



**Basic Financial Statements  
And Supplementary Information**

**For the year ended June 30, 2016**

**Prepared by:**

**Finance Department**

# Introductory Section

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List of Town Officials

# TOWN OF WARREN, RHODE ISLAND

YEAR ENDED JUNE 30, 2016

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# TOWN OF WARREN, RHODE ISLAND

YEAR ENDED JUNE 30, 2016

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# **TOWN OF WARREN, RHODE ISLAND**

June 30, 2016

## **TOWN COUNCIL**

Joseph A. DePasquale

Scott F. Lial

P. Brandt Heckert

David D. Frerichs

Steven R. Thompson

TOWN MANAGER

TOWN SOLICITOR

TOWN CLERK

TAX ASSESSOR

FINANCE DIRECTOR

PUBLIC WORKS DIRECTOR

POLICE CHIEF

FIRE CHIEF

BUILDING INSPECTOR

HARBOR MASTER

TOWN PLANNER

Jan Reitsma

Anthony DeSisto

Julie Coelho

Kristopher Leadem

Michael Abbruzzi

John Massed

Peter T. Achilli

Alexander Galinelli

Gareth Eames

Edward Cabral

Kate Michaud

# Financial Section

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

*INDEPENDENT AUDITORS' REPORT*

The Honorable Town Council  
Warren, Rhode Island

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, 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, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

*Management's Responsibility for the Financial Statements*

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

*Auditor's Responsibility*

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

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

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

*Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Warren, Rhode Island, as of June 30, 2016, 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.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-9 and pages 56-61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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



Parmelee, Poirier & Associates, LLP  
Warwick, Rhode Island  
December 5, 2016



## Management's Discussion and Analysis

**Town of Warren, Rhode Island**  
**Management's Discussion and Analysis**  
**June 30, 2016**

As management of the Town of Warren, we offer readers of the Town of Warren's financial statements this narrative overview and analysis of the financial activities of the Town of Warren for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the entire comprehensive annual financial report.

**Financial Highlights**

- The assets of the Town of Warren exceeded its liabilities as of June 30, 2016, by \$16,810,972 (*net position*). Of this amount, \$1,747,758 (*unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town of Warren's total net position increased by \$896,981 for the current fiscal year.
- As of June 30, 2016, the Town of Warren's governmental funds reported combined ending fund balances of \$11,564,449, an increase of \$3,472,554 in comparison with the prior year, primarily as a result of borrowing for committed capital projects funded via General Obligation Bonds and RI Clean Water Financing Agency and a successful judgment in the Bristol/Warren Regional School District court case.
- As of June 30, 2016, the total fund balance for the General Fund was \$10,178,735 or approximately 37% of total general fund expenditures. However, \$1,568,616 of this fund balance was committed to meet general fund capital expenditures; and an additional \$500,000 (authorized in FY 2013-14, expiring in June, 2017) of this fund balance was committed to Open Space Acquisition. Also, \$1,408,121 was committed for Education in the pending appeal of the Bristol/Warren Regional School District court case.
- As of June 30, 2016, the unassigned fund balance for the General Fund was \$6,677,436, an increase of \$2,460,606 over the prior year, primarily due to the following:
  - Excess of revenues over expenditures before other financing sources.
- The Town of Warren's total debt of its governmental activities increased to \$15,375,977 a 12.8% increase during 2016. The Town paid down principal of \$1,142,584 on existing bond issues.
- For the purposes of this audit, the Transfer Station fund has been included with the General Fund, and is not considered a proprietary fund.

**Overview of the Financial Statements**

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

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

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

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both of the Government-wide financial statements distinguish functions of the Town of Warren that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business type activities*). The governmental activities of the Town of Warren include general government, public safety, public works, parks and recreation. The business type activities of the Town of Warren include the jointly-managed transfer station operation.

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

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

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

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

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

The Town of Warren maintains 54 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, RIDOT TIP Water St. Project, are considered major funds. Data from the remaining 52 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* later in this report.

The basic governmental fund financial statements can be found on pages 12, 13 and 14 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the Government-wide financial statement because the resources of those funds are not available to support the Town of Warren's programs. The fiduciary funds maintained by the Town of Warren include several private-purpose trusts and agency funds.

The basic fiduciary fund financial statements can be found on pages 15 and 16 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 17 of this report.

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

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

## Government-wide Financial Analysis

As noted earlier, the net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Warren, assets exceeded liabilities by \$16,810,972 at the close of Fiscal Year ended June 30, 2016.

	Governmental Activities 2016	Governmental Activities 2015	Change	Percentage Change
Current and other assets	13,953,761	10,302,065	3,651,696	35.45%
Capital assets	30,402,675	30,738,555	(335,880)	-1.09%
Total assets	<u>44,356,436</u>	<u>41,040,620</u>	<u>3,315,816</u>	<u>8.08%</u>
Deferred outflow of resources	1,266,851	741,639	525,212	70.82%
Long-term debt	18,032,046	16,183,447	1,848,599	11.42%
Other liabilities	9,775,279	3,298,717	6,476,562	196.34%
Total liabilities	<u>27,807,325</u>	<u>19,482,164</u>	<u>8,325,161</u>	<u>42.73%</u>
Deferred inflow of resources	1,004,990	865,878	139,112	16.07%
Net Position				
Invested in capital assets	15,026,698	17,109,994	(2,083,296)	-12.18%
Restricted	36,516	43,800	(7,284)	-16.63%
Unrestricted	1,747,758	(1,239,803)	2,987,561	-240.97%
Total net position	<u>\$ 16,810,972</u>	<u>\$ 15,913,991</u>	<u>\$ 896,981</u>	<u>5.64%</u>

The general capital assets (e.g., land, buildings, machinery, and equipment) of the governmental activities of the Town of Warren less outstanding debt equal \$15,026,698. A portion of the outstanding debt of the governmental activities was incurred for the installation of infrastructure.

With the historical infrastructure costs included, the governmental activities have total net position of \$16,810,972. Included within the total net position are net investment in capital assets of \$15,026,698 and restricted net assets of \$36,516 as of June 30, 2016, leaving an unrestricted balance of \$1,747,758. In comparison, governmental activity net position as of June 30, 2015, as stated in the FY15 Financial Statements totaled \$15,913,991.

Even though the net position is available for future spending, the net investment in capital assets is reported net of related debt. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Additional portions of the Town of Warren's net position are also subject to external restrictions on how they may be used.

**Governmental activities.** Governmental activities increased the Town of Warren's net position by \$896,981.

	Governmental Activities			Percentage Change
	2016	2015	Change	
<b>Revenues</b>				
Program revenues-				
Charges for services	\$ 69,839	221,653	\$ (151,814)	-217%
Grants	-	20,757	(20,757)	-100%
General revenues-				
Property taxes	23,571,964	23,577,621	(5,657)	0%
Intergovernmental	1,393,447	1,165,950	227,497	16%
Licenses, fees, permits and fines	1,579,028	1,320,820	258,208	16%
Investment earnings	217,655	242,385	(24,730)	-11%
Miscellaneous	138,864	97,582	41,282	30%
Transfers in/(out)	-	-	-	
Total revenues	<u>26,970,797</u>	<u>26,646,768</u>	<u>324,029</u>	<u>1%</u>
<b>Expenses</b>				
General government	5,172,240	6,539,668	(1,367,428)	-26%
Town offices	916,574	790,035	126,539	14%
Financial administration	234,506	225,613	8,893	4%
Public safety	2,610,460	2,310,094	300,366	12%
Fire safety	721,778	646,064	75,714	10%
Waste water treatment	1,594,588	901,362	693,226	43%
Highway department	2,838,340	1,708,930	1,129,410	40%
Grants and contributions	288,624	259,746	28,878	10%
Education	11,425,896	13,182,615	(1,756,719)	-15%
Debt Service	270,810	431,222	(160,412)	-59%
Transfer station	-	-	-	
Total expenses	<u>26,073,816</u>	<u>26,995,349</u>	<u>(921,533)</u>	<u>-4%</u>
Increase/decrease in net position	896,981	(348,581)	1,245,562	139%
Net position - beginning - as restated	<u>15,913,991</u>	<u>16,262,572</u>	<u>(348,581)</u>	<u>-2%</u>
Net position - ending	<u>\$ 16,810,972</u>	<u>\$ 15,913,991</u>	<u>\$ 896,981</u>	<u>5%</u>

### Financial Analysis of the Government's Funds

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

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

As of June 30, 2016, the Town of Warren's total governmental funds reported a combined ending fund balance of \$11,564,449, an increase of \$3,472,554 in comparison with the prior year. The unassigned fund balance of \$6,671,540 is available for spending at the government's discretion. The remainder of the fund balance is non-spendable to indicate that it is not available for new spending because it represents un-expendable inventory items, those governmental funds with a deficit fund balance and the permanent funds. The committed fund balances has been designated to fund appropriations of the subsequent fiscal year. The restricted fund balance has been assigned all non-major governmental funds fund balances as it is restricted for the legal use of each fund. \$1,408,121 has also been reserved for Education pending the appeal of the Bristol/Warren Regional School District court case.

The General Fund is the chief operating fund of the Town of Warren. As of June 30, 2016, the total fund balance of the general fund was \$10,178,735 (an increase of \$2,460,606), of which \$6,677,436 was unassigned. The Unassigned fund balance represents approximately 24.5% of total General Fund expenditures. The 2016 annual budget for the Town of Warren's general fund identified the re-appropriation of \$2,068,616 in fund balance which represents capital and special appropriations carry-forwards of \$1,568,616 and Open Space Acquisition appropriations carry-forwards of \$500,000.

Excess of revenues over expenditures before other financing sources was \$2,425,993. Actual revenues and other sources were higher than budgeted revenues in the general fund by \$404,674 before transfers. Actual expenditures were lower than budgeted expenditures by \$2,021,319 before transfers. However, it should be noted that \$1,406,103 of these lower budgeted expenditures were due to a reserve for Education set up pending the appeal of the Bristol/Warren Regional School District court case.

### **General Fund Budgetary Highlights**

Actual revenues and other sources were higher than budgeted revenues by \$404,674, primarily due to increased revenue in general property tax interest collected (\$46k), restaurant meals tax (\$101k), third party billing of rescue calls (\$94k), and transfer station fees (\$54k).

Excluding the reserve for Education of \$1,408,121 actual expenses were lower than budgeted expenses by \$615,216 primarily due to lower than expected employee benefit costs (\$199k), employee pension costs (\$72k) attendance premium costs (\$39k), and lower debt service expenditures (\$212k). Two departments were over budget to total expenses: Town Offices (\$15k) and Town Planner (\$57k). Expenditures for education totaled \$12,831,999 and accounted for roughly 47% of total General Fund expenditures. General Fund capital expenditures were \$1,155,387 for the fiscal year, with carry-forwards for future projects of \$1,568,616 and Open Space Acquisition appropriations carry-forward of \$500,000. There was one emergency and unbudgeted capital expenditure for a Transfer Trailer Truck totaling \$135,952.

### **Capital Asset and Debt Administration**

**Capital assets.** The Town of Warren's investment in capital assets for its governmental activities as of June 30, 2016, amounts to \$30,402,675 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, and infrastructure. Additional information on the Town of Warren's capital assets can be found in Note 4 to the financial statements, which accompany this report.

## **Town of Warren's Capital Assets**

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

**Long-term debt.** At the end of the current fiscal year, the Town of Warren has total general obligation debt outstanding of \$15,375,977 entirely backed by the full faith and credit of the government.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3 percent of its total equalized valuation. As of June 30, 2016, the Town of Warren's ratio of Town Debt to net taxable valuation is 1.51%. The current debt limitation for the Town of Warren is \$35,154,526, which significantly exceeds the Town of Warren's current outstanding general obligation debt.

