB plan investments	\$ -
Deferred inflows of resources	
Differences between actual and expected experience on OPEB plan investments	<u>79,232</u>
Total	<u>\$ 79,232</u>

Year ended June 30:

2023	\$ 11,416
2024	14,221
2025	16,459
2026	37,136
2027	-
Thereafter	-
Total	<u>\$ 79,232</u>

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 11-OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)(continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using a discount rate that are 1 percentage point lower (3.62%) or 1 percentage point higher (5.62%) than the current discount rate:

	Impact of 1% Change in Discount Rate		
	1% Decrease (3.62%)	Current discount rate (4.62%)	1% Increase (5.62%)
Total OPEB liability	5,767,211	5,299,334	4,861,403

The following presents the net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using healthcare cost trends rates that are 1 percentage point lower (3.5%) or 1 percentage point higher (5.5%) than the current discount rate:

	Impact of 1% Change in Healthcare Trend Rate		
	1% Decrease (3.50%)	Current trend rate (4.50%)	1% Increase (5.50%)
Total OPEB liability	4,655,127	5,299,334	6,301,691

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investment, net of investment expense was %.

	June 30, 2022
Annual money-weighted rate of return, net of investment expense	5.75%

NOTE 12- 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 Interlock Risk Management Trust (“the 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.

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 13- CONTINGENCIES AND COMMITMENTS

The Town has a contract with a commercial management company for the operations 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 had an agreement with the local water authority which required annual rental payments for fire hydrants. The agreement expires June 30, 2023 and required annual payments of \$400 per hydrant. The minimum payment under this agreement for each of the years remaining in the agreement are expected to be approximately \$28,025.

During the ordinary course of its operations, the Town is a party to various claims, legal actions and complaints. In the opinion of the Town's management and legal counsel, the ultimate resolution of any legal actions will not result in a material loss to the Town.

NOTE 14- TAX ABATEMENTS

The Town of Warren does not have any tax abatements to be disclosed according to GASB Statement No. 77.

NOTE 15- SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 14, 2022, the date the financial statements were available to be issue. As a result of this review, there were no material subsequent events noted.

NOTE 16- RESTATEMENT

The following is the restatement that occurred at the government wide level:

	Governmental Activities
Net position as previously reported at July 1, 2021	\$ (296,686)
GASB Statement No. 87 Implementation	<u>292,571</u>
Net Position as restated as of July 1, 2021	<u>\$ (4,115)</u>

TOWN OF WARREN, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

NOTE 16- RESTATEMENT *(continued)*

The following is the restatement for fixed assets:

Governmental Activities capital assets as previously reported at July 1, 2021	\$ 33,936,918
GASB Statement No. 87 Implementation	<u>292,571</u>
Governmental Activities capital assets as restated as of July 1, 2021	<u>\$ 34,229,489</u>

TOWN OF WARREN, RHODE ISLAND

Required Supplementary Information

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2022

	Budget Amounts		Total Available	Actual Amounts (Budgetary Basis)	Variance Favorable (Unfavorable)
	Original	Final			
Revenues:					
General property taxes and interest	\$ 25,480,939	\$ 25,480,939	\$ 25,480,939	\$ 25,634,188	\$ 153,249
Intergovernmental	1,626,019	1,626,019	1,626,019	1,554,919	(71,100)
Licenses, fees, permits and fines	1,904,905	1,904,905	1,904,905	1,859,637	(45,268)
Interest and investment income (loss)	205,000	205,000	205,000	254,431	49,431
Other revenues	88,062	88,062	88,062	94,144	6,082
Total revenues	<u>29,304,925</u>	<u>29,304,925</u>	<u>29,304,925</u>	<u>29,397,319</u>	<u>92,394</u>
Expenditures:					
General government	4,396,188	4,354,188	4,354,188	4,105,075	249,113
Town offices	1,607,977	1,616,977	1,616,977	1,523,805	93,172
Financial administration	356,919	356,919	356,919	340,643	16,276
Public safety	2,880,722	2,880,722	2,880,722	2,847,721	33,001
Fire safety	944,455	944,455	944,455	953,847	(9,392)
Public works	2,362,872	2,402,872	2,402,872	2,281,088	121,784
Grants and contributions	359,501	359,501	359,501	357,928	1,573
Education	13,270,075	13,270,075	13,270,075	13,270,075	-
Debt services	3,307,807	3,300,807	3,300,807	3,274,496	26,311
Capital	-	-	-	2,202,209	(2,202,209)
Total expenditures	<u>29,486,516</u>	<u>29,486,516</u>	<u>29,486,516</u>	<u>31,156,887</u>	<u>(1,670,371)</u>
Excess (deficiency) of revenues over expenditures	<u>(181,591)</u>	<u>(181,591)</u>	<u>(181,591)</u>	<u>(1,759,568)</u>	<u>(1,577,977)</u>
Other financing sources and (uses):					
Budgeted use of Fund Balance	<u>181,591</u>	<u>181,591</u>	<u>181,591</u>	<u>-</u>	<u>(181,591)</u>
Total other financing sources and uses	<u>181,591</u>	<u>181,591</u>	<u>181,591</u>	<u>-</u>	<u>(181,591)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,759,568)</u>	<u>\$ (1,759,568)</u>
Adjustment of budgetary basis to U.S. GAAP				<u>-</u>	
Excess of revenue and other financing sources over expenditures and other financing uses, U.S. GAAP basis				<u>(1,759,568)</u>	
Fund balance, beginning of year				<u>9,719,257</u>	
Fund balance, end of year				<u>\$ 7,959,689</u>	

TOWN OF WARREN, RHODE ISLAND

Required Supplementary Information

Detailed Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2022

	Budget Amounts Original	Final	Total Available	Actual Amounts (Budgetary Basis)	Variance Favorable (Unfavorable)
General property taxes:					
Real estate, tangible and motor vehicle	\$ 25,480,939	\$ 25,480,939	\$ 25,480,939	\$ 25,634,188	\$ 153,249
Total general property taxes	<u>25,480,939</u>	<u>25,480,939</u>	<u>25,480,939</u>	<u>25,634,188</u>	<u>153,249</u>
Intergovernmental and departmental:					
Excise tax/state	1,106,897	1,106,897	1,106,897	954,817	(152,080)
PILOT - BCWA	4,670	4,670	4,670	4,670	-
Restaurant (meals) tax	363,827	363,827	363,827	441,383	77,556
Telephone tax transfer	130,625	130,625	130,625	129,780	(845)
Reval reimbursement	20,000	20,000	20,000	20,000	-
Tax sale revenue	-	-	-	4,269	4,269
Total intergovernmental and departmental	<u>1,626,019</u>	<u>1,626,019</u>	<u>1,626,019</u>	<u>1,554,919</u>	<u>(71,100)</u>
Licenses, fees, permits and fines:					
Government center rent	-	-	-	-	-
Beach parking	10,000	10,000	10,000	9,390	(610)
Marriage, birth & death certificate	12,000	12,000	12,000	18,548	6,548
Municipal court revenue	35,000	35,000	35,000	32,872	(2,128)
Municipal lien certificates	11,000	11,000	11,000	10,126	(874)
MVQ - Head start rental	80,000	80,000	80,000	96,478	16,478
PILOT - Housing authority	50,000	50,000	50,000	53,501	3,501
Police fines and penalties	30,000	30,000	30,000	20,815	(9,185)
Police AFIS fingerprinting	1,000	1,000	1,000	160	(840)
Police reports	3,500	3,500	3,500	3,332	(168)
Police VIN checks	8,000	8,000	8,000	3,240	(4,760)
Building/plumbing permits & fees	240,000	240,000	240,000	207,008	(32,992)
Business taxes & licenses	65,075	65,075	65,075	64,634	(441)
Completion fees	5,000	5,000	5,000	9,350	4,350
Harbor	126,130	126,130	126,130	120,040	(6,090)
Pavilion rental	5,700	5,700	5,700	4,075	(1,625)
Photo copy	2,500	2,500	2,500	1,482	(1,018)
Probate court fees	15,000	15,000	15,000	25,711	10,711
Realty transfers	150,000	150,000	150,000	246,735	96,735
Recording fees	140,000	140,000	140,000	114,985	(25,015)
Road cut permits	1,000	1,000	1,000	85	(915)
Road duty revenue	76,000	76,000	76,000	98,692	22,692
Third party billing	645,000	645,000	645,000	578,045	(66,955)
Zoning, fire & planning fees	13,000	13,000	13,000	10,348	(2,652)
Transfer station	180,000	180,000	180,000	129,985	(50,015)
Total licenses, fees, permits and fines	<u>1,904,905</u>	<u>1,904,905</u>	<u>1,904,905</u>	<u>1,859,637</u>	<u>(45,268)</u>
Interest:					
Property tax interest	180,000	180,000	180,000	244,053	64,053
General fund investment earnings	25,000	25,000	25,000	10,378	(14,622)
Total interest	<u>205,000</u>	<u>205,000</u>	<u>205,000</u>	<u>254,431</u>	<u>49,431</u>
Other:					
Other miscellaneous receipts	4,200	4,200	4,200	10,282	6,082
Other sources/social services/senior center	83,862	83,862	83,862	83,862	-
Total other	<u>88,062</u>	<u>88,062</u>	<u>88,062</u>	<u>94,144</u>	<u>6,082</u>
Total Operating Revenue	<u>29,304,925</u>	<u>29,304,925</u>	<u>29,304,925</u>	<u>29,397,319</u>	<u>92,394</u>
Other financing sources:					
Budgeted use of fund balance	181,591	181,591	181,591	-	181,591
Total other financing sources	<u>181,591</u>	<u>181,591</u>	<u>181,591</u>	<u>-</u>	<u>181,591</u>
Total revenue and other financing sources	<u>\$ 29,486,516</u>	<u>\$ 29,486,516</u>	<u>\$ 29,486,516</u>	<u>\$ 29,397,319</u>	<u>\$ 273,985</u>

TOWN OF WARREN, RHODE ISLAND

Required Supplementary Information

Detailed Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2022

	Budget Amounts		Total	Actual	Variance
	Original	Final	Available	Amounts (Budgetary Basis)	Favorable (Unfavorable)
Expenditures:					
General Government					
Soc Security/Medicare	\$ 432,826	\$ 432,826	\$ 432,826	\$ 434,658	\$ (1,832)
Advertising	20,000	20,000	20,000	21,733	(1,733)
Copier Expense	7,500	7,500	7,500	6,157	1,343
Insurance	698,250	632,880	632,880	618,941	13,939
League of Cities & Towns	5,135	5,135	5,135	5,135	-
Postage	13,000	13,000	13,000	12,852	148
Telephone Expense	7,500	7,500	7,500	4,259	3,241
Town Audit	25,000	25,000	25,000	23,500	1,500
Attendance Premiums	103,000	128,370	128,370	130,630	(2,260)
Computer Service/Website	72,040	79,040	79,040	78,690	350
Electricity/Water Parks	8,200	8,200	8,200	5,842	2,358
Employee Benefits	1,553,464	1,494,464	1,494,464	1,452,426	42,038
Financing Expenses	5,000	5,000	5,000	1,000	4,000
GASB 45	5,400	5,400	5,400	5,600	(200)
Longevity	220,692	220,692	220,692	208,803	11,889
Mary V Quirk School	74,000	74,000	74,000	32,477	41,523
Retiree Benefit Adjustment	3,683	3,683	3,683	3,537	146
Street Lighting	180,000	180,000	180,000	184,717	(4,717)
Town Empl. Pension Costs	836,499	886,499	886,499	870,749	15,750
Contingency	55,000	55,000	55,000	-	55,000
Unemployment reserve account	10,000	10,000	10,000	-	10,000
Uncollectible Reserve	60,000	60,000	60,000	3,369	56,631
Total General Government	4,396,188	4,354,188	4,354,188	4,105,075	249,113
Town Offices:					
Boards and Commissions					
Administrative officer	12,302	12,302	12,302	12,299	3
Conservation board expense	1,500	1,500	1,500	1,472	28
Juvenile hearing board	2,000	2,000	2,000	1,500	500
Planning board expenses	3,250	3,250	3,250	2,750	500
Planning/Zoning stenographer	6,300	6,300	6,300	6,071	229
Tree commission	550	550	550	550	-
Historical commission	3,500	3,500	3,500	3,686	(186)
Arts & Cultural	1,000	1,000	1,000	639	361
Harbor Commission	1,375	1,375	1,375	250	1,125
Board/Commissions-Charter Comm.	4,500	4,500	4,500	3,250	1,250
Total Boards and Commissions	36,277	36,277	36,277	32,467	3,810
Building Inspector					
Building official salary	73,332	73,332	73,332	64,396	8,936
Building official clerk	42,661	42,661	42,661	43,756	(1,095)
Building office expense	6,120	6,120	6,120	6,700	(580)
Outside services	9,080	9,080	9,080	4,064	5,016
Plumbing/electrical inspector salary	12,603	12,603	12,603	12,651	(48)
Zoning/regulatory/econ devel liason	6,151	9,151	9,151	9,461	(310)
Code enforcement inspector	20,795	20,795	20,795	11,317	9,478
Total Building Inspector	170,742	173,742	173,742	152,345	21,397
Town Clerk					
Town clerk salary - non-union	70,656	70,656	70,656	70,928	(272)
Clerks salary - union	85,322	85,322	85,322	77,211	8,111
Deputy town clerk - non-union	58,091	58,091	58,091	54,516	3,575
Municipal court judge salary	9,395	9,395	9,395	9,395	-
Municipal court clerk salary	18,009	18,009	18,009	19,375	(1,366)
Board of canvassers salary	1,733	1,733	1,733	1,598	135
Election officials salary	7,000	7,000	7,000	-	7,000
Housing court judge	3,438	3,438	3,438	3,688	(250)
General and operating expense	15,000	15,000	15,000	14,660	340
Document management	17,000	17,000	17,000	16,990	10
Indexing/computer filing	20,000	20,000	20,000	19,395	605
Probate judge	3,438	3,438	3,438	-	3,438
Municipal court expenses	1,700	1,700	1,700	2,065	(365)
Canvasser's expense	6,500	6,500	6,500	4,730	1,770
Town clerk redistricting	15,000	15,000	15,000	14,606	394
Municipal court computer services	7,500	7,500	7,500	6,995	505
Historic indexing & imaging	5,000	5,000	5,000	5,000	-
Document preservation	5,000	5,000	5,000	4,491	509
Housing court expenses	3,500	3,500	3,500	2,750	750
Total Town Clerk	\$ 353,282	\$ 353,282	\$ 353,282	\$ 328,393	\$ 24,889