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

## **FY 2016-17 Budget Highlights**

The Town of Warren's tax rate did not change from \$19.97 per thousand dollars of assessed value from FY 2015-16 to FY 2016-17. The Town of Warren committed \$2.6M in the FY 2016-17 Budget pending the appeal of the Bristol/Warren Regional School District court case. The Town also allocated \$500k from the General Fund surplus to fund capital projects.

The Town has received voter approval for a major Wastewater Treatment facility upgrade of approximately \$20M funded through the RI Clean Water Financing Agency. Once completed, it is estimated that this will increase the total Debt Service of the Town by approximately \$1.4M per year.

The Town Council has also approved an emergency expenditure of approximately \$500k to repair the Campbell Street sewer line. This project will be funded utilizing monies from the unassigned General Fund Balance of \$6,677,436.

## **Requests for Information**

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



## Basic Financial Statements

## Government-Wide Financial Statements

**TOWN OF WARREN, RHODE ISLAND****Statement of Net Position  
June 30, 2016**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 11,803,029
Investments	27,339
Receivables (net)	410,193
Other receivables	572,904
Prepaid expenses	5,100
Inventories	13,566
Due from federal and state	1,121,630
<b>Noncurrent assets</b>	
Capital assets (non-depreciable)	2,295,170
Capital assets (net of depreciation)	<u>28,107,505</u>
<b>TOTAL ASSETS</b>	<u>44,356,436</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred pension amounts	<u>1,266,851</u>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable	694,814
Accrued expenses	333,334
Escrow deposits	3,182
Unearned revenues	1,152,561
Current portion of long-term liabilities	1,361,110
<b>Noncurrent liabilities</b>	
Net OPEB obligation	2,325,702
Net pension liability	6,230,278
Long-term liabilities (net)	<u>15,706,344</u>
<b>TOTAL LIABILITIES</b>	<u>27,807,325</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred pension amounts	<u>1,004,990</u>
<b>NET POSITION</b>	
Net investment in capital assets	15,026,698
Restricted for permanent trust funds	36,516
Unrestricted	<u>1,747,758</u>
<b>TOTAL NET POSITION</b>	<u>\$ 16,810,972</u>

**TOWN OF WARREN, RHODE ISLAND****Statement of Activities****June 30, 2016**

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
<b>Governmental activities:</b>				
General government	\$ 5,172,241	\$ -	\$ -	\$ (5,172,241)
Town offices	916,574	-	-	(916,574)
Financial administration	234,506	-	-	(234,506)
Public safety	2,610,460	-	-	(2,610,460)
Fire safety	721,777	-	-	(721,777)
Waste water treatment	1,594,588	69,839	-	(1,524,749)
Highway department	2,838,340	-	-	(2,838,340)
Transfer station	-	-	-	-
Grants and contributions	288,624	-	-	(288,624)
Education	11,425,896	-	-	(11,425,896)
Interest on long-term debt	270,810	-	-	(270,810)
Total governmental activities	<u>\$ 26,073,816</u>	<u>\$ 69,839</u>	<u>\$ -</u>	<u>(26,003,977)</u>
<b>General revenues:</b>				
Property taxes				23,571,964
Intergovernmental				1,393,447
Licenses, fees, permits and fines				1,579,028
Interest earnings				217,655
Miscellaneous				138,864
		Total general revenues		<u>26,900,958</u>
		Change in net position		896,981
		Net position - beginning		<u>15,913,991</u>
		Net position - ending		<u>\$ 16,810,972</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

TOWN OF WARREN, RHODE ISLAND

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**

	General Fund	RIDOT TIP Water St. Project	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 10,255,178	\$ -	\$ 1,547,851	\$ 11,803,029
Investments	-	-	27,339	27,339
Taxes receivables (net)	410,193	-	-	410,193
Other receivables	87,120	-	485,784	572,904
Due from other funds	165,585	-	-	165,585
Inventories	13,566	-	-	13,566
Due from federal & state	194,986	744,065	182,579	1,121,630
Prepaid expenses	5,100	-	-	5,100
<b>TOTAL ASSETS</b>	<b>\$ 11,131,728</b>	<b>\$ 744,065</b>	<b>\$ 2,243,553</b>	<b>\$ 14,119,346</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 416,038	\$ 25,050	\$ 253,726	\$ 694,814
Accrued expenses	211,726	-	4,982	216,708
Unearned revenues	-	704,440	448,121	1,152,561
Escrow deposits	3,182	-	-	3,182
Due to other funds	-	14,575	151,010	165,585
<b>TOTAL LIABILITIES</b>	<b>630,946</b>	<b>744,065</b>	<b>857,839</b>	<b>2,232,850</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	304,166	-	-	304,166
Unavailable revenue - summer recreation	17,881	-	-	17,881
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>322,047</b>	<b>-</b>	<b>-</b>	<b>322,047</b>
<b>FUND BALANCES:</b>				
Non-Spendable	24,562	-	36,516	61,078
Restricted	-	-	1,355,094	1,355,094
Committed	3,476,737	-	-	3,476,737
Unassigned	6,677,436	-	(5,896)	6,671,540
<b>TOTAL FUND BALANCES</b>	<b>10,178,735</b>	<b>-</b>	<b>1,385,714</b>	<b>11,564,449</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 11,131,728</b>	<b>\$ 744,065</b>	<b>\$ 2,243,553</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	30,402,675
Deferred outflows of resources for pension plans are reported in the Statement of Net Position of Government Activities but are not reported on the Fund Statements	1,266,851
Long-term liabilities are not due and payable in the current period and therefore are not reported in the Fund Statement	(17,067,454)
Accrued interest related to issuance of long-term liabilities	(116,626)
Accrual of net OPEB obligation	(2,325,702)
Unavailable property tax revenues (net of an allowance for uncollectables) are recorded in the funds, but are not deferred under the measurement focus employed in the Statement of Net Position	322,047
Net Position Liability and related deferred inflows of resources for pension plans are reported in the Statement of Net Position of Governmental Activities but are not reported on the Fund Statement	(7,235,268)
Net position of governmental activities	<u>\$ 16,810,972</u>

**TOWN OF WARREN, RHODE ISLAND****Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds****For the year ended June 30, 2016**

	General Fund	RIDOT TIP Water St. Project	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
General property taxes	\$ 23,605,730	\$ -	\$ -	\$ 23,605,730
Interest and investment income	217,655	-	-	217,655
Licenses, fees, permits and fines	1,563,289	-	15,739	1,579,028
Water and sewer use fees	69,839	-	-	69,839
Intergovernmental	741,294	28,150	624,003	1,393,447
Other	91,948	-	46,916	138,864
<b>Total revenues</b>	<u>26,289,755</u>	<u>28,150</u>	<u>686,658</u>	<u>27,004,563</u>
<b>Expenditures</b>				
Current:				
General government	3,691,177	-	399,589	4,090,766
Town offices	916,574	-	-	916,574
Financial administration	234,506	-	-	234,506
Public safety	2,306,452	-	207,713	2,514,165
Fire safety	484,365	-	10,413	494,778
Waste water treatment	1,227,783	28,150	-	1,255,933
Highway department	1,748,522	-	-	1,748,522
Grants and contributions	288,624	-	-	288,624
Education	11,425,896	-	-	11,425,896
Transfer station	-	-	-	-
Costs of collection	-	-	-	-
Debt Service:				
Principal	3,352,584	-	-	3,352,584
Interest and other costs	261,327	-	26,625	287,952
Capital:				
Capital and special appropriations	1,291,339	-	730,370	2,021,709
<b>Total expenditures</b>	<u>27,229,149</u>	<u>28,150</u>	<u>1,374,710</u>	<u>28,632,009</u>
Excess of revenues over (under) expenditures before transfers	<u>(939,394)</u>	<u>-</u>	<u>(688,052)</u>	<u>(1,627,446)</u>
<b>Other financing sources/uses</b>				
Proceeds from bond issuance	3,400,000	-	1,700,000	5,100,000
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Net other financing sources/uses</b>	<u>3,400,000</u>	<u>-</u>	<u>1,700,000</u>	<u>5,100,000</u>
Net change in fund balances	2,460,606	-	1,011,948	3,472,554
<b>Fund balance - beginning of the year</b>	<u>7,718,129</u>	<u>-</u>	<u>370,766</u>	<u>8,088,895</u>
<b>Fund balance - ending of the year</b>	<u>\$ 10,178,735</u>	<u>\$ -</u>	<u>\$ 1,382,714</u>	<u>\$ 11,561,449</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**TOWN OF WARREN, RHODE ISLAND**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds (B-2) to the Statement of Activities (A-2)  
For the year ended June 30, 2016**

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

Net change in fund balance - total governmental funds (B-2)	\$ 3,472,554
 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	 (335,880)
 The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. This amount is the net effect of these differences.	 (1,747,416)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.	 (33,766)
 Adjustment to the deferred outflows of resources. The increase from prior year balances is reflected in the Statement of Activities and Changes in Net Position.	 525,212
 Adjustment to the estimated net pension liability. The governmental fund reflects this activity when it will be paid with measureable available resources. The increase from prior year balances is reflected in the Statement of Activities and Changes in Net Position.	 (710,050)
 Adjustment to the estimated OPEB obligation. The governmental fund reflects this activity when it will be paid with measureable available resources. The increase from prior year balances is reflected in the Statement of Activities and Changes in Net Position.	 (160,286)
 Adjustment to accrued compensated absences. The governmental fund reflects this activity when it will be paid with measureable available resources. The decrease from prior year balances is reflected in the Statement of Activities and Changes in Net Position.	 8,583
 Adjustment to accrued interest. The governmental fund reflects this activity when it will be paid with measureable available resources. The decrease from prior year balances is reflected in the Statement of Activities and Changes in Net Position.	 17,142
 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.	 (139,112)
 Changes in net position of governmental activities in the Statement of Activities (A-2)	 <u>\$ 896,981</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

## Fund Financial Statements



**TOWN OF WARREN, RHODE ISLAND**

**Statement of Changes in Net Position  
Fiduciary Funds  
For the year ended June 30, 2016**

	Private- Purpose Trusts	OPEB Trust Fund	Agency Funds
<b>ASSETS</b>			
Cash	\$ -	\$ 734,139	\$ 18,740
Investments	519,443	15,313	-
Total Assets	<u>519,443</u>	<u>749,452</u>	<u>18,740</u>
<b>LIABILITIES</b>			
Deposits held in custody for others	-	-	18,740
Total Liabilities	<u>-</u>	<u>-</u>	<u>18,740</u>
<b>NET POSITION</b>			
Held in trust for post retirement benefits and other purposes	<u>\$ 519,443</u>	<u>\$ 749,452</u>	

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**TOWN OF WARREN, RHODE ISLAND**

**Statement of Changes in Net Position  
Fiduciary Funds  
For the year ended June 30, 2016**

	Private- Purpose Trusts	OPEB Trust Fund
	<u>          </u>	<u>          </u>
ADDITIONS:		
Investment income	\$ 35,921	\$ 2,322
Total additions	<u>35,921</u>	<u>2,322</u>
DEDUCTIONS:		
Portfolio management fees	<u>88,609</u>	3
Total deductions	<u>88,609</u>	3
CHANGE IN NET POSITION	(52,688)	2,319
Net position - beginning	572,131	747,133
Net position - ending	<u>\$ 519,443</u>	<u>\$ 749,452</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

## Notes to Financial Statements

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***REPORTING ENTITY***

The Town of Warren, Rhode Island, (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 Town government and is responsible to the Town Council for day to day operation of the Town's affairs. All legislative powers of the Town are vested in the Town Council except such powers that are reserved by Charter to the Financial Town Meeting, including the ordering of any tax making appropriations.

With the Town of Warren's Charter 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, departments 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 Bristol and Warren. 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 appoints the voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any one of the following conditions exists:

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

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

***REPORTING ENTITY (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.

Based on the criteria set in GASB 61, the town does not have any component units.

***BASIS OF PRESENTATION AND ACCOUNTING***

***Government-Wide Financial Statements***

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

***Fund Financial Statements***

Fund financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into two major categories: governmental and fiduciary. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements. A fund is considered a major fund if it is the primary operating fund of the Town or meets the following criteria:

- (a) Total assets and deferred outflow of resources, liabilities, and deferred inflow of resources, revenues, or expenditures of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type
- (b) Total assets and deferred outflow of resources, liabilities, and deferred inflow of resources, revenues, or expenditures of the individual, governmental fund, or enterprise funds are at least 5 percent of the corresponding total for all governmental and enterprise funds combined

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

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

***BASIS OF PRESENTATION AND ACCOUNTING (continued)***

The funds of the financial reporting entity are described below:

***Governmental Funds Types:***

**General Fund**

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

**Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are committed or restricted to expenditures for specific purposes other than debt service or capital projects.

**Capital Project Fund**

Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**Permanent Funds**

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

***Fiduciary Fund Types (not included in government-wide statements):***

**Agency Funds**

Agency Funds account for assets held by the Town in a purely custodial capacity. The reporting entity includes one agency fund: performance bonds. Since agency funds are custodial in nature they do not involve the measurement of results of operations.

**OPEB Trust Fund**

Other Post Employment Benefit (OPEB) Trust Fund is used to account for payments of postemployment benefits (health insurance) that the Town provides to qualified retirees in accordance with union contract provisions.

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

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

***BASIS OF PRESENTATION AND ACCOUNTING (continued)***

**Private Purpose Trust Funds**

Private Purpose Trust Funds account for resources legally in trust held by the Town under various trust arrangements for the benefit of certain individuals or groups. These funds cannot be used at the Town's discretion or to support the Town's general operations. These trusts are for the benefit of local educational organizations, social benefit groups, and other private parties.

***Major and Non-Major Funds:***

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

**Fund**

**Brief Description**

**Major:**

***General Fund***

See the above description.

***RI DOT TIP Water St. Project***

To account for RI DOT grant award and expenditures.

**Non-Major:**

***Special Revenue Funds:***

Enterprise Zone, Senior Center, Road Duty, Tourister Peer Review, Recreation Department Donation, In-Line Skate Rink, Gun Buy Back, WPD RI Senatorial Grant, Recycling Grant, Planning Challenge Grant, Historical Cemetery Fund, Community Gardens, USDA Police Vehicle, ACO Donations, Cops That Care, Social Services Donations, Marijuana Grant, Warren Beautification Donation, Animal Rescue, Baker Street Museum, Animal Spaying, Police Bicycle Patrol Grant, AFIS Live Scan Federal Grant, RI State Byrnes Justice Grant, Memorial Tree Fund, Stormwater Permitting, Recreational Trails Grant, Summer Concerts, Project Playground, Jamiel's Park Picnic Shelter Fund, Jamiel's Park Softball Field Fund, Substance Abuse, Fire Inspections, Jamiel's Park DEM Grant, Fire State Meds Plan, FEMA Sandy Event, Community Development Block Grant, Veteran's Honor Roll, Government Center, Ship Shape, Holiday Committee, Narcotics, and Employee Charity Fund.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

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

***BASIS OF PRESENTATION AND ACCOUNTING (continued)***

***Major and Non-Major Funds (continued):***

<u><b>Fund</b></u>	<u><b>Brief Description</b></u>
<b><i>Permanent Funds:</i></b>	Police Trust, Document Preservation, and Sara B. Burtis
<b><i>Agency Funds:</i></b>	Performance Bonds

***Measurement Focus***

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item (b) below and the accrual basis of accounting.

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

- a. All governmental funds utilize a “current financial resources” measurement focus and the modified accrual basis of accounting. Only current financial assets, deferred outflow of resources, liabilities, and deferred inflow of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The Town considers property taxes as available if they are collected within 60 days after year end. Grant revenue related to expenditure reimbursement grants of the governmental funds is generally recognized as revenue when earned as long as the payment is expected to be received within twelve months after year end. All other revenue items, primarily permits and transfer station disposal fees, are considered to be measurable only when cash is received by the Town.
- b. The private purpose trust funds utilize a “economic resources” measurement focus and the accrual basis of accounting. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flow. All inflows of resources associated with their activities are reported. Fund equity is classified as net assets.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

(continued)



**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

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

***BASIS OF PRESENTATION AND ACCOUNTING (continued)***

***Basis of Accounting***

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic assets used. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities, and deferred inflow of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues such as property taxes, are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest, which are reported when due.

All agency funds and private purpose trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used.

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

***ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES AND NETPOSITION / FUND EQUITY***

***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 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.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
June 30, 2016

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

***ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES AND NETPOSITION / FUND EQUITY (continued)***

***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.

***Accounts Receivable***

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants and other similar intergovernmental revenues since they are usually both measureable 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. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Amounts due from federal and state sources represent receivables on grant awards and state aid not received as of the balance sheet date.

***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.

***Inventory***

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

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

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

***ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES AND NET POSITION / FUND EQUITY (continued)***

***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***

**Government-Wide Statements**

Long lived assets are accounted for as capital assets. They are reported in the Government-Wide Statement of Net Position and are not reported in the Governmental Fund Financial Statements.

All capital assets are capitalized at historical or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at the fair market value as of the date received. The Town follows the policy of capitalizing assets with a cost of \$5,000 or more and a useful life of more than two years.

Depreciation of all exhaustible capital assets is recorded, as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is calculated on the straight-line basis over the following useful lives:

<u>Description</u>	<u>Useful Life</u>
Buildings and land improvements	25 - 40 Years
Infrastructure	25 - 40 Years
Equipment and heavy machinery	10 - 20 Years
Motor vehicles	5 - 10 Years
Office equipment	5 - 10 Years
Other assets	5 - 10 Years

***Fund Financial Statements***

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

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
June 30, 2016

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

***ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES AND NETPOSITION / FUND EQUITY (continued)***

***Deferred Outflows/Inflows of Resources***

In addition to assets, the Statement of Net Position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period so it will not be recognized as an outflow of resources (expense/expenditures) until that later date. At June 30, 2016 the Town classified pension contributions made subsequent to the actuarial valuation date as a deferred outflow of resources.

In addition to liabilities, the Statement of Net Position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate section represents the acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2016 the Town had one item that qualified as a deferred inflow of resources in the governmental funds balance sheet. The unavailable tax revenue represents property taxes receivable which are assessed on December 31, 2014 or prior and are not collected within 60 days of June 30, 2016. The Town also had one item that qualified as a deferred inflow of resources in the government-wide Statement of Net Position. The deferred pension amounts relate to amortization as a component of pension expense in future years.

***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 statements. These amounts are not considered deferred inflows since qualifying expenditures for reimbursement have not been incurred as of year-end.

***Inter-fund Transactions***

Inter-fund activity within and among the funds of the Town have been classified and reported as follows:

***Reciprocal Inter-fund Activities:***

- Inter-fund loans are reported as inter-fund receivables in the lending fund and inter-fund payables in borrower funds.
- Inter-fund services are reported as revenues in the seller fund and as expenditures on expenses in the purchasing fund.

***Non-Reciprocal Inter-fund Activities:***

- Inter-fund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after non-operating revenues and expenses.
- Inter-fund reimbursements are repayments from the fund responsible for a particular expenditure or expense or an expense to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

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

***ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES AND NET POSITION / FUND EQUITY (continued)***

***Net Position / Fund Balance Classification***

**Government-Wide Statements**

Net Position is classified and displayed as three components:

- 1) *Net investment in capital assets, net of related debt* – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bond, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- 2) *Restricted net position* - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, laws/regulations of other governments, law through constitutional provisions, or enabling legislation.
- 3) *Unrestricted net position* – All remaining net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**Fund Financial Statements**

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

- **Non-spendable** – Includes the amount of fund balances that cannot be spent because it is either not in spendable form or legally or contractually required to be maintained intact. Not in spendable form includes items that are not expected to be converted to cash within one year.
- **Restricted** – Includes amounts that are restricted to specific purposes. Fund balance is reported as restricted when constraints placed in the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** – Includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Town Council is the highest level of decision-making authority and utilizes Town Ordinances as a formal procedure to commit fund balance.
- **Assigned Fund Balance** – Includes amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by the governing body itself or a body (a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

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

***ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES AND NETPOSITION / FUND EQUITY (continued)***

***Net Position / Fund Balance Classification (continued)***

- **Unassigned Fund Balance** – Is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may need to report a negative unassigned fund balance.

***Application of Funds***

The following policy has been established by the Town in order to address the implementation of Governmental Accounting Standards Board (GASB) Statement No., 54, Fund Balance Reporting and Governmental Funds Definitions. The policy is created in consideration of unanticipated events that could adversely affect the financial condition of the Town and jeopardize the continuation of necessary public service. The policy ensures that the Town maintains an adequate fund balance and reserves in order to:

- (a) Provide sufficient cash flow for daily financial needs
- (b) Provide funds for unforeseen expenditures related to emergencies
- (c) Offset significant economic downturns or revenue shortfalls

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

***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***

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.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

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

***ASSETS, LIABILITIES, DEFERRED OUTFLOWS / INFLOWS OF RESOURCES AND NETPOSITION / FUND EQUITY (continued)***

***Compensated Absences (continued)***

Town employees earn 1.5 days 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 65 will continue to receive medical insurance coverage until age 65. Full-time Town employees retiring at the age 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.

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.

***Estimates***

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

***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.

(continued)

TOWN OF WARREN, RHODE ISLAND  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2016

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

"Total fund balances" of the Town's governmental funds (\$11,564,450) differs from "net position" of governmental activities (\$16,810,973) reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The effects of the differences are illustrated below.

**Balance Sheet/Statement of Net Position**

	Total Governmental Funds	Long-term Assets/ Liabilities (1)	Reclassifications and Eliminations (2)	Deferred Pension Amounts (3)	Statement Net Position Totals
<b>Assets</b>					
Cash and cash equivalents	\$ 11,803,029	\$ -	\$ -	\$ -	\$ 11,803,029
Investments	27,339	-	-	-	27,339
<b>Accounts receivable:</b>					
Taxes receivable	410,193	-	-	-	410,193
Due from federal and state	1,121,630	-	-	-	1,121,630
Other receivables	572,904	-	-	-	572,904
Internal balances	165,585	-	(165,585)	-	-
Prepaid expenses	5,100	-	-	-	5,100
Inventories	13,566	-	-	-	13,566
Capital assets, non depreciable	-	2,295,170	-	-	2,295,170
Capital assets, depreciable	-	28,107,505	-	-	28,107,505
<b>Total assets</b>	<b>14,119,346</b>	<b>30,402,675</b>	<b>(165,585)</b>	<b>-</b>	<b>44,356,436</b>
<b>Deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,266,851</b>	<b>1,266,851</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	694,814	-	-	-	694,814
Accrued expenses	216,708	116,626	-	-	333,334
Unearned revenues	1,152,561	-	-	-	1,152,561
Deferred revenues	322,047	(322,047)	-	-	-
Escrow deposits	3,182	-	-	-	3,182
Internal balances	165,585	-	(165,585)	-	-
<b>Long-term liabilities</b>					
Due within one year	-	1,361,110	-	-	1,361,110
Due in more than one year	-	24,262,324	-	-	24,262,324
<b>Total liabilities</b>	<b>2,554,897</b>	<b>25,418,013</b>	<b>(165,585)</b>	<b>-</b>	<b>27,807,325</b>
<b>Deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,004,990</b>	<b>1,004,990</b>
<b>Fund Balances/Net Position</b>					
Total fund balances/net position	11,564,449	4,984,662	-	261,861	16,810,972
<b>Total liabilities and fund balances/net position</b>	<b>\$ 14,119,346</b>	<b>\$ 30,402,675</b>	<b>\$ (165,585)</b>	<b>\$ 1,266,851</b>	<b>\$ 45,623,287</b>

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

Cost of capital assets	\$ 80,896,154
Accumulated depreciation	50,493,479
	<u>\$ 30,402,675</u>

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

Adjustment of deferred revenue	<u>\$ 322,047</u>
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Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term are reported in the statement of net position.