TOWN OF WARREN, RHODE ISLAND

Required Supplementary Information

Detailed Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2022

	Budget Amounts		Total	Actual	Variance
	Original	Final	Available	Amounts (Budgetary Basis)	Favorable (Unfavorable)
Harbor Master					
Harbor master salary	\$ 22,348	\$ 22,348	\$ 22,348	\$ 22,437	\$ (89)
Asst. harbor master salary	10,978	10,978	10,978	6,926	4,052
Operating expenses	15,000	15,000	15,000	12,792	2,208
Habor Master-Op restroom	14,400	14,400	14,400	10,225	4,175
Dock maintenance expense	5,000	5,000	5,000	2,413	2,587
Total Harbor Master	67,726	67,726	67,726	54,793	12,933
Town Manager					
Town manager salary	96,628	96,628	96,628	96,999	(371)
Town manager clerk salary - union	42,661	42,661	42,661	43,692	(1,031)
Part time clerk salary - non - union	12,503	18,503	18,503	18,490	13
Full time floating clerk union	42,661	42,661	42,661	41,945	716
PT grant writer/coordinator	2,500	2,500	2,500	2,500	-
Town manager expense	3,200	3,200	3,200	3,197	3
East Bay Chamber Membership	400	400	400	-	400
Clerk's overtime	4,000	4,000	4,000	2,555	1,445
Total Town Manager	204,553	210,553	210,553	209,378	1,175
Town Offices					
Council - Wages & Salaries	6,461	6,461	6,461	6,461	-
Council - Contingency	16,000	16,000	16,000	10,397	5,603
Govt Ctr - Wages & Sal Custodian Union	54,432	54,432	54,432	55,537	(1,105)
Govt Center - Operation Exp	117,000	117,000	117,000	117,221	(221)
TwN Sgnt - Wages & Salaries Non Union	100	100	100	75	25
TwN Hall Custdn - Wages & Salaries-Union	54,432	54,432	54,432	55,537	(1,105)
Tree Warden	3,446	3,446	3,446	3,459	(13)
Planning/Zoning Solicitor	26,170	26,170	26,170	26,164	6
Town Hall - Expenses	73,750	73,750	73,750	73,962	(212)
Solctr - Wages & Salaries Non Union	108,302	108,302	108,302	108,719	(417)
Zoning - General & Office Expense	680	680	680	486	194
Zoning - Board Fees	3,000	3,000	3,000	800	2,200
Total Town Offices	463,773	463,773	463,773	458,818	4,955
Town Planner					
Town planner salary	71,089	71,089	71,089	71,362	(273)
General & office expense	3,000	3,000	3,000	2,037	963
GIS mapping software/equipment	7,000	7,000	7,000	6,700	300
Development	2,000	2,000	2,000	-	2,000
Grant - matching funds	15,000	15,000	15,000	-	15,000
Total Town Planner	98,089	98,089	98,089	80,099	17,990
Recreation					
Recreation director salary	21,802	26,902	26,902	27,585	(683)
Park supervisor salary	56,580	51,480	51,480	49,967	1,513
Life guards salary	10,724	10,724	10,724	8,353	2,371
Recreation assistant director salary	5,400	5,400	5,400	4,060	1,340
Recreation park maintenance salary	7,256	7,256	7,256	6,919	337
Band concerts	3,500	3,500	3,500	3,500	-
General and office expense	24,644	24,644	24,644	24,602	42
Total Recreation	129,906	129,906	129,906	124,986	4,920
Senior Center					
Senior center director salary	40,103	40,103	40,103	40,251	(148)
Senior center - meal site manager	1,852	1,852	1,852	1,850	2
Senior center - computer services	1,000	1,000	1,000	998	2
Senior center - maintenance	3,089	3,089	3,089	2,505	584
Total Senior Center	46,044	46,044	46,044	45,604	440
Social Services					
Social services director salary	16,685	16,685	16,685	16,942	(257)
Social service expense	16,000	16,000	16,000	15,946	54
Substance abuse - grant match	4,000	4,000	4,000	4,000	-
Computer services	900	900	900	34	866
Total Social Services	37,585	37,585	37,585	36,922	663
Total Department Town Offices	\$ 1,607,977	\$ 1,616,977	\$ 1,616,977	\$ 1,523,805	\$ 93,172

TOWN OF WARREN, RHODE ISLAND

Required Supplementary Information

Detailed Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2022

	Budget Amounts		Total	Actual	Variance
	Original	Final	Available	(Budgetary Basis)	Favorable (Unfavorable)
Financial Administration					
Treasury					
Financial director salary	\$ 85,335	\$ 85,335	\$ 85,335	85,644	\$ (309)
Finance-Wages & Salaries Assit	46,920	46,920	46,920	29,261	17,659
Financial clerks salary - union	85,322	85,322	85,322	87,567	(2,245)
Office expense	5,400	5,400	5,400	3,790	1,610
Outside services	14,071	14,071	14,071	16,784	(2,713)
Payroll processing & services	12,243	12,243	12,243	13,312	(1,069)
Clearing	1,000	1,000	1,000	758	242
Total Treasury	250,291	250,291	250,291	237,116	13,175
Assessor					
Tax assessor salary	62,928	62,928	62,928	63,170	(242)
Office expense	5,350	5,350	5,350	2,652	2,698
Outside services	38,350	38,350	38,350	37,705	645
Total Assessor	106,628	106,628	106,628	103,527	3,101
Total Financial Administration	356,919	356,919	356,919	340,643	16,276
Fire Safety					
Wages & Salaries Non Union	78,341	78,341	78,341	78,643	(302)
Fire Prevention Marshall	48,708	48,708	48,708	48,895	(187)
Medical Director	3,000	3,000	3,000	3,000	-
EMS Coordinator	42,661	42,661	42,661	43,390	(729)
Assistant Chiefs/Deputy	8,000	8,000	8,000	8,000	-
EMA/EMS Director	5,378	5,378	5,378	5,322	56
General & Office Expense	65,000	65,000	65,000	63,115	1,885
Clothing Allowance	3,500	3,500	3,500	3,500	-
Fuel/Diesel	30,000	30,000	30,000	46,464	(16,464)
Computer Services	3,000	3,000	3,000	3,000	-
Outside Services	7,250	7,250	7,250	7,250	-
Equipment /Vehicles	54,000	54,000	54,000	50,084	3,916
Apparatus Repair	50,000	50,000	50,000	50,000	-
Baker Street Station	6,000	6,000	6,000	6,000	-
Communications	15,067	15,067	15,067	15,067	-
Fire Company Fees	24,500	24,500	24,500	24,500	-
Rescue Stipend	352,500	352,500	352,500	350,104	2,396
Training	18,000	18,000	18,000	18,000	-
Firefighter Gear	12,000	12,000	12,000	12,000	-
Medical Supplies	35,000	35,000	35,000	35,000	-
Company Stewards	15,300	15,300	15,300	15,300	-
Station Upkeep	12,000	12,000	12,000	12,000	-
Firefighter Details/Storm	5,250	5,250	5,250	5,213	37
Self-contained Breathing Appar.	50,000	50,000	50,000	50,000	-
Total Fire Safety	944,455	944,455	944,455	953,847	(9,392)
Grants & Contributions					
East Bay Center	20,000	20,000	20,000	20,000	-
East Bay community action program	17,000	17,000	17,000	17,000	-
George Hail Library	293,551	293,551	293,551	293,551	-
Memorial day	3,000	3,000	3,000	1,999	1,001
Visiting nurses	1,000	1,000	1,000	1,000	-
Wildlife rehabilitators of RI	500	500	500	-	500
Discover Warren	2,500	2,500	2,500	2,500	-
Warren/Bristol arts night	1,750	1,750	1,750	1,750	-
Bristol County Baysiders	1,500	1,500	1,500	1,500	-
Eastern RI conservation district	1,000	1,000	1,000	1,000	-
Bristol Warren Education Foundation	2,500	2,500	2,500	2,500	-
Warren water quality testing	3,500	3,500	3,500	3,500	-
Neverland children's theater	500	500	500	500	-
Sense of pride	500	500	500	500	-
Warren Barrington Rotary club	3,000	3,000	3,000	3,000	-
Connect Greater Newport	-	-	-	-	-
The Collaborative	2,500	2,500	2,500	2,500	-
Warren armory	3,000	3,000	3,000	3,000	-
Made in Warren	700	700	700	700	-
American Indian study	1,500	1,500	1,500	1,428	72
Total Grants & Contributions	\$ 359,501	\$ 359,501	\$ 359,501	\$ 357,928	\$ 1,573