Bonds payable	\$ 15,375,977
Accrued interest payable	116,626
Accrued compensated absences	1,691,477
Net pension liability	6,230,278
Net OPEB obligation	2,325,702
	<u>\$ 25,740,060</u>

(2) Internal balances are neither considered assets nor liabilities under GASB 34.

	<u>\$ 165,585</u>
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(3) Certain pension elements are considered deferred outflows, including contributions made subsequent to the actuarial measurement date.

Contributions	<u>\$ 1,266,851</u>
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Certain pension elements such as pension expense are amortized in future periods. The amount of future amortizations are considered deferred inflows of resources.

Amortized pension amounts	<u>\$ 1,004,990</u>
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**TOWN OF WARREN, RHODE ISLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
*June 30, 2016*

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

**DIFFERENCES BETWEEN GOVERNMENTAL FUND OPERATING STATEMENTS AND THE STATEMENT OF ACTIVITIES**

The "net change in the fund balances" for governmental funds (\$3,472,555) differs from the "change in net position" for governmental activities (\$896,982) reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

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

	Total Governmental Funds	Long-term Revenues/ Expenses (1)	Capital- related Items (2)	Long-term Debt Transactions (3)	Statement of Activities Totals
<b>Revenues</b>					
General property taxes	\$ 23,605,730	\$ (33,766)	\$ -	\$ -	\$ 23,571,964
Interest and investment income	217,655	-	-	-	217,655
Licenses, fees, permits, and fines	1,579,028	-	-	-	1,579,028
Water and sewer use fees	69,839	-	-	-	69,839
Intergovernmental	1,393,447	-	-	-	1,393,447
Other	138,864	-	-	-	138,864
<b>Total revenues</b>	<u>\$ 27,004,563</u>	<u>(33,766)</u>	<u>-</u>	<u>-</u>	<u>26,970,797</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	4,090,766	-	531,166	475,653	5,097,585
Town offices	916,574	-	-	-	916,574
Financial administration	234,506	-	-	-	234,506
Public safety	2,514,165	-	96,295	-	2,610,460
Fire safety	494,778	-	226,999	-	721,777
Waste water treatments	1,255,933	-	338,655	-	1,594,588
Highway department	1,748,522	-	1,089,818	-	2,838,340
Grants and contributions	288,624	-	-	-	288,624
Education	11,425,896	-	-	-	11,425,896
Transfer station	-	-	-	-	-
Costs of collection	-	-	-	-	-
<b>Debt Service:</b>					
Principal	3,352,584	-	-	(3,352,584)	-
Interest and other costs	287,952	-	-	(17,142)	270,810
<b>Capital:</b>					
Capital and special appropriations	2,021,709	-	(1,947,053)	-	74,656
<b>Total expenditures</b>	<u>28,632,009</u>	<u>-</u>	<u>335,880</u>	<u>(2,894,073)</u>	<u>26,073,816</u>
<b>Other financing uses/changes in net position</b>					
Proceeds from long-term borrowings	5,100,000	-	-	(5,100,000)	-
Gain (loss) on sale of fixed assets	-	-	-	-	-
<b>Net change for the year</b>	<u>\$ 3,472,554</u>	<u>\$ (33,766)</u>	<u>\$ (335,880)</u>	<u>\$ 7,994,073</u>	<u>\$ 896,981</u>

- (1) Reductions in deferred revenues that provide current financial resources to governmental funds are not reported as revenues in the statement of activities. State funded public service corporation tax revenues that are not accrued for in the governmental funds are reported as revenues in the statement of activities.

Deferred revenue - beginning	\$ (355,813)
Deferred revenue - ending	322,047
<b>Change in deferred revenue</b>	<u>\$ (33,766)</u>

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

Capital outlay (net of disposals)	\$ 1,947,053
Depreciation expense	(2,282,933)
<b>Net adjustment</b>	<u>\$ (335,880)</u>

- (3) Repayment of bond principal is reported as an expenditure in the governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the Town as a whole, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities. Also long-term employee benefits that do not require the use current financial resources are not reported as expenditures in the governmental funds but are in the statement of activities. Bond issuance costs are reported as expenditures in governmental funds while in the government-wide financial statements they are capitalized and amortized over the life of the bond.

Decrease in interest accrued	\$ 17,142
Decrease in compensated absences	8,583
Bond proceeds	5,100,000
Principal repayments	1,142,584
Amounts refunded	2,210,000
Increase in net OPEB	(160,286)
Increase in net pension liability	(710,050)
Changes in deferred inflows	525,212
Changes in deferred outflows	(139,112)
<b>Net difference</b>	<u>\$ 7,994,073</u>

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

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

***RECENTLY ISSUED ACCOUNTING STANDARDS***

Effective for the fiscal year ended June 30, 2016, the Town was required to adopt the provisions of Statement No. 72 of the Government Accounting Standards Board, *Fair Value Measurement and Application*, **GASB 72**. GASB 72 addresses issues relating to fair value measurement and provides guidance for determining fair value for purposes of financial reporting. Additionally, GASB 72 provides guidance for the application of fair value to certain investments and disclosures related to all fair value measurements. The Town minimally participates in investment activities and is therefore largely unaffected by the new standard.

Effective for the fiscal year ended June 30, 2017, the Town will be required to adopt the provisions of Statement No. 74 of the Government Accounting Standards Board, *Financial Reporting for Postemployment Benefits Other Than Pensions*, **GASB 74**. GASB 74 establishes guidelines relating to note disclosures and required supplementary information. The effect of GASB 74 adoption on the Town's financial statements has not yet been determined.

Effective for the fiscal year ended June 30, 2018, the Town will be required to adopt the provisions of Statement No. 75 of the Government Accounting Standards Board, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, **GASB 75**. GASB 75 establishes standards for measuring and recognizing liabilities, deferred inflows of resources, deferred outflows of resources, and expenditures related to other postemployment benefits (OPEB) administered through trusts or equivalent arrangements. GASB 75 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Additionally, GASB 75 will require more extensive footnote disclosures in the financial statements. The effect of GASB 75 adoption on the Town's financial statements has not yet been determined.

Effective for the fiscal year ended June 30, 2017, the Town will be required to adopt the provisions of Statement No. 77 of the Government Accounting Standards Board, *Tax Abatement Disclosures*, **GASB 77**. GASB 77 will require more extensive footnotes regarding tax abatement agreements entered into by the Town or another governmental entity that reduces the Town's tax revenues. The effect of GASB 77 adoption on the Town's financial statements has not yet been determined.

Effective for the fiscal year ended June 30, 2018, the Town will be required to adopt the provisions of Statement No. 82 of the Government Accounting Standards Board, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, **GASB 82**. GASB 82 addresses the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee contribution requirements. The effect of GASB 82 adoption on the Town's financial statements has not yet been determined.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

**NOTE 2 – BUDGETARY AND LEGAL COMPLIANCE**

***BUDGETARY DATA***

The Town Council adopts an annual budget for the General Fund. The Town Council is authorized to transfer budgeted amounts within and among departments and to authorize emergency expenditures. Any revisions that alter total expenditures must be approved by the taxpayers by a vote at the Financial Town Meeting. Management cannot make any transfers without prior Council approval. The governing Council made no supplemental budgetary appropriation during the 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 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, 2016, expenditures exceeded budget at the department level as follows:

Town Offices	\$14,907
Town Planner	\$57,498

Excess related to the Town Office was due to the Town incurring legal costs associated with the Bristol/Warren Regional School District court case. Excess related to the Town Planner's office was due to having budgeted for a part-time planner, but the demands and needs required the service of a full time planner.

**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.

***DEPOSITS***

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 includes \$590 of petty cash.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

**NOTE 3 - CASH AND INVESTMENTS (continued)**

**DEPOSITS (continued):**

At June 30, 2016 the Town's carrying amount of deposits was \$11,365,405 and the bank balance was \$11,748,474. Of the balance, \$754,814 was covered by Federal Depository Insurance. The remaining balance, \$10,993,660 was collateralized with securities held by the pledging financial institutions, or its trust department or agent but not in the Town's name.

***CUSTODIAL AND CREDIT RISK***

***Deposits***

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

***Credit Risk***

As of June 30, 2016 the Town's investments in money markets are not rated, as 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 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.

***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 limits the type of investments that may be made.

At June 30, 2016 the Town held the following investments:

<u>Description</u>	<u>Maturity</u>	<u>Fair Value</u>
Commercial Bonds	1/15/2020	\$ 22,091
Common Stocks	N/A	510,183
Mutual Funds	N/A	21,514
Cash	N/A	7,896
<b>TOTAL INVESTMENTS</b>		<u>\$ 561,684</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 &amp; Poor's</u>	<u>Moody's Investor Service</u>
Commercial Bonds	AA-	A1

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
 June 30, 2016

**NOTE 3 - CASH AND INVESTMENTS (continued)**

***INTEREST RATE RISK***

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

<u>Description</u>	<u>Interest</u>	<u>Maturity</u>	<u>Fair Value</u>
Commercial Bonds	4.45%	1/15/2020	\$ 22,091

***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 based on the inputs as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs (other than quoted prices included within Level 1) 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>Value at 6/30/2015</u>	<u>Fair Value Measurement Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Markets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Commercial Bonds	\$ 22,091	\$ 22,091	\$ -	\$ -
Common Stocks	510,183	510,183	-	-
Mutual Funds	21,514	21,514	-	-
Cash	7,896	7,896	-	-
	-	-	-	-
	<u>\$ 561,684</u>	<u>\$ 561,684</u>	<u>\$ -</u>	<u>\$ -</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.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
 June 30, 2016

**NOTE 4 – CAPITAL ASSETS**

Governmental Activity Capital Assets	Balance June 30, 2015	Additions	Removals	Balance June 30, 2016
Land	\$ 2,295,170	\$ -	\$ -	\$ 2,295,170
Building and improvements	16,408,326	863,185	45,631	17,225,880
Motor vehicles	7,032,509	620,783	64,684	7,588,608
Equipment	10,541,352	195,276	65,013	10,671,615
Infrastructure	42,671,743	443,137	-	43,114,880
Total capital assets	78,949,100	2,122,381	175,328	80,896,153
Less: accumulated depreciation	48,210,545	2,282,933		50,493,478
Net capital assets	\$ 30,738,555			\$ 30,402,675

Capital asset additions by department consisted of the following:

Public Safety	\$ 140,141
Fire Safety	471,568
Waste Water Treatment	819,025
General Government	136,250
Highway Department	555,394
Total	<u>\$ 2,122,378</u>

Depreciation expense was charged to the following function/programs:

Public Safety	\$ 96,295
Fire Safety	226,999
Waste Water Treatment	338,655
General Government	531,166
Highway Department	1,089,818
Total	<u>\$ 2,282,933</u>

**NOTE 5 – 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 recognizes 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 \$704,596 as of June 30, 2016 and are recorded as a receivable, net of allowance for uncollectible property taxes of \$302,030. Major receivable balances for the governmental activities include property taxes at 93%, and intergovernmental grants, aid and other receivables at 7% of the balance.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

**NOTE 5 – RECEIVABLES (continued)**

The portion of the property tax receivable, which is not collected within the 60 days immediately following June 30, 2016 are recorded as unavailable revenue and amounted to \$296,540 with a corresponding deferred revenue allowance of \$302,030. 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.

**NOTE 6 - OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

In addition to the pension benefits described in Note 12, the Town provides post employment benefits (health insurance) in accordance with union contract provisions.

For the year ended June 30, 2016, six (6) municipal retirees met the eligibility requirements for Town provided coverage. The Town pays 100% of the cost of these benefits on a pay-as-you-go basis, which amounted to approximately \$119,545.

***Eligibility***

All employees are eligible for retiree health benefits once they meet the Rhode Island Municipal Employees 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:

Prior to 7/1/2012, employees were eligible to retire at the earlier of:

- (i) age 58 with 10 years of service or
- (ii) 30 years of service (no age requirement)

Employees who were not eligible to retire as of 7/1/2012:

- a) Members with less than five years of contributing service credit on 6/30/2012 may retire at their social security retirement age
- b) Members with at least five years of contributing service credit on 6/30/2012 may retire at an individually determined age, which is the result of interpolating the member's prior Retirement Date (described in previous paragraph) and the retirement age applicable to members hired after 6/30/2012 (described in item (a) above)
- c) Members with at least ten years of contributing service credit on 6/30/2012 may retire at their prior retirement date (described in previous paragraph) if they continue to work and contribute until that date

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
 June 30, 2016

**NOTE 6 - OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

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

***Benefits***

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.

***Funding Policy***

The Town's annual other postemployment benefits (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the Town under accrual basis of accounting. The Town has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

The OPEB report for 2016 was unavailable, therefore; the annual OPEB cost has been rolled forward from the previous year. The annual OPEB cost for the fiscal year ended June 30, 2015 was \$321,514. The following table shows the components of the Town's annual OPEB costs for the year ended June 30, 2016, the amount contributed to the plan, and the Town's net OPEB obligation to the plan as of June 30, 2016.

Annual OPEB Cost	Year ended June 30, 2016	
Annual required contribution	\$	315,847
Amortization adjustment		(73,687)
Interest		79,354
Annual OPEB cost		321,514
Implicit rate subsidy		(41,683)
Contributions made during year		(119,545)
Net OPEB obligation at beginning of year		2,165,416
Net OPEB obligation at end of year	\$	2,325,702

(continued)



**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

**NOTE 6 - OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

Town contributions to the plan for the year ended June 30, 2016 represented 44% of annual OPEB expense of \$321,514. The difference represents the Town's OPEB obligation to the plan and has been accrued as an expense in the government-wide financial statements.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information on page 66 will, over time, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

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

The Town funds on a pay-as-you-go cash basis.

The Town has established an OPEB Trust, but the annual pre-funding decision is made arbitrarily annually depending on budgetary constraints. The last pre-funding contribution made into this Trust was in fiscal year 2008. The Town plans to make pre-funding contributions to the Trust in future years contingent on budgetary constraints.

***Trend Information***

<b>Fiscal Year Ending</b>	<b>Annual OPEB Cost</b>	<b>Contribution Made</b>	<b>% of OPEB Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2016	321,514	119,545	37.2%	2,325,702
6/30/2015	321,514	139,938	43.5%	2,165,416
6/30/2014	425,578	140,903	33.1%	1,983,840

***Funded Status of Plan***

The required supplementary information which follows the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Listed below are the details of the funding progress of the plan with a valuation date of June 30, 2015, with actuarial results rolled-back to July 1, 2014 on a "no-loss/no gain" basis, which is the most recent report available.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
 June 30, 2016

**NOTE 6 - OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

- Actuarial value of assets - \$745,277
- Actuarial accrued liability - \$4,369,521
- Unfunded actuarial accrued liability (UAAL) - \$3,624,244
- Funded Ratio – 17.1%
- Annual covered payroll - \$3,302,667
- UAAL as percentage of payroll – 109.7%
- Number of participants – 72

***Actuarial Methods and Assumptions***

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

- *Valuation date* – June 30, 2015, with results actuarially rolled back to July 1, 2014 on a no loss no gain basis
- *Discount rate* – 4.00%
- *Payroll Growth Rate* – 3.50%
- *Inflation Rate* – 3.00%
- *Cost Method* – Projected Unit Credit with linear proration to decrement
- *Amortization* – Level % of pay over thirty years based on open group
- *Health Care Coverage Election Rate* – All active and inactive participants are assumed to elect medical and dental coverage
- *Spousal Coverage* – Based on actual data for future and current retirees
- *Mortality* – SOA RPH-2014 Total Dataset Mortality Table fully generational using Scale MP-2014
- *Disability* – None
- *Medical Trend Rates* – Health Care Trend Rates have been updated to an initial rate of 9.0% decreasing by 0.5% annually to an ultimate rate of 5.0% for medical benefits and an initial rate of 5.0% decreasing by 0.5% annually to an ultimate rate of 3.0% for dental benefits.

***Schedule of Funding Progress for Other Post Employment Benefits***

<b>Actuarial Valuation Date (1)</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as Percentage of Covered Payroll</b>
7/1/2014	\$745,277	\$4,369,521	\$(3,624,244)	17.06%	\$3,302,667	-109.74%
7/1/2012	\$739,870	\$4,332,008	\$(3,592,138)	17.08%	\$2,935,090	-122.39%
7/1/2009	\$700,000	\$3,018,423	\$(2,318,423)	23.19%	\$3,019,466	-76.78%

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

**NOTE 6 - OTHER POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)**

*Plan Participation*

As of June 30, 2015, the date of the latest available actuarial report, the number of plan participants is as follows:

Active	66
Retirees	6
<u>Total</u>	<u>72</u>

**NOTE 7 - LONG TERM LIABILITIES**

The ratio of Town debt to net taxable valuation at June 30, 2016 was as follows:

Net taxable valuation	\$1,158,848,473
Town debt outstanding	\$17,458,441
Ratio of Town debt to net taxable valuation	1.51%

Schedule of long-term bond requirements:

Year Ended	Principal	Interest	Total
2017	\$1,361,110	\$382,734	\$ 1,743,844
2018	1,323,965	391,117	1,715,082
2019	1,340,912	354,255	1,695,167
2020	1,347,953	322,183	1,670,136
2021	1,225,092	290,904	1,515,996
2022-2026	4,528,113	1,029,671	5,557,784
2027-2031	2,294,234	452,386	2,746,620
2032-2036	1,827,063	76,725	1,903,788
<b>TOTAL</b>	<u>\$15,248,442</u>	<u>\$3,299,975</u>	<u>\$18,548,417</u>

In April 2012, the Town issued \$2,415,000 of general obligation refunding bonds to provide resources that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$350,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Statement of Net Position. This advanced refunding was undertaken to reduce total debt service payments over the next 13 years by \$232,121 and resulted in an economic gain of \$197,824. As of June 30, 2016, the in-substance defeased bonds, which remain outstanding, were \$315,000.

(continued)

**TOWN OF WARREN, RHODE ISLAND**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2016**

**Note 7- Long-Term Liabilities (continued)**

The following are changes in governmental long-term liabilities at June 30, 2016:

	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance Outstanding June 30, 2015	New Issues	Retirements	Balance Outstanding June 30, 2016	Current Portion
Public improvements	04/01/02	\$ 1,800,000	1.27%	9/1/03-22	\$ 851,561	\$ -	\$ 95,584	\$ 755,977	\$ 98,502
Public improvements	08/15/04	725,000	0.05%	8/15/05-24	35,000	-	35,000	-	-
Public improvements	12/15/05	905,000	1.11%-1.56%	9/1/06-25	538,000	-	44,000	494,000	45,000
Public improvements	02/15/06	310,000	3.95%	2/15/06-26	165,000	-	165,000	-	-
Public improvements	05/07/07	1,690,000	4.05%	5/15/08-27	935,000	-	860,000	75,000	75,000
Public improvements	05/01/08	3,885,000	3.50%	5/15/09-28	1,665,000	-	1,405,000	260,000	130,000
Public improvements	08/15/09	1,985,000	2.25-4.75%	8/15/10-29	1,125,000	-	175,000	950,000	175,000
Public improvements	03/11/11	2,000,000	0.42-3.33%	9/1/20-39	1,759,000	-	83,000	1,676,000	77,608
Public improvements	04/12/12	2,220,000	2.00-3.63%	1/15/13-32	1,770,000	-	145,000	1,625,000	155,000
Public improvements	04/12/12	2,415,000	2.00-3.00%	1/15/13-24	1,730,000	-	220,000	1,510,000	255,000
Public improvements	10/13/13	3,195,000	2.00-4.50%	8/15/14-23	3,055,000	-	125,000	2,930,000	125,000
Public improvements	06/02/16	3,400,000	3.00-4.00%	8/15/16-27	-	3,400,000	-	3,400,000	225,000
Public improvements	06/02/16	1,700,000	0.48-2.24%	9/1/17-35	-	1,700,000	-	1,700,000	-
Total general obligation bonds		<u>\$ 26,230,000</u>			\$ 13,628,561	\$ 5,100,000	\$ 3,352,584	\$ 15,375,977	\$ 1,361,110
Compensated absences					\$ 1,700,060	\$ -	\$ 8,583.00	\$ 1,691,477	\$ -
Total long-term liabilities					<u>\$ 15,328,621</u>	<u>\$ 5,100,000</u>	<u>\$ 3,361,167</u>	<u>\$ 17,067,454</u>	<u>\$ 1,361,110</u>

Total interest expense paid on long term debt for the year ended June 30, 2016 was approximately \$500,961.

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

	Amount	Percent
Public improvements	\$ 15,375,977	90.1%
Compensated absences	1,691,477	9.9%
	<u>\$ 17,067,454</u>	<u>100.0%</u>

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
 June 30, 2016

**NOTE 8 - OPERATING LEASE**

In January of 2016, the operating lease contract for the Town's copier had lapsed. A new contract was signed and the monthly payment remained unchanged. Copier lease expense for the Town amounted to \$3,180 during fiscal year 2016.

**NOTE 9 – FUND EQUITY**

***FUND DEFICITS***

The following individual funds had a deficit fund balance at June 30, 2016:

RI State Byrne Justice	\$	20
Jamiel's Park DEM Grant		5,876

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

***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, 2016 as follows:

**Non-Spendable fund balance**

Permanent funds	\$36,516
Long-term advances	5,896
Prepaid expenses	5,100
Inventory	13,566
<b>TOTAL NON-SPENDABLE FUND BALANCE</b>	<u>\$61,078</u>

**Restricted fund balance**

Restricted for special revenue funds	<u>\$1,355,094</u>
<b>TOTAL RESTRICTED FUND BALANCE</b>	<u>\$1,355,094</u>

**Committed fund balance**

Committed for FY 2017 capital budget	\$1,568,616
Committed for FY 2017 capital budget – Open Space	500,000
Committed for Education	1,408,121
<b>TOTAL COMMITTED FUND BALANCE</b>	<u>\$3,476,737</u>

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

**NOTE 9 – FUND EQUITY (continued)**

***FUND BALANCES (continued)***

**Unassigned fund balance**

Fund balance not designated for future expenditures	<u>\$6,671,540</u>
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<b>TOTAL FUND BALANCE</b>	<u><b>\$11,564,449</b></u>
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**NOTE 10 - 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, 2016.

**NOTE 11- RISK MANAGEMENT**

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

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

**NOTE 12 – 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 has an agreement with the local water authority which requires annual rental payments for fire hydrants. The agreement expires June 30, 2018 and requires annual payments of \$400 per hydrant. The minimum payments under this agreement for each of the years remaining in the agreement are expected to be approximately \$75,600.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

**NOTE 12 – CONTINGENCIES AND COMMITMENTS (continued)**

The Town has a commitment to fund its proportionate share of the 2016-2017 budget of the Bristol-Warren Regional School District in the amount of \$10,031,113 as well as appropriating a \$2,600,000 reserve committed for education relating to the appeal of the Bristol/Warren Regional School District court case.