TOWN OF WARREN, RHODE ISLAND

Required Supplementary Information

Detailed Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2022

	Budget Amounts		Total	Actual	Variance
	Original	Final	Available	Amounts (Budgetary Basis)	Favorable (Unfavorable)
Public Safety					
Police					
Wages & Salaries Non Union	\$ 96,866	\$ 96,866	\$ 96,866	98,357	\$ (1,491)
Wages & Salaries Union	1,566,365	1,566,365	1,566,365	1,560,601	5,764
SRO (Town Share)	24,750	24,750	24,750	13,772	10,978
Overtime	315,000	315,000	315,000	325,278	(10,278)
Part Time Clerk	19,060	19,060	19,060	19,338	(278)
Holiday Pay	97,290	97,290	97,290	88,916	8,374
Advanced Degree Incentive	12,900	12,900	12,900	11,200	1,700
Differential	23,230	23,230	23,230	13,614	9,616
General & Office Expense	68,400	68,400	68,400	68,951	(551)
Computer Services	28,000	28,000	28,000	28,000	-
Fuel/Diesel	51,500	51,500	51,500	62,259	(10,759)
AFIS Maint Contract	7,000	7,000	7,000	7,000	-
Clothing Allowance	44,100	44,100	44,100	44,087	13
Equipment /Vehicles	7,800	7,800	7,800	7,800	-
Communications/Serv/Maint Contract	22,000	22,000	22,000	22,000	-
Communications	14,640	14,640	14,640	14,640	-
Disability Expense	15,912	15,912	15,912	15,710	202
Incentive Education Act	11,050	11,050	11,050	4,515	6,535
Training	56,500	56,500	56,500	56,500	-
Total Police	2,482,363	2,482,363	2,482,363	2,462,538	19,825
Dispatch					
Wages & Salaries - Union	243,776	243,776	243,776	250,552	(6,776)
Overtime	36,355	36,355	36,355	26,761	9,594
Differential	3,607	3,607	3,607	3,124	483
Holiday Pay	16,090	16,090	16,090	14,870	1,220
Clothing Allowance	5,045	5,045	5,045	5,045	(0)
Total Dispatch	304,873	304,873	304,873	300,352	4,521
Animal Control					
Wages & Salaries - Union	49,724	49,724	49,724	51,669	(1,945)
Overtime	3,118	3,118	3,118	1,788	1,330
Asst Officer Part Time	17,531	17,531	17,531	15,217	2,314
General & Office Expens	19,604	19,604	19,604	15,148	4,456
Animal Shelter Repair	2,500	2,500	2,500	-	2,500
Clothing Allowance	1,009	1,009	1,009	1,009	-
Total Animal Control	93,486	93,486	93,486	84,831	8,655
Total Public Safety	2,880,722	2,880,722	2,880,722	2,847,721	33,001
Public Works					
Wages & Salaries Non Union	1,047,344	1,047,344	1,047,344	1,044,189	3,155
Wages & Salaries Union	79,918	79,918	79,918	81,087	(1,169)
Overtime	90,000	90,000	90,000	44,514	45,486
Part Time Wages & Salaries	23,520	23,520	23,520	10,820	12,700
General & Office Expense	151,500	151,500	151,500	106,830	44,670
Protective Equipment	3,500	3,500	3,500	3,360	140
Fuel/Diesel	48,000	48,000	48,000	71,777	(23,777)
Clothing Allowance	17,823	17,823	17,823	17,843	(20)
Equipment /Vehicles	101,000	101,000	101,000	93,634	7,366
Mosquito Control	2,000	2,000	2,000	1,975	25
Trash Collection	463,080	463,080	463,080	460,967	2,113
Engineering Service	4,000	4,000	4,000	3,130	870
Field Maintenance	5,125	5,125	5,125	1,509	3,616
Outside Services	20,000	20,000	20,000	8,985	11,015
Lamp Post Restoration	5,000	5,000	5,000	2,830	2,170
Market Street Parking Lot Least	10,000	10,000	10,000	10,000	-
Tree Management Plan	4,225	4,225	4,225	3,900	325
Turnpike and Bridges	10,400	10,400	10,400	9,010	1,390
Foreman salary	63,009	63,009	63,009	63,998	(989)
Total Public Works	2,149,444	2,149,444	2,149,444	2,040,358	109,086
Transfer Station					
Transfer Station overtime	12,000	12,000	12,000	-	12,000
General & Office	13,280	13,280	13,280	13,192	88
Overtime	13,148	13,148	13,148	6,402	6,746
Tipping Fees	175,000	215,000	215,000	221,136	(6,136)
Total Transfer Station	213,428	253,428	253,428	240,730	12,698
Total Department of Public Works	\$ 2,362,872	\$ 2,402,872	\$ 2,402,872	\$ 2,281,088	\$ 121,784

TOWN OF WARREN, RHODE ISLAND

Required Supplementary Information

Detailed Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2022

	<u>Budget Amounts</u> <u>Original</u>	<u>Final</u>	<u>Total</u> <u>Available</u>	<u>Actual</u> <u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Capital Expenditures					
Capital	\$ -	\$ -	\$ -	\$ 2,202,209	\$ (2,202,209)
Total Capital	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,202,209</u>	<u>(2,202,209)</u>
Debt Service	<u>3,307,807</u>	<u>3,300,807</u>	<u>3,300,807</u>	<u>3,274,496</u>	<u>-</u>
Education General Cost (Net)	<u>13,270,075</u>	<u>13,270,075</u>	<u>13,270,075</u>	<u>13,270,075</u>	<u>-</u>
Total Expenditures	<u>29,486,516</u>	<u>29,486,516</u>	<u>29,486,516</u>	<u>31,156,887</u>	<u>(1,696,682)</u>
Other Financing Sources/ (Uses):					
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures and Other Financing Sources/ (Uses)	<u>\$ 29,486,516</u>	<u>\$ 29,486,516</u>	<u>\$ 29,486,516</u>	<u>\$ 31,156,887</u>	<u>\$ (1,696,682)</u>

TOWN OF WARREN, RHODE ISLAND

Notes to Budget and Actual Comparison

For the Year Ended June 30, 2022

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 to 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 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 year end unless specifically approved for carryover to the following year by the taxpayers by a vote at the Financial Town Meeting. The budget for the General Fund is appropriated at the individual account level, also known as the line-item level.

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 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 order, contracts, and other commitments for the expenditures of funds are recorded in order to preserve that portion of the applicable appropriations, is employed in the General Fund Budget. Encumbrances do not constitute expenditures or liabilities.

TOWN OF WARREN, RHODE ISLAND

Required Supplementary Information

Municipal Employees' Retirement System of Rhode Island

Schedule of Changes in Net Pension Liability and Related Ratios MERS – General Employees

*Last Ten Years**

Measurement period ending June 30,	MERS - General Employees							
	Schedule of Changes in Net Pension Liability and Related Ratios Multiyear							
	Last 10 Fiscal Years (to be built prospectively)							
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 195,464	\$ 187,223	\$ 185,422	\$ 185,072	\$ 170,491	\$ 153,923	\$ 148,875	\$ 165,795
Interest on the Total Pension Liability	592,187	561,835	538,825	523,026	512,158	500,166	488,988	478,136
Benefit Changes	-	-	-	-	-	-	103,895	-
Difference between expected and Actual Experience	(236,297)	121,598	(27,905)	(113,212)	(34,094)	(107,368)	(183,753)	-
Assumption Changes	-	(79,964)	-	-	347,514	-	-	(62,439)
Benefit payments	(373,371)	(349,066)	(387,981)	(350,747)	(369,921)	(420,292)	(402,697)	(453,981)
Net change in total pension liability	177,983	441,626	308,361	244,139	626,148	126,429	155,308	127,511
Total pension liability – beginning	8,548,766	8,107,140	7,798,779	7,554,640	6,928,492	6,802,063	6,646,755	6,519,244
Total pension liability – ending (a)	<u>\$ 8,726,749</u>	<u>\$ 8,548,766</u>	<u>\$ 8,107,140</u>	<u>\$ 7,798,779</u>	<u>\$ 7,554,640</u>	<u>\$ 6,928,492</u>	<u>\$ 6,802,063</u>	<u>\$ 6,646,755</u>
Plan Fiduciary Net Position								
Contributions – employer	\$ 274,364	\$ 265,003	\$ 272,398	\$ 267,090	\$ 244,089	\$ 240,331	\$ 255,456	\$ 270,622
Contributions – employee	76,052	74,120	72,339	68,765	66,363	61,437	40,020	40,521
Pension Plan Net Investment Income	1,737,550	230,935	384,617	440,043	581,317	(1,719)	118,361	671,865
Benefit Payments	(373,371)	(349,066)	(387,981)	(350,747)	(369,921)	(420,292)	(402,697)	(453,981)
Pension Plan Administrative Expense	(6,620)	(6,363)	(6,011)	(5,858)	(5,492)	(4,623)	(5,028)	(4,207)
Other Changes in Plan Fiduciary Net Position	-	(100,702)	(4,412)	(12,543)	6,273	25,640	1	(1)
Net change in plan fiduciary net position	1,707,975	113,927	330,950	406,750	522,629	(99,226)	6,113	524,819
Plan fiduciary net position – beginning	6,325,599	6,211,672	5,880,722	5,473,972	4,951,343	5,050,569	5,044,456	4,519,637
Plan fiduciary net position – ending (b)	<u>\$ 8,033,574</u>	<u>\$ 6,325,599</u>	<u>\$ 6,211,672</u>	<u>\$ 5,880,722</u>	<u>\$ 5,473,972</u>	<u>\$ 4,951,343</u>	<u>\$ 5,050,569</u>	<u>\$ 5,044,456</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	693,175	2,223,167	1,895,468	1,918,057	2,080,668	1,977,149	1,751,494	1,602,299
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.06%	73.99%	76.62%	75.41%	72.46%	71.46%	74.25%	75.89%
Covered Employee Payroll	\$2,648,568	\$2,492,987	\$2,389,457	\$2,299,037	\$2,149,952	\$1,890,947	\$1,906,207	\$1,999,936
Net Pension Liability as a Percentage of Covered Employee Payroll	26.17%	89.18%	79.33%	83.43%	96.78%	104.56%	91.88%	80.12%

*Eighth year of implementation of GASB 68, therefore, only eight years of the ten required data is available

*See accompanying notes to required supplementary information
See independent auditor's report*

TOWN OF WARREN, RHODE ISLAND

Required Supplementary Information

Municipal Employees' Retirement System of Rhode Island

Schedule of Changes in Net Pension Liability and Related Ratios MERS – Police and Fire

*Last Ten Years**

MERS - Police & Fire Department								
Schedule of Changes in Net Pension Liability and Related Ratios Multiyear								
Last 10 Fiscal Years (to be built prospectively)								
Measurement period ending June 30,	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 386,462	\$ 401,880	\$ 404,957	\$ 360,292	\$ 295,838	\$ 294,967	\$ 283,991	\$ 260,526
Interest on the Total Pension Liability	1,230,567	1,176,476	1,140,986	1,038,691	1,070,906	1,034,705	977,348	938,251
Benefit Changes	-	-	-	-	-	-	410,250	-
Difference between expected and Actual Experience	(180,203)	(68,516)	(274,933)	757,671	(1,023,113)	(205,745)	(275,870)	-
Assumption Changes	-	81,993	-	-	830,953	-	-	(84,529)
Benefit payments	(850,668)	(772,109)	(752,826)	(682,450)	(611,762)	(671,615)	(601,274)	(608,108)
Net change in total pension liability	586,158	819,724	518,184	1,474,204	562,822	452,312	794,445	506,140
Total pension liability – beginning	17,811,638	16,991,914	16,473,730	14,999,526	14,436,704	13,984,392	13,189,947	12,683,807
Total pension liability – ending (a)	<u>\$ 18,397,796</u>	<u>\$ 17,811,638</u>	<u>\$ 16,991,914</u>	<u>\$ 16,473,730</u>	<u>\$ 14,999,526</u>	<u>\$ 14,436,704</u>	<u>\$ 13,984,392</u>	<u>\$ 13,189,947</u>
Plan Fiduciary Net Position								
Contributions – employer	\$ 547,814	\$ 538,098	\$ 418,107	\$ 414,902	\$ 438,977	\$ 443,482	\$ 491,829	\$ 343,729
Contributions – employee	195,289	239,309	192,428	169,072	166,658	157,834	129,208	111,691
Pension Plan Net Investment Income	3,357,085	448,491	733,320	842,323	1,117,629	(3,271)	222,765	1,234,929
Benefit Payments	(850,668)	(772,109)	(752,826)	(682,450)	(611,762)	(671,615)	(601,274)	(608,108)
Pension Plan Administrative Expense	(12,791)	(12,357)	(11,460)	(11,213)	(10,559)	(8,799)	(8,939)	(7,733)
Other Changes in Plan Fiduciary Net Position	-	1	6,981	-	(25)	(1)	1	(1)
Net change in plan fiduciary net position	3,236,729	441,433	586,550	732,634	1,100,918	(82,370)	233,590	1,074,507
Plan fiduciary net position – beginning	12,284,773	11,843,340	11,256,790	10,524,156	9,423,238	9,505,608	9,272,018	8,197,511
Plan fiduciary net position – ending (b)	<u>\$ 15,521,502</u>	<u>\$ 12,284,773</u>	<u>\$ 11,843,340</u>	<u>\$ 11,256,790</u>	<u>\$ 10,524,156</u>	<u>\$ 9,423,238</u>	<u>\$ 9,505,608</u>	<u>\$ 9,272,018</u>
Net Pension Liability/(Asset) - Ending (a) - (b)	2,876,294	5,526,865	5,148,574	5,216,940	4,475,370	5,013,466	4,478,784	3,917,929
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.37%	68.97%	69.70%	68.33%	70.16%	65.27%	67.97%	70.30%
Covered Employee Payroll	\$ 1,933,278	\$ 1,934,908	\$ 1,924,700	\$ 1,690,716	\$ 1,663,881	\$ 1,590,975	\$ 1,609,012	\$ 1,497,273
Net Pension Liability as a Percentage of Covered Employee Payroll	148.78%	285.64%	267.50%	308.56%	268.97%	315.12%	278.36%	261.67%

*Eighth year of implementation of GASB 68, therefore, only eight years of the ten required data is available

*See accompanying notes to required supplementary information
See independent auditor's report*

TOWN OF WARREN, RHODE ISLAND

Required Supplementary Information

Municipal Employees' Retirement System of Rhode Island

Schedule of Contributions – General Employees

*Last Ten Years**

	Municipal Employees' Retirement System - General Employee Plan Schedule of Contributions Multiyear - Last 10 Fiscal Years							
	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 291,281	\$ 274,364	\$ 265,003	\$ 272,398	\$ 267,090	\$ 244,089	\$ 240,331	\$ 255,456
Contributions in relation to the actuarially determined contribution	291,281	274,364	265,003	272,398	267,090	244,089	240,331	255,456
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered-employee payroll	\$ 2,728,025	\$ 2,648,568	\$ 2,492,987	\$2,389,457	\$ 2,299,037	\$ 2,149,952	\$ 1,890,947	\$ 1,906,207
Contributions as a percentage of covered-employee payroll	10.68%	10.36%	10.63%	11.40%	11.62%	11.35%	12.71%	13.40%

Notes:

- 1.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.
- 2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.
- 3.) The amounts presented for each fiscal year were determined as of June 30 measurement date prior to the fiscal year end.