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 13 – PENSION PLANS**

*(a) Defined Benefit Plans*

**General Information about the 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](http://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.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

**NOTE 13 – PENSION PLANS (continued)**

***(a) Defined Benefit Plans (continued)***

***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 Average Compensation (FAC):*** 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.

Subsequent to June 30, 2015, litigation challenging the various pension reform measures enacted in previous years by the General Assembly (2009, 2010, and 2011) was settled. 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, which have been included in the determination of the total pension liability at the June 30, 2015 measurement date and are reflected in the summary of benefit provisions described below.

***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 in (a) 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.

(continued)



**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

**NOTE 13 – PENSION PLANS (continued)**

*(a) Defined Benefit Plans (continued)*

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.

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.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

**NOTE 13 – PENSION PLANS (continued)**

***(b) Defined Benefit Plans (continued)***

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.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
 June 30, 2016

**NOTE 13 – PENSION PLANS (continued)**

*(c) Defined Benefit Plans (continued)*

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.

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 the every fourth year provision described in (i) 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, 2014 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	36	21	57
Inactive, Non-retired Members	8	7	15
Active Members	<u>43</u>	<u>23</u>	<u>66</u>
Total	87	51	138

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
 June 30, 2016

**NOTE 13 – PENSION PLANS (continued)**

*(a) Defined Benefit Plans (continued)*

**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 2% 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 10% 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 of Warren contributed \$240,333 to the General Employee Plan and \$443,483 to the Police and Fire Plan in the year ended June 30, 2016 which was 12.21% and 26.63% of annual covered payroll, respectively.

**Net Pension Liability (Asset)** - The total pension liability was determined by actuarial valuations performed as of June 30, 2014 and rolled forward to June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement.

<b>Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2015 measurement date (June 30, 2014 valuation rolled forward to June 30, 2015)</b>	
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	7.50%
Projected Salary Increases	General Employees - 3.50% to 7.50% ; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.75%
Mortality	<ul style="list-style-type: none"> <li>• Male Employees, MERS General and MERS P&amp;F: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.</li> <li>• Female Employees, MERS General and MERS P&amp;F: 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.</li> </ul>
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
 June 30, 2016

**NOTE 13 – PENSION PLANS (continued)**

*(a) Defined Benefit Plans (continued)*

The actuarial assumptions used in the June 30, 2014 valuation rolled forward to June 30, 2015 and the calculation of the total pension liability at June 30, 2014 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

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 23 sources. The June 30, 2015 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Type of Investment	Target Allocation	Long-term expected real rate of return
Global Equity:	38.0%	-
U.S. Equity	-	6.93%
International Developed	-	7.32%
International Emerging Markets	-	9.52%
Equity Hedge Funds	8.0%	3.98%
Private Equity	7.0%	9.99%
Core Fixed Income	15.0%	2.18%
Absolute Return Hedge Funds	7.0%	3.98%
Infrastructure	3.0%	5.70%
Real Estate	8.0%	4.85%
Other Real Return Assets:	11.0%	-
Master Limited Partnerships	-	4.51%
Credit	-	4.51%
Inflation Linked Bonds	-	1.24%
Cash, Overlay, Money Market	3.0%	7.80%
	<u>100.0%</u>	

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 7.5 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.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
 June 30, 2016

**NOTE 13 – PENSION PLANS (continued)**

*(a) Defined Benefit Plans (continued)*

<b>Changes in the Net Pension Liability (Asset)</b>			
<b>General Employees Plan</b>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2014	\$ 6,646,755	\$ 5,044,456	\$ 1,602,299
Changes for the Year			
Service cost	148,875	-	148,875
Interest on the total pension liability	488,988	-	488,988
Changes in benefits	103,895	-	103,895
Difference between expected and actual experience	(183,753)	-	(183,753)
Changes in assumptions	-	-	-
Employer contributions	-	255,456	(255,456)
Employee contributions	-	40,020	(40,020)
Net investment income	-	118,361	(118,361)
Benefit payments, including employee refunds	(402,697)	(402,697)	-
Administrative expense	-	(5,028)	5,028
Other changes	-	1	(1)
Net changes	155,308	6,113	149,195
Balances as of June 30, 2015	\$ 6,802,063	\$ 5,050,569	\$ 1,751,494

<b>Changes in the Net Pension Liability (Asset)</b>			
<b>Police and Fire Plan</b>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2014	\$ 13,189,947	\$ 9,272,018	\$ 3,917,929
Changes for the Year			
Service cost	283,991	-	283,991
Interest on the total pension liability	977,348	-	977,348
Changes in benefits	410,250	-	410,250
Difference between expected and actual experience	(275,870)	-	(275,870)
Changes in assumptions	-	-	-
Employer contributions	-	491,829	(491,829)
Employee contributions	-	129,208	(129,208)
Net investment income	-	222,765	(222,765)
Benefit payments, including employee refunds	(601,274)	(601,274)	-
Administrative expense	-	(8,939)	8,939
Other changes	-	1	(1)
Net changes	794,445	233,590	560,855
Balances as of June 30, 2015	\$ 13,984,392	\$ 9,505,608	\$ 4,478,784

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
 June 30, 2016

**NOTE 13 – PENSION PLANS (continued)**

*(a) Defined Benefit Plans (continued)*

<b>Changes in the Net Pension Liability (Asset)</b>			
<b>Aggregate Data of All Plans</b>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2014	\$ 19,836,702	\$ 14,316,474	\$ 5,520,228
Changes for the Year			
Service cost	432,866	-	432,866
Interest on the total pension liability	1,466,336	-	1,466,336
Changes in benefits	514,145	-	514,145
Difference between expected and actual experience	(459,623)	-	(459,623)
Changes in assumptions	-	-	-
Employer contributions	-	747,285	(747,285)
Employee contributions	-	169,228	(169,228)
Net investment income	-	341,126	(341,126)
Benefit payments, including employee refunds	(1,003,971)	(1,003,971)	-
Administrative expense	-	(13,967)	13,967
Other changes	-	2	(2)
Net changes	949,753	239,703	710,050
Balances as of June 30, 2015	\$ 20,786,455	\$ 14,556,177	\$ 6,230,278

**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 7.5 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:**

<b>1.00% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1.00 Increase (8.5%)</b>
\$ 2,473,937	\$ 1,751,494	\$ 1,160,158

**Police and Fire Plan:**

<b>1.00% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1.00 Increase (8.5%)</b>
\$ 5,939,367	\$ 4,478,784	\$ 3,283,459

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
 June 30, 2016

**NOTE 13 – PENSION PLANS (continued)**

*(a) Defined Benefit Plans (continued)*

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

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

For the year ended June 30, 2016, the employer recognized pension expense of \$266,143 for General Employees and \$747,260 for Police and Fire. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

**General Employees Plan:**

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Contributions subsequent to valuation date	\$ 240,323	\$ -
Difference in experience	-	155,741
Differences in assumptions	-	-
Excess(deficit) Investment Returns	204,611	203,044
Total	<u>\$ 444,934</u>	<u>\$ 358,785</u>

**Police and Fire Plan:**

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Contributions subsequent to valuation date	\$ 443,483	\$ -
Difference in experience	-	210,475
Differences in assumptions	-	60,051
Excess(deficit) Investment Returns	378,434	375,679
Total	<u>\$ 821,917</u>	<u>\$ 646,205</u>

**Total Aggregate Data from All Plans:**

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Contributions subsequent to valuation date	\$ 683,806	\$ -
Difference in experience	-	366,216
Differences in assumptions	-	60,051
Excess(deficit) Investment Returns	583,045	578,723
Total	<u>\$ 1,266,851</u>	<u>\$ 1,004,990</u>

(continued)



**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

**NOTE 13 – PENSION PLAN (continued)**

**(a) Defined Benefit Plans (continued)**

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

Year Ending June 30,	<b>General Employees</b> Net Deferred Outflows (Inflows) of Resources	<b>Police and Fire</b> Net Deferred Outflows (Inflows) of Resources	<b>Total</b> Net Deferred Outflows (Inflows) of Resources
2017	\$ (44,540)	\$ (108,252)	\$ (152,792)
2018	(44,540)	(108,252)	(152,792)
2019	(44,541)	(108,252)	(152,793)
2020	23,140	68,081	91,221
2021	(28,012)	(11,095)	(39,107)
Thereafter	(15,681)	-	( 15,681)
<b>Total</b>	<b>\$ (154,174)</b>	<b>\$ (267,770)</b>	<b>\$ (421,944)</b>

**(b) Defined Contribution Plan**

**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.

The Town of Warren recognized pension expense of \$17,507, for the fiscal year ended June 30, 2016.

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>.

(continued)

**TOWN OF WARREN**  
*Notes to the Financial Statements*  
*June 30, 2016*

**NOTE 14 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 5, 2016, the date the financial statements were available to be issued. As a result of this review, there were no material subsequent events noted.

## Required Supplementary Information

**TOWN OF WARREN, RHODE ISLAND**

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

General Fund  
For the year ended June 30, 2016

	Continuing Appropriation June 30, 2015	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Continuing Appropriation June 30, 2016	Under Over (Unfavorable)
<b>Revenues</b>						
General property taxes	\$ -	\$ 23,584,236	\$ 23,584,236	\$ 23,605,730	\$ -	\$ 21,494
Intergovernmental	-	623,225	623,225	741,294	-	118,069
Licenses, fees, permits and fines	-	1,355,758	1,355,758	1,563,289	-	207,531
Water and sewer use fees	-	64,500	64,500	69,839	-	5,339
Interest and investment income (loss)	-	168,500	168,500	217,655	-	49,155
Other	-	88,862	88,862	91,948	-	3,086
<b>Total revenues</b>	<b>-</b>	<b>25,885,081</b>	<b>25,885,081</b>	<b>26,289,755</b>	<b>-</b>	<b>404,674</b>
<b>Expenditures</b>						
General government	-	4,071,633	4,071,633	3,691,177	-	380,456
Town offices	-	888,919	888,919	916,574	-	(27,655)
Financial administration	-	236,272	236,272	234,506	-	1,766
Public safety	-	2,392,845	2,392,845	2,306,452	-	86,393
Fire safety	-	493,914	493,914	484,365	-	9,549
Waste water treatment	-	1,233,044	1,233,044	1,227,783	-	5,261
Public works	-	1,806,181	1,806,181	1,748,522	-	57,659
Grants and contributions	-	289,274	289,274	288,624	-	650
Education	-	12,831,999	12,831,999	11,425,896	-	1,406,103
Debt services	-	1,616,000	1,616,000	1,403,911	-	212,089
Cost of collections	-	25,000	25,000	-	-	25,000
Capital - Open Space	500,000	-	-	-	500,000	-
Capital	1,402,436	1,321,567	1,321,567	1,155,387	1,568,616	-
Capital - Emergency truck purchase	-	-	-	135,952	-	(135,952)
<b>Total expenditures</b>	<b>1,902,436</b>	<b>27,206,648</b>	<b>27,206,648</b>	<b>25,019,149</b>	<b>2,068,616</b>	<b>2,021,319</b>
<b>Excess of revenues over (under) expenditures before other financing sources (uses)</b>	<b>(1,902,436)</b>	<b>(1,321,567)</b>	<b>(1,321,567)</b>	<b>1,270,606</b>	<b>(2,068,616)</b>	<b>2,425,993</b>
<b>Other financing sources (uses)</b>						
Transfer from fund balance	-	-	-	135,952	-	135,952
Bond proceeds	-	1,321,567	1,321,567	1,321,567	-	-
Transfers in(out)	-	-	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>1,321,567</b>	<b>1,321,567</b>	<b>1,457,519</b>	<b>-</b>	<b>135,952</b>
<b>Excess (deficiency) of revenues over expenditures and other financing sources (uses)</b>	<b>\$ (1,902,436)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>2,728,125</b>	<b>\$ (2,068,616)</b>	<b>\$ 2,561,945</b>