*See accompanying notes to required supplementary information
See independent auditor's report*

TOWN OF WARREN, RHODE ISLAND

Required Supplementary Information

Municipal Employees' Retirement System of Rhode Island

Schedule of Contributions – Police and Fire

*Last Ten Years**

	Municipal Employees' Retirement System - Police and Fire Schedule of Contributions Multiyear - Last 10 Fiscal Years							
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 531,870	\$ 547,814	\$ 538,098	\$ 418,107	\$ 414,902	\$ 438,977	\$ 443,482	\$ 491,829
Contributions in relation to the actuarially determined contribution	<u>531,870</u>	<u>547,814</u>	<u>538,098</u>	<u>418,107</u>	<u>414,902</u>	<u>438,977</u>	<u>443,482</u>	<u>491,829</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered-employee payroll	\$ 1,991,276	\$ 1,933,278	\$ 1,934,908	\$ 1,924,700	\$ 1,690,716	\$ 1,663,881	\$ 1,590,975	\$ 1,609,012
Contributions as a percentage of covered-employee payroll	26.71%	28.34%	27.81%	21.72%	24.54%	26.38%	27.87%	30.57%

Notes:

- 1.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.
- 2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.
- 3.) The amounts presented for each fiscal year were determined as of June 30 measurement date prior to the fiscal year end.

*See accompanying notes to required supplementary information
See independent auditor's report*

TOWN OF WARREN, RHODE ISLAND

Required Supplementary Information

Employees' Retirement System of Rhode Island

Notes to the Pension Schedule

For the Year Ended June 30, 2022

The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.

June 30, 2021 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2020 measurement date compared to the June 30, 2019 measurement date.

June 30, 2020 measurement date –

As part of the 2020 Actuarial Experience Study for the six-year period ending June 30, 2019 as approved by the System Board on May 22, 2020, certain assumptions were modified and reflected in the determination of net pension liability (asset) at the June 30, 2020 measurement date. The following summarizes the more significant changes in assumptions:

- Updated the underlying mortality tables from the RP-2014 set of tables to the public sector-based PUB (10) tables.
- Increased slightly the probabilities of turnover.
- Decreased slightly the probabilities of retirement.
- Modified slightly the probabilities of disability, including adding material incidence of disability for members in the age ranges that historically have been eligible to retire but under prospective provisions are not.

June 30, 2019 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2019 measurement date compared to the June 30, 2018 measurement date.

June 30, 2018 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2018 measurement date compared to the June 30, 2017 measurement date.

June 30, 2017 measurement date –

As part of the 2017 Actuarial Experience Investigation Study for the six-year period ending June 30, 2016 as approved by the System Board on May 15, 2017, certain assumptions were modified and reflected in the determination of the net pension liability (asset) at the June 30, 2017 measurement date. The following summarizes the more significant changes in assumptions:

- Decreased the general inflation assumption from 2.75% to 2.50%;
- Decreased the nominal investment return assumption from 7.50% to 7.00%;
- Decreased the general wage growth assumption from 3.25% to 3.00%;
- Decreased salary increase assumptions; and
- Updated the post-retirement mortality tables to variants of the RP-2014 table. For the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

TOWN OF WARREN, RHODE ISLAND

Required Supplementary Information

Employees' Retirement System of Rhode Island

Notes to the Pension Schedule

For the Year Ended June 30, 2022

June 30, 2016 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2016 measurement date compared to the June 30, 2015 measurement date.

June 30, 2015 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2015 measurement date compared to the June 30, 2014 measurement date

The June 30, 2015 measurement date determination of the net pension liability for the ERS and MERS plans reflects changes in benefit changes resulting from the settlement of litigation challenging the various pension reform measures enacted in previous years by the General Assembly. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision)
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5-year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

TOWN OF WARREN, RHODE ISLAND

Required Supplementary Information

Other Post-Employment Benefits

Schedule of Changes in Net OPEB Liability and Related Ratios

For the Last Ten Years*

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability						
Service cost	\$ 274,673	\$ 185,086	\$ 163,730	\$ 160,657	\$ 160,194	\$ 219,675
Interest on net OPEB liability and service cost	157,508	174,213	202,806	218,985	205,673	170,401
Changes of benefit term	1,510,291	-	-	-	-	-
Differences between actual and expected experience	(173,610)	(52,483)	(290,981)	(375,597)	-	(351,830)
Changes of assumptions	(903,845)	645,306	259,573	(59,690)	(85,761)	(194,295)
Benefit payments, including refunds	(198,547)	(202,322)	(194,653)	(222,959)	(204,420)	(212,194)
Net change in total OPEB liability	666,470	749,800	140,475	(278,604)	75,686	(368,243)
Total OPEB liability - beginning	5,572,398	4,822,598	4,682,123	4,960,727	4,885,041	5,253,284
Total OPEB liability - ending	<u>\$ 6,238,868</u>	<u>\$ 5,572,398</u>	<u>\$ 4,822,598</u>	<u>\$ 4,682,123</u>	<u>\$ 4,960,727</u>	<u>\$ 4,885,041</u>
OPEB fiduciary net position						
Benefit payments, including refunds	\$ (198,547)	\$ (202,322)	\$ (194,653)	\$ (222,959)	\$ (204,420)	\$ (212,194)
Trust administrative expenses	(3,364)	(3,083)	(2,221)	(2,057)	(2,007)	(1,740)
Contributions - employer	198,547	202,322	194,653	222,959	204,420	212,194
Contribution - Active employees	-	-	-	-	-	-
Net investment income	(132,021)	151,925	58,953	58,665	34,009	33,023
Net change in plan fiduciary net position	(135,385)	148,842	56,732	56,608	32,002	31,283
Plan fiduciary net position - beginning	1,074,919	926,077	869,345	812,737	780,735	749,452
Plan fiduciary net position - ending	<u>\$ 939,534</u>	<u>\$ 1,074,919</u>	<u>\$ 926,077</u>	<u>\$ 869,345</u>	<u>\$ 812,737</u>	<u>\$ 780,735</u>
Plan's net pension liability - ending	<u>\$ 5,299,334</u>	<u>\$ 4,497,479</u>	<u>\$ 3,896,521</u>	<u>\$ 3,812,778</u>	<u>\$ 4,147,990</u>	<u>\$ 4,104,306</u>

*Sixth year of implementation of GASB 75, therefore only six years of the ten required data is available.

Actuarial Valuation Date	Fiduciary Net Position	Total OPEB Liability (TOL)	Net OPEB Liability (NOL)	Funded Ratio	Covered Payroll	NOL as a % of Covered Payroll
6/30/2022	939,534	6,238,868	5,299,334	15.06%	4,240,070	124.98%
6/30/2021	1,074,919	5,572,398	4,497,479	19.29%	4,188,983	107.36%
6/30/2020	926,077	4,822,598	3,896,521	19.20%	3,993,592	97.57%
6/30/2019	869,345	4,682,123	3,812,778	18.57%	3,858,543	98.81%
6/30/2018	812,737	4,960,727	4,147,990	16.38%	3,605,868	115.03%
6/30/2017	780,735	4,885,041	4,104,306	15.98%	3,483,930	117.81%

* Sixth year of implementation of GASB 75, only six years of the ten required data is available.

TOWN OF WARREN, RHODE ISLAND

Required Supplementary Information

Other Post-Employment Benefits

Schedule of Contributions and Investment Return

*For the Last Ten Years**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Actuarial determined contribution	\$ 447,330	\$ 386,416	\$ 379,815	\$ 392,994	\$ 366,102	\$ 341,832
Contributions in relation to the actuarially determined contribution	<u>198,547</u>	<u>202,322</u>	<u>194,653</u>	<u>222,959</u>	<u>204,420</u>	<u>212,194</u>
Contribution deficiency (excess)	<u>\$ 248,783</u>	<u>\$ 184,094</u>	<u>\$ 185,162</u>	<u>\$ 170,035</u>	<u>\$ 161,682</u>	<u>\$ 129,638</u>
Covered-employee payroll	\$ 4,240,070	\$ 4,188,983	\$ 3,993,592	\$ 3,858,543	\$ 3,605,868	\$ 3,483,930
Contributions as a percentage of covered-employee payroll	4.68%	4.83%	4.87%	5.78%	5.67%	6.09%

* Sixth year of implementation of GASB 75, only six years of the ten required data is available.

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Annual money-weighted rate of return, net of investment expense	5.75%	5.00%	5.25%	5.50%	5.50%	3.50%

* Sixth year of implementation of GASB 75, only six years of the ten required data is available.

TOWN OF WARREN, RHODE ISLAND

Required Supplementary Information

Notes to Other Post-Employment Benefits

For the Year Ended June 30, 2022

Notes to Required Supplementary Information:

Valuation Date:	July 1, 2021 with results actuarially projected on a no gain/ no loss basis to get to the June 30, 2022 measurement date. Liabilities as of July 1, 2021 on an actuarial valuation date of July 1, 2021 with no adjustments
Cost Method:	Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where: <ul style="list-style-type: none">•Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and•Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to Payroll Growth.
Asset-Valuation Method:	Market Value of Assets as of the Measurement Date, June 30, 2022.
Discount Rate	2.74% as of July 1, 2021 and 4.62% as of June 30, 2022. Refer to the discussion of discount rates section for more information on selection of the discount rate.
Medical inflation	For medical/rx benefits, the trend rates have been reset to an initial rate of 7.50% decreasing by 0.50% annually to an ultimate rate of 4.50% These changes caused an increase in liabilities for the Town.
Inflation:	2.20% per year.
Salary Increases:	3.50% annually as of June 30, 2022 and for future periods.
Mortality	SOA Pub-2010 General Headcount Mortality Table fully generational using Scale MP-202

TOWN OF WARREN, RHODE ISLAND

Supplementary Information

Non-Major Government Funds

Road Duty: accounts for monies received for sworn constables and off-duty police assignments and resulting wage disbursements.

Gun Buy Back: accounts for revenues and expenditures of periodic gun buy-back programs.

RI DOT Highway Safety: accounts for revenues and expenditures for RI DOT Highway safety programs.

WPD RI Senatorial Grant: accounts for grant revenues and expenditures for reconstruction expenditures due to accidents.

Recycling Grant: accounts for grant monies and expenditures related to recycling activities.

Planning Challenge Grant: accounts for revenue and expenditures related to the implementation of the State's official land use plan and the State's long-range transportation plan.

Historical Cemetery Grant: accounts for the grant revenues and expenditures to maintain historical cemetery.

Community Gardens: accounts for revenues and expenditures for the use of the 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.

Stop Grant: accounts for revenue and expenditures related to the federally funded STOP Act Program.

Emergency Siren Fund: accounts for emergency sirens revenues and expenditures.

Dog Park: accounts for funds for the dog park.

Cops that Care: accounts for revenues and expenditures related to activities for *Cops that Care* program

Social Services Donation: 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.

Beautification Donation: accounts for activity related to the *Beautification Donation Program*.

Drug Free Communities: accounts for activity for Drug Free communities grant

Election: accounts for funds used for public purpose of planning and operationalizing safe and secure election administration.

Senior Center: accounts for revenues and expenditures related to activities at the Senior Center.

Warren Animal Rescue: accounts for revenues and expenditures related to activities at the Warren animal Rescue.

Baker Street Museum: accounts for revenues and expenditures related to operations of the Warren Fire Museum on Baker Street.

Animal Spaying: accounts for revenues and expenditures related to the spaying and neutering of animals

Youth Mentoring Grant: accounts for revenues and expenditures related to youth mentoring grant.

ARPA: accounts for revenues and expenditures related to ARPA funding.

TOWN OF WARREN, RHODE ISLAND

Supplementary Information

Non-Major Government Funds (continued)

Police Bike Patrol Grant: Senate grant funds for revenues and expenses related to conducting bike path and street patrols.

AFIS Live Scan Fed Grant: accounts for revenues and expenditures related to the AFIS Live Scan Fed Grant.

RI State Byrne Justice Grant: accounts for revenues and expenditures related to cellular service fees for police vehicles' mobile data terminals and command staff investigators' cellular phone service fees.

Memorial Tree Fund: accounts for expenditures related to Memorial Tree.

Burr's Hill Park Tennis Court: accounts for revenues and expenditures for Burr's Hill Park Tennis Court.

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

COVID-19 Response Assessment: accounts for revenues and expenditures for COVID-19 Assessment.

Unclaimed Estate accounts for funds for unclaimed estates.

Tourister Peer Review: funds held for payment of engineering reviews related to the American Tourister Project.

Recreational Trails Grant: accounts for revenues and expenditures related to Recreation Trail Grants.

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

Project Playground: accounts for the revenues and expenditures related to equipment and upkeep of the community playground located in Hugh Cole Recreation Area (Town open space).

REC Department Donation: accounts for revenue from donations towards the recreation department activity.

Water St. Subsurface infiltration: accounts for revenue and expenditures for the Water St. Subsurface infiltration.

Picnic Shelter: accounts for activity related to the picnic shelter located in Jamiel's Park

Take It Outside: accounts for revenue and expenditures for the Take it Outside Grant.

Jamiel's Park Substance Abuse: accounts for State grant funding of substance abuse prevention program.

Fire Inspections: accounts for revenues and expenditures for periodic fire inspections

Jamiel's Park Grant DEM Grant: accounts for revenues 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 Meds Plan: accounts for revenues and expenditures Fire State Meds plan.

In-Line Skate Rink: accounts for revenues and expenditures related to the towns skating rink

FEMA Sandy Event Grant: accounts for revenues and expenditures for the construction and maintenance of Honor Roll monument

Community Development Block Grant: accounts for revenues and expenditures related to federally funded CDBG programs

Veterans Honor Roll: accounts for revenues and expenditures to the maintenance of Veteran's memorial.

Government Center: accounts for activity related to operation of Government center

TOWN OF WARREN, RHODE ISLAND

Supplementary Information

Non-Major Government Funds (continued)

Ship Shape: accounts for revenues and expenditures related to the incentive to clean up storefront and the exteriors of homes.

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

Employee Charity Fund: accounts for employees pay for Friday casual day participation.

Affordable Housing: accounts for funds used to ensure developers/ contractors develop according to affordable housing requirements.

Performance Bond: accounts for funds held by the town while contractors perform duties.

COVID Clinic: accounts for revenues and expenditures for COVID Clinic.

Document Preservation: account for the revenues and expenditures to archive documents

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

Sara B. Burtis: accounts for revenues and expenditures of the Sara B. Burtis Trust

TOWN OF WARREN, RHODE ISLAND

Non-Major Governmental Funds

Combining Balance Sheet

June 30, 2022

	<u>Special Revenue</u>	<u>Permanent Trust</u>	<u>Total Non-Major Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 1,852,686	\$ 23,600	\$ 1,876,286
Investments	-	10,499	10,499
Intergovernmental	788,074	-	788,074
Other accounts receivable	57,883	-	57,883
Total assets	<u>2,698,643</u>	<u>34,099</u>	<u>2,732,742</u>
Deferred outflows of resources			
Deferred outflows	-	-	-
Total assets and deferred outflows of resources	<u>2,698,643</u>	<u>34,099</u>	<u>2,732,742</u>
Liabilities			
Accrued liabilities	204,668	-	204,668
Total liabilities	<u>204,667</u>	<u>-</u>	<u>204,668</u>
Deferred inflows of resources			
Deferred revenue	2,135,889	-	2,135,889
Total deferred inflows of resources	<u>2,135,889</u>	<u>-</u>	<u>2,135,889</u>
Fund Balance			
Restricted	693,418	34,099	727,517
Unassigned	(335,331)	-	(335,331)
Total fund balance	<u>358,087</u>	<u>34,099</u>	<u>392,186</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,698,643</u>	<u>\$ 34,099</u>	<u>\$ 2,732,742</u>

TOWN OF WARREN, RHODE ISLAND

Non-Major Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2022

	<u>Special Revenue</u>	<u>Permanent Funds</u>	<u>Total Non-Major Governmental Funds</u>
Revenues			
Intergovernmental	\$ 457,524	\$ -	\$ 457,524
Charges for services	-	21,556	21,556
Other revenue	589,696	-	589,696
Total revenues	<u>1,047,220</u>	<u>21,556</u>	<u>1,068,776</u>
Expenditures			
General government	523,427	28,633	552,060
Public safety	318,519	-	318,519
Fire safety	21,509	-	21,509
Total expenditures	<u>863,455</u>	<u>28,633</u>	<u>892,088</u>
Excess (deficiency) of revenues over expenditures	183,765	(7,077)	176,688
Excess of revenue and other sources over expenditures and other uses	183,765	(7,077)	176,688
Fund Balance, July 1, 2021	<u>174,322</u>	<u>41,176</u>	<u>215,498</u>
Fund Balance, June 30, 2022	<u>\$ 358,087</u>	<u>\$ 34,099</u>	<u>\$ 392,186</u>

TOWN OF WARREN, RHODE ISLAND

Special Revenue Funds

Combining Balance Sheet

June 30, 2022

	<u>Road Duty</u>	<u>Gun Buy Back</u>	<u>RIDOT Highway Safety</u>	<u>WPD RI Senatorial Grant</u>	<u>Recycling Grant</u>	<u>Planning Challenge Grant</u>
Assets						
Cash and cash equivalents	\$ -	\$ 2,000	\$ -	\$ 93	\$ 72	\$ (2,920)
Other accounts receivable	50,155	-	-	-	-	-
Federal and state grants receivable	-	-	-	-	-	5,213
Total assets	<u>50,155</u>	<u>2,000</u>	<u>-</u>	<u>93</u>	<u>72</u>	<u>2,293</u>
Deferred outflows of resources						
None	-	-	-	-	-	-
Total deferred outflows of resources	<u>50,155</u>	<u>2,000</u>	<u>-</u>	<u>93</u>	<u>72</u>	<u>2,293</u>
Liabilities						
Accrued liabilities	171,775	-	-	-	-	-
Total liabilities	<u>171,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources						
Deferred revenue	-	-	-	-	-	4,120
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,120</u>
Fund Balance						
Restricted	-	2,000	-	93	72	-
Committed	-	-	-	-	-	-
Unassigned	(121,619)	-	-	-	-	(1,827)
Total fund balance (deficits)	<u>(121,619)</u>	<u>2,000</u>	<u>-</u>	<u>93</u>	<u>72</u>	<u>(1,827)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 50,155</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 93</u>	<u>\$ 72</u>	<u>\$ 2,293</u>

See independent auditor's report

TOWN OF WARREN, RHODE ISLAND

Special Revenue Funds

Combining Balance Sheet

June 30, 2022

	Historical Cemetery Fund	Community Gardens	ACO Donations	Stop Grant	Emergency Siren Fund	Dog Park	Cops that Care	Social Services Donations
Assets								
Cash and cash equivalents	\$ 400	\$ 7,317	\$ 64,741	\$(17,779)	\$ -	\$ 9,776	\$ 22	\$ 80,166
Other accounts receivable	-	-	-	-	-	-	-	-
Federal and state grants receivable	-	-	-	18,896	-	-	-	-
Total assets	400	7,317	64,741	1,117	-	9,776	22	80,166
Deferred outflows of resources								
None	-	-	-	-	-	-	-	-
Total deferred outflows of resources	400	7,317	64,741	1,117	-	9,776	22	80,166
Liabilities								
Accrued liabilities	-	-	-	1,117	-	-	-	-
Total liabilities	-	-	-	1,117	-	-	-	-
Deferred inflows of resources								
Deferred revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund Balance								
Restricted	400	7,317	64,741	-	-	9,776	22	80,166
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balance (deficits)	400	7,317	64,741	-	-	9,776	22	80,166
Total liabilities, deferred inflows of resources, and fund balances	\$ 400	\$ 7,317	\$ 64,741	\$ 1,117	\$ -	\$ 9,776	\$ 22	\$ 80,166

See independent auditor's report

TOWN OF WARREN, RHODE ISLAND

Special Revenue Funds

Combining Balance Sheet

June 30, 2022

	Marijuana Grant	Beautification Donation	Drug Free Communities	Election	Senior Center	Warren Animal Rescue	Baker Street Museum	Animal Spaying
Assets								
Cash and cash equivalents	\$ -	\$ 2,867	\$ (29,069)	\$ -	\$ 87,931	\$ 55,010	\$ 1,475	\$ 1,987
Other accounts receivable	-	-	-	-	-	-	-	-
Federal and state grants receivable	5,082	-	37,108	-	-	-	-	-
Total assets	5,082	2,867	8,039	-	87,931	55,010	1,475	1,987
Deferred outflows of resources								
None	-	-	-	-	-	-	-	-
Total deferred outflows of resources	5,082	2,867	8,039	-	87,931	55,010	1,475	1,987
Liabilities								
Accrued liabilities	-	-	3,478	-	493	-	-	-
Total liabilities	-	-	3,478	-	493	-	-	-
Deferred inflows of resources								
Deferred revenue	5,082	-	4,561	12,640	-	-	-	-
Total deferred inflows of resources	5,082	-	4,561	12,640	-	-	-	-
Fund Balance								
Restricted	-	2,867	-	-	87,438	55,010	1,475	1,987
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(12,640)	-	-	-	-
Total fund balance (deficits)	-	2,867	-	(12,640)	87,438	55,010	1,475	1,987
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,082</u>	<u>\$ 2,867</u>	<u>\$ 8,039</u>	<u>\$ -</u>	<u>\$ 87,931</u>	<u>\$ 55,010</u>	<u>\$ 1,475</u>	<u>\$ 1,987</u>

See independent auditor's report

TOWN OF WARREN, RHODE ISLAND

Special Revenue Funds

Combining Balance Sheet

June 30, 2022

	<u>Youth Mentoring Grant</u>	<u>ARPA</u>	<u>Police Bicycle Patrol Grant</u>	<u>AFIS Live Scan Fed Grant</u>	<u>RI State Byrnes Justice Grant</u>	<u>Memorial Tree Fund</u>	<u>Burr's Hill Park Tennis Courts</u>	<u>Stormwater Permitting</u>
Assets								
Cash and cash equivalents	\$ (6,616)	1,534,114	\$ 2,751	\$ 250	\$ -	\$ 401	\$ (15,824)	\$ (15,000)
Other accounts receivable	-	-	-	-	-	-	-	-
Federal and state grants receivable	7,257	-	-	-	-	-	16,010	20,000
Total assets	641	1,534,114	2,751	250	-	401	186	5,000
Deferred outflows of resources								
None	-	-	-	-	-	-	-	-
Total deferred outflows of resources	641	1,534,114	2,751	250	-	401	186	5,000
Liabilities								
Accrued liabilities	641	15,534	-	-	-	-	-	-
Total liabilities	641	15,534	-	-	-	-	-	-
Deferred inflows of resources								
Deferred revenue	-	1,517,413	-	-	-	-	16,010	20,000
Total deferred inflows of resources	-	1,517,413	-	-	-	-	16,010	20,000
Fund Balance								
Restricted	-	1,167	2,751	250	-	401	-	-
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(15,824)	(15,000)
Total fund balance (deficits)	-	1,167	2,751	250	-	401	(15,824)	(15,000)
Total liabilities, deferred inflows of resources, and fund balances	\$ 641	\$ 1,534,114	\$ 2,751	\$ 250	\$ -	\$ 401	\$ 186	\$ 5,000

TOWN OF WARREN, RHODE ISLAND

Special Revenue Funds

Combining Balance Sheet

June 30, 2022

	<u>COVID 19 Response Assessment</u>	<u>Unclaimed Estate</u>	<u>Tourister Peer Review</u>	<u>Recreational Trails Grant</u>	<u>Summer Concerts</u>	<u>Project Playground</u>	<u>Rec Department Donation</u>	<u>Water St Subsurface Infiltration</u>	<u>Picnic Shelter</u>
Assets									
Cash and cash equivalents	\$ -	5,936	\$ (47,939)	\$ (101,830)	\$ 16,022	\$ -	\$ 40,624	\$ (13,908)	\$ 2,101
Other accounts receivable	-	7,584	-	-	-	-	-	-	-
Federal and state grants receivable	-	-	-	16,874	-	-	-	228,000	67,755
Total assets	-	13,520	(47,939)	(84,956)	16,022	-	40,624	214,092	69,856
Deferred outflows of resources									
None	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	13,520	(47,939)	(84,956)	16,022	-	40,624	214,092	69,856
Liabilities									
Accrued liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	-	-
Deferred inflows of resources									
Deferred revenue	-	-	-	-	-	-	-	228,000	67,755
Total deferred inflows of resources	-	-	-	-	-	-	-	228,000	67,755
Fund Balance									
Restricted	-	13,520	-	-	16,022	-	40,624	-	2,101
Committed	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(47,939)	(84,956)	-	-	-	(13,908)	-
Total fund balance (deficits)	-	13,520	(47,939)	(84,956)	16,022	-	40,624	(13,908)	2,101
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 13,520	\$ (47,939)	\$ (84,956)	\$ 16,022	\$ -	\$ 40,624	\$ 214,092	\$ 69,856