Reconciliation to Exhibit B-2:

Reappropriation of Fund Balance	(135,952)
Bond proceeds other than for capital expenditures	2,078,433
Principal repayment of bonds from refunding	(2,210,000)
Excess of revenues over expenditures, GAAP Basis	<u>\$ 2,460,606</u>

**TOWN OF WARREN, RHODE ISLAND**

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

General Fund  
For the year ended June 30, 2016

	Continuing Appropriation June 30, 2015	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Continuing Appropriation June 30, 2016	Under Over (Unfavorable)
<b>General property taxes:</b>						
Real estate, tangible and motor vehicle	\$ -	\$ 23,584,236	\$ 23,584,236	\$ 23,605,730	\$ -	\$ 21,494
<b>Total general property taxes</b>	-	23,584,236	23,584,236	23,605,730	-	21,494
<b>Intergovernmental and departmental:</b>						
Excise tax/state	-	86,863	86,863	92,183	-	5,320
General state aid	-	50,918	50,918	51,809	-	891
PILOT - BCWA	-	95,000	95,000	94,343	-	(657)
Restaurant (meals) tax	-	256,000	256,000	356,943	-	100,943
Telephone tax transfer	-	134,444	134,444	135,886	-	1,442
Tax sale revenue	-	-	-	10,130	-	10,130
<b>Total intergovernmental and departmental</b>	-	623,225	623,225	741,294	-	118,069
<b>Licenses, fees, permits and fines:</b>						
Government center rent	-	10,000	10,000	9,636	-	(364)
Marriage, birth & death certificates	-	10,800	10,800	12,411	-	1,611
Municipal court revenue	-	45,000	45,000	48,466	-	3,466
Municipal lien certificates	-	-	-	8,385	-	8,385
MVQ - Head start rental	-	30,000	30,000	41,291	-	11,291
PILOT - Housing authority	-	40,000	40,000	33,536	-	(6,464)
Police fines and penalties	-	10,000	10,000	16,146	-	6,146
Police AFIS fingerprinting	-	-	-	(365)	-	(365)
Police reports	-	3,000	3,000	3,370	-	370
Police VIN checks	-	13,000	13,000	7,700	-	(5,300)
Revenue - Building/plumbing permits & fees	-	180,000	180,000	192,805	-	12,805
Revenue - Business taxes & licenses	-	50,408	50,408	53,675	-	3,267
Revenue - Completion fees	-	40,000	40,000	15,958	-	(24,042)
Revenue - Dog & kennel licenses	-	1,550	1,550	1,008	-	(542)
Revenue - Harbor	-	105,000	105,000	104,111	-	(889)
Revenue - Pavilion rental	-	3,500	3,500	6,475	-	2,975
Revenue - Photo copy	-	5,000	5,000	4,646	-	(354)
Revenue - Probate court fees	-	7,000	7,000	13,119	-	6,119
Revenue - Realty transfers	-	84,000	84,000	93,225	-	9,225
Revenue - Recording fees	-	77,000	77,000	86,722	-	9,722
Road cut permits	-	500	500	170	-	(330)
Road duty revenue	-	40,000	40,000	55,956	-	15,956
Third party billing	-	425,000	423,000	519,567	-	94,567
Zoning, fire & planning fees	-	10,000	10,000	16,649	-	6,649
Transfer station	-	165,000	165,000	218,627	-	53,627
<b>Total licenses, fees, permits and fines</b>	-	1,355,758	1,355,758	1,563,289	-	207,531
<b>Water and sewer user fees:</b>						
Sewer use fees	-	62,000	62,000	66,239	-	4,239
Sewer permits	-	2,500	2,500	3,600	-	1,100
<b>Total water and sewer fees</b>	-	64,500	64,500	69,839	-	5,339
<b>Interest:</b>						
Property tax interest	-	160,000	160,000	206,492	-	46,492
General fund investment earnings	-	8,500	8,500	11,163	-	2,663
<b>Total interest</b>	-	168,500	168,500	217,655	-	49,155
<b>Other:</b>						
Other miscellaneous receipts	-	5,000	5,000	8,086	-	3,086
Other sources/ social services/ senior center	-	83,862	83,862	83,862	-	-
<b>Total other</b>	-	88,862	88,862	91,948	-	3,086
<b>Total Operating Revenue</b>	-	25,885,081	25,885,081	26,289,755	-	404,674
<b>Other financing sources:</b>						
Bond proceeds	-	-	-	1,321,567	-	1,321,567
<b>Total other financing sources</b>	-	-	-	1,321,567	-	1,321,567
<b>Total revenue and other financing sources</b>	-	25,885,081	25,885,081	27,611,322	-	1,726,241

**TOWN OF WARREN, RHODE ISLAND**

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

General Fund  
For the year ended June 30, 2016

	Continuing Appropriation June 30, 2015	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Continuing Appropriation June 30, 2016	Under Over (Unfavorable)
<b>EXPENDITURES:</b>						
<b>GENERAL GOVERNMENT</b>						
ADVERTISING	\$ -	\$ 15,000	\$ 15,000	\$ 32,128	\$ -	\$ (17,128)
ATTENDANCE PREMIUMS	-	91,000	91,000	51,937	-	39,063
COMPUTER SERVICES	-	2,700	2,700	2,700	-	-
COPYING EXPENSE	-	7,200	7,200	5,677	-	1,523
ELECTRICITY/WATER AT PARKS	-	10,000	10,000	3,787	-	6,213
EMPLOYEE BENEFITS	-	1,357,000	1,357,000	1,157,869	-	199,131
FINANCING EXPENSES	-	5,000	5,000	1,505	-	3,495
FIRE HYDRANTS	-	76,000	76,000	76,000	-	-
GASB 45	-	4,750	4,750	-	-	4,750
GOVERNMENT CENTER	-	85,000	85,000	90,746	-	(5,746)
GOVERNMENT CENTER CUSTODIAN	-	46,815	46,815	48,319	-	(1,504)
LEAGUE OF CITIES & TOWNS	-	4,550	4,550	4,522	-	28
LONGEVITY	-	215,000	215,000	196,126	-	18,874
MARY V/MAIN/ LIBERTY SCHOOLS	-	50,000	50,000	37,327	-	12,673
POSTAGE	-	10,000	10,000	9,647	-	353
PROP. & LIAB. INSURANCE	-	540,000	540,000	530,813	-	9,187
RETIREE BENEFIT ADJUSTMENT	-	7,500	7,500	6,024	-	1,476
SOCIAL SECURITY TAX	-	378,000	378,000	338,831	-	39,169
STREET LIGHTING	-	237,000	237,000	222,850	-	14,150
TELEPHONE	-	8,000	8,000	6,230	-	1,770
TOWN AUDIT	-	25,000	25,000	25,875	-	(875)
TOWN EMPL. PENSION COST	-	780,000	780,000	708,156	-	71,844
TOWN HALL EXPENSES	-	59,303	59,303	59,095	-	208
TOWN HALL CUSTODIAN	-	46,815	46,815	48,330	-	(1,515)
UNEMPLOYMENT RESERVE ACCT.	-	10,000	10,000	18,042	-	(8,042)
UNCOLLECTIBLE RESERVE	-	-	-	8,641	-	(8,641)
<b>Total General Government</b>	-	<b>4,071,633</b>	<b>4,071,633</b>	<b>3,691,177</b>	-	<b>380,456</b>
<b>TOWN OFFICES</b>						
<b>Boards and Comissions</b>						
ADMINISTRATIVE OFFICER	-	5,356	5,356	4,367	-	989
CONSERVATION BOARD EXPENSE	-	1,000	1,000	968	-	32
ECONOMIC DEVELOPMENT	-	-	-	-	-	-
HISTORICAL COMMISSION	-	1,500	1,500	1,364	-	136
JUVENILE HEARING BOARD	-	1,800	1,800	2,100	-	(300)
PLANNING BOARD EXPENSES	-	1,800	1,800	70	-	1,730
PLANNING/ZONING STENOGRAPHER	-	4,800	4,800	1,800	-	3,000
TREE COMMISSION	-	400	400	400	-	-
ZONING BOARD EXPENSES	-	1,800	1,800	1,610	-	190
<b>Total Boards and Comissions</b>	-	<b>18,456</b>	<b>18,456</b>	<b>12,679</b>	-	<b>5,777</b>
<b>Building Inspector</b>						
BUILDING OFFICAL SALARY	-	56,086	56,086	56,512	-	(426)
BLDG. OFFICIAL CLERK	-	31,420	31,420	32,382	-	(962)
BLDG. OFFICE EXPENSE	-	3,940	3,940	3,937	-	3
COMPUTER SERVICES	-	1,800	1,800	1,152	-	648
OUTSIDE SERVICES	-	1,200	1,200	2,140	-	(940)
PLUMBING & ELECTRICAL INSPECTOR	-	11,248	11,248	11,401	-	(153)
ZONING/REGULATORY/ECON DEV LIAISON	-	5,356	5,356	5,356	-	-
<b>Total Building Inspector</b>	-	<b>111,050</b>	<b>111,050</b>	<b>112,880</b>	-	<b>(1,830)</b>
<b>Town Clerk</b>						
TOWN CLERKS SALARY - NON UNION	-	54,039	54,039	54,427	-	(388)
DEPUTY TOWN CLERK	-	44,429	44,429	44,766	-	(337)
DOCUMENT MANAGEMENT	-	4,604	4,604	4,604	-	-
INDEXING/COMPUTER FILING	-	15,000	15,000	14,100	-	900
COMPUTER SERVICES	-	2,250	2,250	2,190	-	60
PROBATE JUDGE	-	3,068	3,068	3,000	-	68
TOWN CLERK'S OFFICE EXPENSE	-	14,018	14,018	13,759	-	259
TOWN CLERK'S STAFF	-	62,840	62,840	64,764	-	(1,924)
MUNICIPAL COURT JUDGE	-	8,180	8,180	8,000	-	180
COMPUTER SERVICES	-	900	900	400	-	500
MUNICIPAL COURT EXPENSES	-	1,200	1,200	818	-	382
MUNICIPAL COURT CLERKS	-	15,682	15,682	14,922	-	760
CANVASSER'S EXPENSE	-	5,500	5,500	4,415	-	1,085
BOARD OF CANVASSERS	-	1,625	1,625	1,625	-	-
ELECTION OFFICIAL'S PAY	-	4,000	4,000	3,570	-	430
<b>Total Town Clerk</b>	-	<b>237,335</b>	<b>237,335</b>	<b>235,360</b>	-	<b>1,975</b>

## TOWN OF WARREN, RHODE ISLAND

Schedule of Revenue and Expenses (Non-GAAP Budgetary Basis)  
Budget and ActualGeneral Fund  
For the year ended June 30, 2016