See independent auditor's report

TOWN OF WARREN, RHODE ISLAND

Special Revenue Funds

Combining Balance Sheet

June 30, 2022

	Take it Outside	Jamiel's Park Substance Abuse	Fire Inspections	Jamiel's Park DEM Grant	Fire State Meds Plan	In-Line Skate Rink	FEMA Sandy Event	Community Development Block Grant
Assets								
Cash and cash equivalents	\$ (9,930)	\$ 19,711	\$ 78,611	\$ (18,102)	\$ 48,082	\$ -	\$ (53,330)	\$ 6,654
Other accounts receivable	-	144	-	-	-	-	-	-
Federal and state grants receivable	9,980	-	-	187,774	-	-	90,011	72,534
Total assets	50	19,855	78,611	169,672	48,082	-	36,681	79,188
Deferred outflows of resources								
None	-	-	-	-	-	-	-	-
Total deferred outflows of resources	50	19,855	78,611	169,672	48,082	-	36,681	79,188
Liabilities								
Accrued liabilities	50	1,520	-	-	-	-	-	1,760
Total liabilities	50	1,520	-	-	-	-	-	1,760
Deferred inflows of resources								
Deferred revenue	-	-	-	187,774	-	-	-	72,534
Total deferred inflows of resources	-	-	-	187,774	-	-	-	72,534
Fund Balance								
Restricted	-	18,335	78,611	-	48,082	-	36,681	4,894
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(18,102)	-	-	-	-
Total fund balance (deficits)	-	18,335	78,611	(18,102)	48,082	-	36,681	4,894
Total liabilities, deferred inflows of resources, and fund balances	\$ 50	\$ 19,855	\$ 78,611	\$ 169,672	\$ 48,082	\$ -	\$ 36,681	\$ 79,188

See independent auditor's report

TOWN OF WARREN, RHODE ISLAND

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2022

	Veterans' Honor Roll	Government Center	Ship Shape	Narcotics	Employee Charity Fund	Affordable Housing	Performance Bond	COVID Clinic	Total Special Revenue Funds
Assets									
Cash and cash equivalents	\$ 15,130	\$ 39	\$ 800	\$ 96,035	\$ 560	\$ 4,051	\$ 4,844	\$ (5,640)	\$ 1,852,686
Other accounts receivable	-	-	-	-	-	-	-	-	57,883
Federal and state grants receivable	-	-	-	-	-	-	-	5,580	788,074
Total assets	15,130	39	800	96,035	560	4,051	4,844	(60)	2,698,643
Deferred outflows of resources									
None	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	15,130	39	800	96,035	560	4,051	4,844	(60)	2,698,643
Liabilities									
Accrued liabilities	-	-	-	-	-	-	8,300	-	204,668
Total liabilities	-	-	-	-	-	-	8,300	-	204,667
Deferred inflows of resources									
Deferred revenue	-	-	-	-	-	-	-	-	2,135,889
Total deferred inflows of resources	-	-	-	-	-	-	-	-	2,135,889
Fund Balance									
Restricted	15,130	39	800	96,035	560	4,051	-	-	693,418
Committed	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(3,456)	(60)	(335,331)
Total fund balance (deficits)	15,130	39	800	96,035	560	4,051	(3,456)	(60)	358,087
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,130	\$ 39	\$ 800	\$ 96,035	\$ 560	\$ 4,051	\$ 4,844	\$ (60)	\$ 2,698,643

TOWN OF WARREN, RHODE ISLAND

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2022

	<u>Road Duty</u>	<u>Gun Buy Back</u>	<u>RIDOT Highway Safety</u>	<u>WPD RI Senatorial Grant</u>	<u>Recycling Grant</u>	<u>Planning Challenge Grant</u>
Revenues						
Intergovernmental	\$ -	\$ -	\$ 1,782	\$ -	\$ -	\$ -
Other income	288,950	-	-	-	-	-
Investment income	-	-	-	-	-	-
Total revenues	<u>288,950</u>	<u>-</u>	<u>1,782</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
General government	-	-	-	-	-	-
Public safety	288,950	-	1,782	-	-	-
Fire safety	-	-	-	-	-	-
Capital and special appropriation	-	-	-	-	-	-
Total expenditures	<u>288,950</u>	<u>-</u>	<u>1,782</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	-	-	-	-	-	-
Other financing sources (uses)						
Transfers in/out	-	-	-	-	-	-
Excess (deficiency) or revenues and other sources over expenditures and other uses	-	-	-	-	-	-
Fund Balance, July 1, 2021	<u>(121,619)</u>	<u>2,000</u>	<u>-</u>	<u>93</u>	<u>72</u>	<u>(1,827)</u>
Fund Balance, June 30, 2022	<u>\$(121,619)</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 93</u>	<u>\$ 72</u>	<u>\$ (1,827)</u>

See independent auditor's report

TOWN OF WARREN, RHODE ISLAND

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2022

	Historical Cemetery Fund	Community Gardens	ACO Donations	Stop Grant	Emergency Siren Fund	Dog Park	Cops that Care	Social Services Donations
Revenues								
Intergovernmental	\$ -	\$ -	\$ -	\$ 47,620	\$ (350)	\$ -	\$ -	\$ -
Other income	-	5,000	1,400	-	-	1,800	-	-
Investment income	-	-	-	-	-	-	-	-
Total revenues	-	5,000	1,400	47,620	(350)	1,800	-	-
Expenditures								
General government	-	-	-	47,620	-	60	-	4,215
Public safety	-	-	-	-	-	-	-	-
Fire safety	-	-	-	-	-	-	-	-
Capital and special appropriation	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	47,620	-	60	-	4,215
Excess (deficiency) of revenue over expenditures	-	5,000	1,400	-	(350)	1,740	-	(4,215)
Other financing sources (uses)								
Transfers out	-	-	-	-	-	-	-	-
Excess (deficiency) or revenues and other sources over expenditures and other uses	-	5,000	1,400	-	(350)	1,740	-	(4,215)
Fund Balance, July 1, 2021	400	2,317	63,341	-	350	8,036	22	84,381
Fund Balance, June 30, 2022	\$ 400	\$ 7,317	\$ 64,741	\$ -	\$ -	\$ 9,776	\$ 22	\$ 80,166

See independent auditor's report

TOWN OF WARREN, RHODE ISLAND

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2022

	Marijuana Grant	Beautification Donation	Drug Free Communities	Election	Senior Center	Warren Animal Rescue	Baker Street Museum	Animal Spaying
Revenues								
Intergovernmental	\$ -	\$ -	\$ 128,125	\$ 12,640	\$ -	\$ -	\$ -	\$ 259
Other income	-	-	-	-	46,415	3,495	-	-
Investment income	-	-	-	-	-	-	-	-
Total revenues	-	-	128,125	12,640	46,415	3,495	-	259
Expenditures								
General government	-	-	128,125	25,280	36,325	-	-	-
Public safety	-	-	-	-	-	-	-	-
Fire safety	-	-	-	-	-	-	-	-
Capital and special appropriation	-	-	-	-	-	-	-	-
Total expenditures	-	-	128,125	25,280	36,325	-	-	-
Excess (deficiency) of revenue over expenditures	-	-	-	(12,640)	10,090	3,495	-	259
Other financing sources (uses)								
Transfers out	-	-	-	-	-	-	-	-
Excess (deficiency) or revenues and other sources over expenditures and other uses	-	-	-	(12,640)	10,090	3,495	-	259
Fund Balance, July 1, 2021	-	2,867	-	-	77,348	51,515	1,475	1,728
Fund Balance, June 30, 2022	\$ -	\$ 2,867	\$ -	\$ (12,640)	\$ 87,438	\$ 55,010	\$ 1,475	\$ 1,987

See independent auditor's report

TOWN OF WARREN, RHODE ISLAND

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2022

	<u>Youth Mentoring Grant</u>	<u>ARPA</u>	<u>Police Bicycle Patrol Grant</u>	<u>AFIS Live Scan Fed Grant</u>	<u>RI State Byrnes Justice Grant</u>	<u>Memorial Tree Fund</u>	<u>Burr's Hill Park Tennis Courts</u>	<u>Stormwater Permitting</u>
Revenues								
Intergovernmental	\$ 13,667	\$ 54,659	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ -
Other income	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Total revenues	<u>13,667</u>	<u>54,659</u>	<u>-</u>	<u>-</u>	<u>60</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures								
General government	13,667	53,492	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Fire safety	-	-	-	-	-	-	-	-
Capital and special appropriation	-	-	-	-	-	-	-	-
Total expenditures	<u>13,667</u>	<u>53,492</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	-	1,167	-	-	60	-	-	-
Other financing sources (uses)								
Transfers out	-	-	-	-	-	-	-	-
Excess (deficiency) or revenues and other sources over expenditures and other uses	-	1,167	-	-	60	-	-	-
Fund Balance, July 1, 2021	-	-	2,751	250	(60)	401	(15,824)	(15,000)
Fund Balance, June 30, 2022	<u>\$ -</u>	<u>\$ 1,167</u>	<u>\$ 2,751</u>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ 401</u>	<u>\$ (15,824)</u>	<u>\$ (15,000)</u>

See independent auditor's report

TOWN OF WARREN, RHODE ISLAND

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2022

	COVID 19 Response Assessment	Unclaimed Estate	Tourister Peer Review	Recreational Trails Grant	Summer Concerts	Project Playground	Rec Department Donation	Water St Subsurface Infiltration	Picnic Shelter
Revenues									
Intergovernmental	\$ -	\$ -	\$ 44,723	\$ 16,874	\$ -	\$ -	\$ 19,078	\$ -	\$ -
Other income	-	26,791	-	-	9,800	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Total revenues	-	26,791	44,723	16,874	9,800	-	19,078	-	-
Expenditures									
General government	10,000	17,051	33,127	16,874	6,580	1,660	15,825	-	-
Public safety	-	-	-	-	-	-	-	-	-
Fire safety	-	-	-	-	-	-	-	-	-
Capital and special appropriation	-	-	-	-	-	-	-	-	-
Total expenditures	10,000	17,051	33,127	16,874	6,580	1,660	15,825	-	-
Excess (deficiency) of revenue over expenditures	(10,000)	9,740	11,596	-	3,220	(1,660)	3,253	-	-
Other financing sources (uses)									
Transfers out	-	-	-	-	-	-	-	-	-
Excess (deficiency) or revenues and other sources over expenditures and other uses	(10,000)	9,740	11,596	-	3,220	(1,660)	3,253	-	-
Fund Balance, July 1, 2021	10,000	3,780	(59,535)	(84,956)	12,802	1,660	37,371	(13,908)	2,101
Fund Balance, June 30, 2022	\$ -	\$ 13,520	\$ (47,939)	\$ (84,956)	\$ 16,022	\$ -	\$ 40,624	\$ (13,908)	\$ 2,101

TOWN OF WARREN, RHODE ISLAND

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2022

	<u>Take it Outside</u>	<u>Jamiel's Park Substance Abuse</u>	<u>Fire Inspections</u>	<u>Jamiel's Park DEM Grant</u>	<u>Fire State Meds Plan</u>	<u>In-Line Skate Rink</u>	<u>FEMA Sandy Event</u>	<u>Community Development Block Grant</u>
Revenues								
Intergovernmental	\$ 9,980	\$ 10,553	\$ 10,095	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	-	43,000	-	108,996	-
Investment income	-	-	-	-	-	-	-	-
Total revenues	<u>9,980</u>	<u>10,553</u>	<u>10,095</u>	<u>-</u>	<u>43,000</u>	<u>-</u>	<u>108,996</u>	<u>-</u>
Expenditures								
General government	9,980	-	-	-	-	236	90,322	-
Public safety	-	4,033	-	-	-	-	1,380	-
Fire safety	-	-	1,489	-	20,020	-	-	-
Capital and special appropriation	-	-	-	-	-	-	-	-
Total expenditures	<u>9,980</u>	<u>4,033</u>	<u>1,489</u>	<u>-</u>	<u>20,020</u>	<u>236</u>	<u>91,702</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	-	6,520	8,606	-	22,980	(236)	17,294	-
Other financing sources (uses)								
Transfers out	-	-	-	-	-	-	-	-
Excess (deficiency) or revenues and other sources over expenditures and other uses	-	6,520	8,606	-	22,980	(236)	17,294	-
Fund Balance, July 1, 2021	<u>-</u>	<u>11,815</u>	<u>70,005</u>	<u>(18,102)</u>	<u>25,102</u>	<u>236</u>	<u>19,387</u>	<u>4,894</u>
Fund Balance, June 30, 2022	<u>\$ -</u>	<u>\$ 18,335</u>	<u>\$ 78,611</u>	<u>\$ (18,102)</u>	<u>\$ 48,082</u>	<u>\$ -</u>	<u>\$ 36,681</u>	<u>\$ 4,894</u>

See independent auditor's report

TOWN OF WARREN, RHODE ISLAND

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2022

	Veterans' Honor Roll	Government Center	Ship Shape	Narcotics	Employee Charity Fund	Affordable Housing	Performance Bond	COVID Clinic	Total Special Revenue Funds
Revenues									
Intergovernmental	\$ -	\$ -	\$ -	\$ 87,759	\$ -	\$ -	\$ -	\$ -	457,524
Other income	1,500	-	-	-	52	-	6	52,491	589,696
Investment income	-	-	-	-	-	-	-	-	-
Total revenues	1,500	-	-	87,759	52	-	6	52,491	1,047,220
Expenditures									
General government	10,108	-	-	-	-	2,880	-	-	523,427
Public safety	-	-	-	(964)	-	-	-	23,338	318,519
Fire safety	-	-	-	-	-	-	-	-	21,509
Capital and special appropriation	-	-	-	-	-	-	-	-	-
Total expenditures	10,108	-	-	(964)	-	2,880	-	23,338	863,455
Excess (deficiency) of revenue over expenditures	(8,608)	-	-	88,723	52	(2,880)	6	29,153	183,765
Other financing sources (uses)									
Transfers out	-	-	-	-	-	-	-	-	-
Excess (deficiency) or revenues and other sources over expenditures and other uses	(8,608)	-	-	88,723	52	(2,880)	6	29,153	183,765
Fund Balance, July 1, 2021	23,738	39	800	7,312	508	6,931	(3,462)	(29,213)	174,322
Fund Balance, June 30, 2022	\$ 15,130	\$ 39	\$ 800	\$ 96,035	\$ 560	\$ 4,051	\$ (3,456)	\$ (60)	\$ 358,087

TOWN OF WARREN, RHODE ISLAND

Permanent Funds

Combining Balance Sheet

June 30, 2022

	Document Preservation	Police Trust	Sara B Buris	Total Permanent Funds
Assets				
Cash	\$ 20,643	\$ 2,958	\$ -	\$ 23,600
Investments	-	-	10,499	10,499
Total assets	<u>20,643</u>	<u>2,958</u>	<u>10,499</u>	<u>34,099</u>
Deferred outflows of resources				
Deferred outflows	-	-	-	-
Total assets and deferred outflows of resources	<u>20,643</u>	<u>2,958</u>	<u>10,499</u>	<u>34,099</u>
Liabilities				
Accounts payable and accrued liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Deferred inflows	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficits), restricted	20,643	2,957	10,499	34,099
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 20,643</u>	<u>\$ 2,957</u>	<u>\$ 10,499</u>	<u>\$ 34,099</u>

See independent auditor's report

TOWN OF WARREN, RHODE ISLAND

Permanent Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2022

	Document Preservation	Police Trust	Sara B Buris	Total Permanent Funds
Revenues				
Licenses, fees, permits and fines	\$ 20,660	\$ -	\$ 894	\$ 21,555
Investment income	-	-	-	-
Total revenues	<u>20,660</u>	<u>-</u>	<u>894</u>	<u>21,555</u>
Expenditures				
General government	24,301	-	4,331	28,632
Public safety	-	-	-	-
Total expenditures	<u>24,301</u>	<u>-</u>	<u>4,331</u>	<u>28,632</u>
Excess (deficiency) of revenues over expenditures	(3,641)	-	(3,436)	(7,077)
Other financing sources (uses)				
Transfers in/out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenue and other sources over expenditures and other uses	(3,641)	-	(3,436)	(7,077)
Fund Balance, July 1, 2021	<u>24,284</u>	<u>2,957</u>	<u>13,935</u>	<u>41,176</u>
Fund Balance, June 30, 2022	<u>\$ 20,643</u>	<u>\$ 2,957</u>	<u>\$ 10,499</u>	<u>\$ 34,099</u>

See independent auditor's report

FIDUCIARY FUNDS

TOWN OF WARREN, RHODE ISLAND

Fiduciary Funds

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 cannot be used at the Town's discretion or to support the Town's general operations. Certain trusts benefit local educational organizations, social benefit groups, and the other private parties.

Custodial Funds

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

Other Post-Employment Benefits Trust Fund (OPEB)

This fund is used to account for assets held that will fund the long-term liability associated with the Town's retiree's health benefits.

TOWN OF WARREN, RHODE ISLAND

Private Purpose Trust Funds

Combining Statement of Net Position

June 30, 2022

	Samuel P. Colt Fund	Joseph Martin Fund	Abby A. Cole Fund	Alysum Farm Fund	Joseph W. Smith Fund	C. Richard Garnder Fund	Total
Assets							
Investments	\$ 58,793	\$ 41,995	\$ 14,698	\$ 27,297	\$ 48,294	\$ 8,399	\$199,475
Total assets	<u>58,793</u>	<u>41,995</u>	<u>14,698</u>	<u>27,297</u>	<u>48,294</u>	<u>8,399</u>	<u>199,475</u>
Liabilities							
Due to other funds	-	-	-	-	-	-	-
Net Position							
Restricted for other purposes	<u>58,793</u>	<u>41,995</u>	<u>14,698</u>	<u>27,297</u>	<u>48,294</u>	<u>8,399</u>	<u>199,475</u>
Total liabilities and net position	<u>\$ 58,793</u>	<u>\$ 41,995</u>	<u>\$ 14,698</u>	<u>\$ 27,297</u>	<u>\$ 48,294</u>	<u>\$ 8,399</u>	<u>\$199,475</u>

TOWN OF WARREN, RHODE ISLAND

Private Purpose Trust Funds

Combining Statement of Changes in Net Position

For the Year Ended June 30, 2022

	<u>Samuel P. Colt Fund</u>	<u>Joseph Martin Fund</u>	<u>Abby A. Cole Fund</u>	<u>Alysum Farm Fund</u>	<u>Joseph W. Smith Fund</u>	<u>C. Richard Garnder Fund</u>	<u>Total</u>
Additions							
Investment income	\$ 5,009	\$ 3,578	\$ 1,252	\$ 2,326	\$ 4,115	\$ 716	\$ 16,995
Total additions	<u>5,009</u>	<u>3,578</u>	<u>1,252</u>	<u>2,326</u>	<u>4,115</u>	<u>716</u>	<u>16,995</u>
Deductions							
Miscellaneous	<u>24,252</u>	<u>17,323</u>	<u>6,063</u>	<u>11,260</u>	<u>19,921</u>	<u>3,465</u>	<u>82,282</u>
Total Deductions	<u>24,252</u>	<u>17,323</u>	<u>6,063</u>	<u>11,260</u>	<u>19,921</u>	<u>3,465</u>	<u>82,282</u>
Excess of Revenues and Other Sources over Expenditures and Other Uses	(19,243)	(13,745)	(4,811)	(8,934)	(15,806)	(2,749)	(65,287)
Fund balance, July 1, 2021	<u>78,036</u>	<u>55,739</u>	<u>19,509</u>	<u>36,231</u>	<u>64,100</u>	<u>11,148</u>	<u>264,762</u>
Fund balance, June 30, 2022	<u>\$ 58,793</u>	<u>\$ 41,995</u>	<u>\$ 14,698</u>	<u>\$ 27,297</u>	<u>\$ 48,294</u>	<u>\$ 8,399</u>	<u>\$ 199,475</u>

TOWN OF WARREN, RHODE ISLAND

Supplementary Information

Tax Collector's Annual Report

For the Year Ended June 30, 2022

Tax Year	Balance July 1, 2021	Assessments December 31, 2020	Additions	Adjustments/ Abatements	Amount to be Collected	Current Year Collections	Balance June 30, 2022	July-August 2021 Collections Subject to 60-day FY21 Accrual	September-June 2022 Collections	Total FY22 Cash Collections	July-August 2022 Collections Subject to 60-day FY22 Accrual
2021	\$ -	\$ 25,476,376	\$ 21,906	\$ 25,045	\$ 25,523,328	\$ 25,294,439	\$ 228,889	\$ -	\$ 25,294,439	\$ 25,294,439	\$ 112,010
2020	330,395	-	-	(4,046)	326,349	289,625	36,724	118,357	171,268	289,625	2,789
2019	59,650	-	-	(2,690)	56,960	32,295	24,665	2,479	29,816	32,295	865
2018	44,515	-	-	(2,551)	41,964	16,305	25,659	800	15,505	16,305	274
2017	38,752	-	-	(7,187)	31,565	1,045	30,520	85	960	1,045	231
2016	23,708	-	-	(5,141)	18,567	1,727	16,840	339	1,388	1,727	614
2015	33,364	-	-	(6,051)	27,313	842	26,471	396	446	842	544
2014	28,047	-	-	(5,791)	22,256	567	21,689	76	491	567	384
2013	34,284	-	-	(3,784)	30,500	459	30,041	-	459	459	518
2012 and prior	249,748	-	-	(13,306)	236,442	1,645	234,798	516	1,129	1,645	58
	\$ 842,463	\$ 25,476,376	\$ 21,906	\$ (25,502)	\$ 26,315,244	\$ 25,638,949	\$ 676,296	\$ 123,048	\$ 25,515,901	\$ 25,638,949	\$ 118,287
							Allowance for Uncollectible Accounts				423,297
							Net Property Tax Receivable				\$ 252,999

See independent auditor's report

TOWN OF WARREN, RHODE ISLAND

Supplementary Information

Tax Collector's Annual Report

For the Year Ended June 30, 2022

Schedule of Most Recent Net Assessed Property Value by Category

<u>Description of Property</u>	<u>Valuation</u>	<u>Levy</u>
Real Property	\$ 1,371,614,679	\$ 23,678,648
Motor Vehicles	76,674,601	1,136,094
Tangible	<u>37,340,751</u>	<u>661,634</u>
Total	1,485,630,031	25,476,376
Exemptions	<u>68,315,662</u>	-
Net assessed value	<u><u>\$ 1,417,314,369</u></u>	<u><u>\$ 25,476,376</u></u>

Reconciliation of Current Year Property Tax Revenue

Current year collection	\$ 25,638,949
Add: Revenue collected 60 days subsequent to fiscal year ending June 30, 2022	118,287
Less: Revenue collected 60 days subsequent to fiscal year ending June 30, 2021	<u>123,048</u>
Current year property tax revenue	<u><u>\$ 25,634,188</u></u>

TOWN OF WARREN, RHODE ISLAND

Other Supplementary Information

Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2022

OTHER SUPPLEMENTARY INFORMATION

The Annual Supplemental Transparency Report Schedules
required by the State of Rhode Island General Law §45-12-22.2 and §44-35-10

Annual Supplemental Transparency Report (MTP2) – Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Municipal

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Education Department

Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

TOWN OF WARREN, RHODE ISLAND

Other Supplementary Information

Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2022

<u>REVENUE</u>	<u>Municipal</u>
Current Year Levy Tax Collection	\$ 25,406,449
Last Year's Levy Tax Collection	174,057
Prior Years Property Tax Collection	53,682
Interest & Penalty	244,053
PILOT & Tax Treaty (excluded from levy) Collection	58,171
Other Local Property Taxes	-
Licenses and Permits	540,215
Fines and Forfeitures	63,037
Investment Income	10,378
Departmental	428,381
Rescue Run Revenue	578,045
Police & Fire Detail	387,642
Other Local Non-Property Tax Revenues	196,179
Tuition	-
Impact Aid	-
Medicaid	-
Federal Stabilization Funds	-
Federal Food Service Reimbursement	-
CDBG	-
COPS Grants	-
SAFER Grants	-
Other Federal Aid Funds	-
COVID - ESSER	-
COVID - CRF	-
COVID - CDBG	-
COVID - FEMA	108,996
COVID - Other	52,491
COVID - ARPA	54,659
MV Excise Tax Reimbursement	94,349
State PILOT Program	-
Distressed Community Relief Fund	-
Library Resource Aid	-
Library Construction Aid	-
Public Service Corporation Tax	129,780
Meals & Beverage Tax/ Hotel Tax	441,383
LEA Aid	-
Group Home	-
Housing Aid Capital Projects	-
Housing Aid Bonded Debt	-
State Food Service Revenue	-
Incentive Aid	-
Property Revaluation Reimbursement	20,000
Other State Revenue	-
Motor Vehicle Phase Out	860,468
Other Revenue	-
Local Appropriation for Education	-
Regional Appropriation for Education	-
Supplemental Appropriation for Education	-
Regional Supplemental Appropriation for Education	-
Other Education Appropriation	-
Rounding	-
Total Revenue	\$ 29,902,415
Financing Sources: Transfer from Capital Funds	\$ -
Financing Sources: Transfer from Other Funds	-
Financing Sources: Debt Proceeds	-
Financing Sources: Other	-
Rounding	-
Total Other Financing Sources	\$ -

See independent auditor's report

See accompanying notes to supplementary information

TOWN OF WARREN, RHODE ISLAND

Other Supplementary Information

Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2022

<u>EXPENDITURES</u>	General		Social	Centralized	Planning	Libraries	Public	Parks and	Police
	Government	Finance	Services	IT			Works	Rec	Department
Compensation- Group A	\$ 756,058	\$278,311	\$ 62,260	\$ -	\$ 83,661	\$ -	\$1,389,895	\$ 96,884	\$ 1,931,591
Compensation - Group B	-	-	-	-	-	-	-	-	-
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	2,555	-	-	-	-	-	50,916	-	325,278
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	288,950
Active Medical Insurance - Group A	151,646	75,823	15,165	-	15,165	-	363,950	-	409,443
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	7,806	3,903	781	-	781	-	18,735	-	21,077
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	60,618	20,996	4,704	-	6,341	-	110,823	7,412	177,985
Life Insurance	1,770	885	177	-	177	-	4,249	-	4,780
State Defined Contribution- Group A	5,255	2,628	526	-	526	-	12,613	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	41,482	-	-	-	-	-	26,339	-	90,523
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	60,163	30,081	6,016	-	6,016	-	144,391	-	506,708
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	5,000	2,500	-	-	2,500	-	-	-	-
Purchased Services	85,100	71,603	3,649	-	826	-	36,223	4,383	75,980
Materials/Supplies	65,953	6,442	15,946	-	2,037	-	81,558	24,602	68,951
Software Licenses	-	-	-	-	6,700	-	-	-	21,640
Capital Outlays	1,571,037	-	-	-	-	-	284,100	-	185,376
Insurance	618,941	-	-	-	-	-	-	-	-
Maintenance	69,282	-	2,505	-	-	-	5,409	-	68,469
Vehicle Operations	-	-	-	-	-	-	174,421	-	70,059
Utilities	24,664	6,298	1,394	-	1,503	-	19,660	5,842	48,752
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	184,717	-	-
Revaluation	-	28,760	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	112,486	-	-
Trash Removal & Recycling	-	-	-	-	-	-	460,967	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	89,095	-	-	-	-	-	-	-	-
Other Operation Expenditures	103,738	758	4,000	-	-	293,551	12,830	-	61,015
Tipping Fees	-	-	-	-	-	-	221,136	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 3,720,164	\$528,988	\$117,123	\$ -	\$126,232	\$ 293,551	\$3,715,418	\$139,123	\$ 4,356,577

See independent auditor's report

TOWN OF WARREN, RHODE ISLAND

Other Supplementary Information

Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2022

<u>EXPENDITURES</u>	<u>Fire</u> <u>Department</u>	<u>Centralized</u> <u>Dispatch</u>	<u>Public Safety</u> <u>Other</u>	<u>Education</u> <u>Appropriation</u>	<u>Debt</u>	<u>OPEB</u>	<u>Total</u> <u>Municipal</u>
Compensation- Group A	\$ 146,961	\$ 286,260	\$ 100,202	\$ -	\$ -	\$ -	\$ 5,132,083
Compensation - Group B	43,390	-	-	-	-	-	43,390
Compensation - Group C	-	-	-	-	-	-	-
Compensation -Volunteer	350,104	-	-	-	-	-	350,104
Overtime- Group A	-	26,761	1,788	-	-	-	407,298
Overtime - Group B	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-
Police & Fire Detail	5,213	-	-	-	-	-	294,163
Active Medical Insurance - Group A	30,329	75,823	15,165	-	-	-	1,152,507
Active Medical Insurance- Group B	15,165	-	-	-	-	-	15,165
Active Medical Insurance- Group C	-	-	-	-	-	-	-
Active Dental insurance- Group A	1,561	3,903	781	-	-	-	59,327
Active Dental Insurance- Group B	781	-	-	-	-	-	781
Active Dental Insurance- Group C	-	-	-	-	-	-	-
Payroll Taxes	14,385	23,651	7,743	-	-	-	434,658
Life Insurance	531	885	177	-	-	-	13,632
State Defined Contribution- Group A	-	2,628	526	-	-	-	24,700
State Defined Contribution - Group B	526	-	-	-	-	-	526
State Defined Contribution - Group C	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	158,345
Other Benefits- Group B	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	37,534	30,081	6,016	-	-	-	827,007
State Defined Benefit Pension - Group B	6,016	-	-	-	-	-	6,016
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	2,500	-	-	-	-	-	12,500
Purchased Services	72,043	3,000	1,154	-	-	-	353,961
Materials/Supplies	127,566	-	27,940	-	-	-	420,995
Software Licenses	-	-	-	-	-	-	28,340
Capital Outlays	161,696	-	-	-	-	-	2,202,209
Insurance	-	-	-	-	-	-	618,941
Maintenance	18,000	-	12,638	-	-	-	176,303
Vehicle Operations	146,548	-	-	-	-	-	391,028
Utilities	32,549	5,457	2,099	-	-	-	148,218
Contingency	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	184,717
Revaluation	-	-	-	-	-	-	28,760
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	112,486
Trash Removal & Recycling	-	-	-	-	-	-	460,967
Claims & Settlements	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	89,095
Other Operation Expenditures	26,000	-	-	-	-	-	501,892
Tipping Fees	-	-	-	-	-	-	221,136
Local Appropriation for Education	-	-	-	13,270,075	-	-	13,270,075
Regional Appropriation for Education	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	2,309,841	-	2,309,841
Municipal Debt- Interest	-	-	-	-	964,655	-	964,655
School Debt- Principal	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	192,406	192,406
Retiree Dental Insurance- Total	-	-	-	-	-	6,140	6,140
OPEB Contribution- Total	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-
Total Expenditures	\$ 1,239,398	\$ 458,450	\$ 176,228	\$ 13,270,075	\$ 3,274,496	\$ 198,547	\$ 31,614,369

See independent auditor's report

See accompanying notes to supplementary information

TOWN OF WARREN, RHODE ISLAND

Other Supplementary Information

Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2022

Financing Uses: Transfer to Capital Funds	\$ -
Financing Uses: Transfer to Other Funds	-
Financing Uses: Payment to Bond Escrow Agent	-
Financing Uses: Other	-
Total Other Financing Uses	<u>\$ -</u>
Net Change in Fund Balance¹	(1,711,953)
Fund Balance¹ - beginning of year	\$9,587,810
Funds removed from Reportable Government Services (RGS)	-
Funds added to Reportable Government Services (RGS)	-
Prior period adjustments	-
Misc. Adjustment	2
Fund Balance¹ - beginning of year adjusted	<u>9,587,812</u>
Rounding	
Fund Balance¹ - end of year	<u><u>\$ 7,875,859</u></u>

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

See independent auditor's report

See accompanying notes to supplementary information

TOWN OF WARREN, RHODE ISLAND

Other Supplementary Information

Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2022

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						\$ 9,587,810	-	\$ 9,587,810	
<i>CBDG removed from RGS for fiscal 2021 - no impact</i>						-	-	-	
<i>COVID ARPA added to RGS for fiscal 2021 - no impact</i>						1	-	1	
<i>General Fund miscellaneous adjustment made for fiscal 2021</i>						1	-	1	
<i>COVID FEMA miscellaneous adjustment made for fiscal 2021</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2022 adjusted						<u>\$ 9,587,812</u>	<u>\$ -</u>	<u>\$ 9,587,812</u>	
General Fund	\$ 29,397,319	\$ -	\$ 31,156,887	\$ -	\$ (1,759,568)	\$ 9,719,257	\$ -	\$ 9,719,257	\$ 7,959,689
Road Duty	288,950	-	288,950	-	-	(121,619)	-	(121,619)	(121,619)
COVID ARPA 107	54,659	-	53,492	-	1,167	-	-	-	1,167
COVID Other - Vaccine Clinics 110	52,491	-	23,338	-	29,153	(29,213)	-	(29,213)	(60)
COVID FEMA	108,996	-	91,702	-	17,294	19,387	-	19,387	36,681
Totals per audited financial statements	<u>\$ 29,902,415</u>	<u>\$ -</u>	<u>\$ 31,614,369</u>	<u>\$ -</u>	<u>\$ (1,711,953)</u>	<u>\$ 9,587,812</u>	<u>\$ -</u>	<u>\$ 9,587,812</u>	<u>\$ 7,875,859</u>
<u>Reconciliation from financial statements to MTP2</u>									
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 29,902,415</u>	<u>\$ -</u>	<u>\$ 31,614,369</u>	<u>\$ -</u>	<u>\$ (1,711,953)</u>	<u>\$ 9,587,812</u>	<u>\$ -</u>	<u>\$ 9,587,812</u>	<u>\$ 7,875,859</u>

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

See independent auditor's report

See accompanying notes to supplementary information

TOWN OF WARREN, RHODE ISLAND

Supplementary Information

Notes to Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2022

.NOTE 1- BASIS OF PRESENTATION

The *Annual Supplemental Transparency Report (MTP2)* is a supplemental schedule required by the State of Rhode Island General Laws 45-12-22.2 and 44-35-10. This supplementary schedule included within the audit report is part of a broader project to create a municipal transparency portal (MTP) website to host municipal financial information in a centralized location.

The format of the *Annual Supplemental Transparency Report (MTP2)* was prescribed by the State Department of Revenue (Division of Municipal Finance), Office of the Auditor General, and the Department of Education.

NOTE 2- REPORTABLE GOVERNMENT SERVICES

Data consistency and comparability are among the key objectives of the State's Municipal Transparency portal. Consistent with that goal, the State has defined "reportable government services", RGS, to include those operational revenues, expenditures, and transfers related to activities which are essential to the achievement of municipal operations. The determination of RGS may be different from the activities included within the legally adopted budget of the municipality. In practice, some communities report certain RGS in separate funds (e.g., special revenue funds, enterprise funds) rather than the municipality's general fund. The *Annual Supplemental Transparency Report (MTP2)* includes a reconciliation to the fund level statements.

NOTE 3- ALLOCATIONS

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the City's (or Town's) budget and accounting system. To report these costs, the City (or Town) made allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4- EMPLOYEE GROUPS – COMPENSATION AND BENEFIT COSTS

Compensation includes salaries, longevity, stipends, clothing allowance/maintenance, shift differential, out-of-rank, holiday pay and bonuses.

For Public Safety departments (i.e., police, fire, and centralized dispatch) and the Education Department, compensation and most benefits costs are reported in the following employee groupings:

Group A: This group consists of employees who serve the primary function of the department;

- Police Department- Police officers (e.g., uniform personnel including leadership positions)
- Fire Department- Fire fighters (e.g., uniform personnel including leadership positions)
- Centralized Dispatch Department- Civilian dispatchers only
- Education Department- Professional staff providing direct services to students
- Remaining Departments- All employees' compensation and benefits are reported under Group A

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

See independent auditor's report

See accompanying notes to supplementary information

TOWN OF WARREN, RHODE ISLAND

Supplementary Information

Notes to Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2022

NOTE 4- EMPLOYEE GROUPS – COMPENSATION AND BENEFIT COSTS *(continued)*

Group C: This group is only used for the Education Department and it includes administrative and support staff.

Other post-employment benefits (OPEB) are not reported by employee groups on the MTP2. They are reported in total as either (1) contributions to a qualified OPEB trust or (2) the amount paid for medical and dental insurance for retirees when an OPEB trust fund has not been established. The detail employee group information for the Education Department can be found on the State's Municipal Transparency portal website.

NOTE 5- EDUCATION REVENUE AND EXPENDITURE

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting.

Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.

See independent auditor's report

See accompanying notes to supplementary information

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Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on An Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Honorable Town Council
Town of Warren
Warren, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Warren, Rhode Island, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Town of Warren's basic financial statements, and have issued our report thereon dated November 14, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Warren, Rhode Island's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Warren's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Warren's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hague, Sahady & Co. PC

Fall River, Massachusetts
November 14, 2022