	Continuing Appropriation June 30, 2015	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Continuing Appropriation June 30, 2016	Under Over (Unfavorable)
<b>Harbor Master</b>						
HARBOR MASTER PAY	\$ -	\$ 19,460	\$ 19,460	\$ 19,608	\$ -	\$ (148)
ASST. HARBOR MASTER PAY	-	5,778	5,778	5,632	-	146
OPERATING EXPENSES	-	15,000	15,000	13,741	-	1,259
DOCK MAINTENANCE EXPENSE	-	2,500	2,500	2,165	-	335
<b>Total Harbor Master</b>	-	<b>42,738</b>	<b>42,738</b>	<b>41,146</b>	-	<b>1,592</b>
<b>Town Manager</b>						
TOWN MANAGER SALARY	-	73,185	73,185	72,451	-	734
TOWN MANAGER EXPENSE	-	3,115	3,115	2,858	-	257
COMPUTER SERVICES	-	1,800	1,800	1,800	-	-
CLERK	-	31,420	31,420	32,382	-	(962)
OFFICE CLERK	-	8,908	8,908	6,713	-	2,195
CLERK'S OVERTIME	-	5,000	5,000	544	-	4,456
WEBSITE	-	15,000	15,000	143	-	14,857
PT GRANT WRITER/ COORDINATOR	-	16,928	16,928	6,966	-	9,962
<b>Total Town Manager</b>	-	<b>155,356</b>	<b>155,356</b>	<b>123,857</b>	-	<b>31,499</b>
<b>Town Offices</b>						
COUNCIL CONTINGENCY	-	15,575	15,575	15,299	-	276
PLANNING/ ZONING SOLICITOR	-	24,540	24,540	11,846	-	12,694
TOWN COUNCIL PAY	-	6,000	6,000	5,979	-	21
TOWN MODERATOR'S PAY	-	100	100	100	-	-
TOWN SERGEANT'S PAY	-	100	100	100	-	-
TOWN SOLICITOR'S PAY	-	97,138	97,138	125,036	-	(27,898)
TREE WARDEN	-	3,000	3,000	3,000	-	-
<b>Total Town Offices</b>	-	<b>146,453</b>	<b>146,453</b>	<b>161,360</b>	-	<b>(14,907)</b>
<b>Town Planner</b>						
TOWN PLANNER	-	27,193	27,193	91,234	-	(64,041)
COMPUTER SERVICES	-	500	500	500	-	-
GENERAL & OFFICE EXPENSE	-	934	934	813	-	121
GIS MAPPING SOFTWARE/EQUIPMENT	-	7,000	7,000	7,000	-	-
MATCH FOR GRANTS	-	10,022	10,022	600	-	9,422
BUSINESS OUTREACH SERVICES (EZ)	-	-	-	3,000	-	(3,000)
<b>Total Town Planner</b>	-	<b>45,649</b>	<b>45,649</b>	<b>103,147</b>	-	<b>(57,498)</b>
<b>Recreation</b>						
RECREATION BOARD EXPENSE	-	13,171	13,171	13,095	-	76
PARK SUPERVISOR WAGES	-	34,586	34,586	30,477	-	4,109
RECREATION DIRECTOR WAGES	-	15,683	15,683	15,366	-	317
RECREATION BOARD SECRETARY	-	350	350	-	-	350
<b>Total Recreation</b>	-	<b>63,790</b>	<b>63,790</b>	<b>58,938</b>	-	<b>4,852</b>
<b>Senior Center</b>						
SENIOR CENTER DIRECTOR	-	31,928	31,928	32,170	-	(242)
SENIOR CENTER - MEAL SITE MANAGER	-	1,597	1,597	1,597	-	-
SENIOR CENTER - COMPUTER SERVICES	-	900	900	887	-	13
SENIOR CENTER MAINTENANCE	-	2,663	2,663	2,560	-	103
<b>Total Senior Center</b>	-	<b>37,088</b>	<b>37,088</b>	<b>37,214</b>	-	<b>(126)</b>
<b>Social Services</b>						
SOCIAL SERVICES DIRECTOR'S PAY	-	14,529	14,529	14,420	-	109
COMPUTER SERVICES	-	900	900	-	-	900
SOCIAL SERVICE EXPENSE	-	15,575	15,575	15,573	-	2
<b>Total Social Services</b>	-	<b>31,004</b>	<b>31,004</b>	<b>29,993</b>	-	<b>1,011</b>
<b>TOTAL TOWN OFFICES</b>	-	<b>888,919</b>	<b>888,919</b>	<b>916,574</b>	-	<b>(27,655)</b>
<b>FINANCIAL ADMINISTRATION</b>						
<b>Treasury</b>						
FINANCIAL DIRECTOR'S SALARY	-	65,265	65,265	65,761	-	(496)
FINANCIAL CLERKS	-	62,840	62,840	64,764	-	(1,924)
OFFICE EXPENSE	-	5,192	5,192	5,148	-	44
COMPUTER SERVICES	-	3,000	3,000	3,000	-	-
PAYROLL PROCESSING & SERVICES	-	11,630	11,630	9,995	-	1,635
OUTSIDE SERVICES	-	22,440	22,440	21,443	-	997
<b>Total Treasury</b>	-	<b>170,367</b>	<b>170,367</b>	<b>170,111</b>	-	<b>256</b>
<b>Assessor</b>						
TAX ASSESSOR'S SALARY	-	48,129	48,129	46,666	-	1,463
COMPUTER SERVICES	-	900	900	900	-	-
OFFICE EXPENSE	-	5,687	5,687	5,687	-	-
OUTSIDE SERVICES	-	11,189	11,189	11,142	-	47
<b>Total Assessor</b>	-	<b>65,905</b>	<b>65,905</b>	<b>64,395</b>	-	<b>1,510</b>
<b>TOTAL FINANCIAL ADMINISTRATION</b>	-	<b>236,272</b>	<b>236,272</b>	<b>234,506</b>	-	<b>1,766</b>

**TOWN OF WARREN, RHODE ISLAND**

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

General Fund  
For the year ended June 30, 2016

	Continuing Appropriation June 30, 2015	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Continuing Appropriation June 30, 2016	Under Over (Unfavorable)
<b>FIRE SAFETY</b>						
FIRE CHIEF SALARY	\$ -	\$ 66,530	\$ 66,530	\$ 67,036	\$ -	\$ (506)
FIRE/EMS COORINATOR	-	31,420	31,420	23,001	-	8,419
EMA/EMS DIRECTOR (FIRE CHIEF)	-	4,800	4,800	4,800	-	-
APPARATUS REPAIR	-	22,440	22,440	46,582	-	(24,142)
ASSISTANT CHIEFS/DEPUTY	-	3,681	3,681	3,681	-	-
BAKER STREET STATION	-	6,000	6,000	5,382	-	618
CLOTHING	-	1,500	1,500	1,500	-	-
COMMUNICATIONS	-	14,340	14,340	14,330	-	10
COMPANY FEES	-	14,322	14,322	14,322	-	-
COMPANY STEWARDS	-	11,250	11,250	9,686	-	1,564
COMPUTER SERVICES	-	2,475	2,475	2,105	-	370
EQUIPMENT EXPENSES	-	43,605	43,605	43,605	-	-
FIREFIGHTER GEAR	-	10,414	10,414	8,467	-	1,947
FUEL/DIESEL	-	30,000	30,000	18,601	-	11,399
MEDICAL SUPPLIES	-	28,560	28,560	26,437	-	2,123
OPERATING EXPENSES	-	63,240	63,240	59,460	-	3,780
RESCUE STIPEND	-	106,902	106,902	105,772	-	1,130
STATION UPKEEP	-	10,435	10,435	10,096	-	339
TRAINING EXPENSES	-	11,000	11,000	13,459	-	(2,459)
OUTSIDE SERVICES	-	11,000	11,000	6,043	-	4,957
<b>TOTAL FIRE SAFETY</b>	-	<b>493,914</b>	<b>493,914</b>	<b>484,365</b>	-	<b>9,549</b>
<b>GRANTS &amp; CONTRIBUTIONS</b>						
BAND CONCERTS	-	1,000	1,000	1,000	-	-
DISCOVER WARREN	-	2,500	2,500	2,500	-	-
EAST BAY ARC OF RI	-	-	-	-	-	-
EAST BAY CENTER	-	15,000	15,000	15,000	-	-
EAST BAY COMM. ACTION PROG.	-	17,000	17,000	17,000	-	-
GEORGE HALIE LIBRARY	-	245,138	245,138	245,138	-	-
MEMORIAL DAY	-	2,500	2,500	2,350	-	150
MOSAICO	-	500	500	-	-	500
SUBSTANCE ABUSE - GRANT MATCH	-	3,136	3,136	3,136	-	-
VISITING NURSES	-	1,000	1,000	1,000	-	-
WARREN ARTS NIGHT	-	1,500	1,500	1,500	-	-
<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>	-	<b>289,274</b>	<b>289,274</b>	<b>288,624</b>	-	<b>650</b>
<b>PUBLIC SAFETY</b>						
POLICE CHIEF SALARY	-	82,261	82,261	82,886	-	(625)
ADMINISTRATIVE ASSISTANT	-	16,928	16,928	16,928	-	-
ADVANCED DEGREE INCENTIVE	-	9,400	9,400	8,250	-	1,150
AFIS MAINTENANCE CONTRACT	-	4,000	4,000	3,730	-	270
CLOTHING	-	35,700	35,700	34,000	-	1,700
EQUIPMENT/VEHICLES	-	-	-	3,817	-	(3,817)
COMMUNICATIONS EXPENSE	-	9,553	9,553	9,553	-	-
COMPUTER SYSTEM COSTS	-	17,600	17,600	17,384	-	216
DISABILITY EXPENSE	-	90,420	90,420	88,645	-	1,775
EQUIPMENT REPLACEMENT	-	5,311	5,311	-	-	5,311
FUEL - CRUISER EXPENSE	-	56,035	56,035	34,026	-	22,009
HOLIDAY PAY	-	76,074	76,074	71,213	-	4,861
INCENTIVE EDUCATION ACT	-	17,424	17,424	1,527	-	15,897
IN-SERVICE TRAINING	-	18,324	18,324	17,070	-	1,254
OVER-TIME REGULAR	-	279,000	279,000	322,947	-	(43,947)
POLICE OPERATION EXPENSE	-	58,408	58,408	50,698	-	7,710
POLICE SHIFT DIFFERENTIAL	-	17,904	17,904	12,916	-	4,988
SERVING OFFICERS	-	1,236,208	1,236,208	1,195,849	-	40,359
COMMUNICATIONS SERV/MAINT CONTRACT	-	24,900	24,900	21,288	-	3,612
DISPATCHERS	-	209,469	209,469	216,192	-	(6,723)
DISPATCH OVERTIME	-	31,190	31,190	53,006	-	(21,816)
DISPATCHERS DIFFERENTIAL	-	3,100	3,100	2,886	-	214
CLOTHING ALLOWANCE-DISP	-	4,000	4,000	4,000	-	-
HOLIDAY PAY - DISPATCHERS	-	13,500	13,500	10,159	-	3,341
ANIMAL CONTROL OFFICER	-	42,766	42,766	9,155	-	33,611
ASSIST. ANIMAL CONTROL OFFICER	-	13,325	13,325	8,803	-	4,522
OVERTIME	-	2,673	2,673	510	-	2,163
CLOTHING	-	550	550	-	-	550
GENERAL & OPERATING EXPENSES	-	16,822	16,822	9,014	-	7,808
<b>TOTAL PUBLIC SAFETY</b>	-	<b>2,392,845</b>	<b>2,392,845</b>	<b>2,306,452</b>	-	<b>86,393</b>



**TOWN OF WARREN, RHODE ISLAND**Schedule of Revenues and Expenses (Non-GAAP Budgetary Basis)  
Budget and ActualGeneral Fund  
For the year ended June 30, 2016

	Continuing Appropriation June 30, 2015	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Continuing Appropriation June 30, 2016	Under Over (Unfavorable)
<b>PUBLIC WORKS</b>						
DIRECTOR'S SALARY	\$ -	\$ 67,869	\$ 67,869	\$ 68,385	\$ -	\$ (516)
CLOTHING	-	12,650	12,650	12,650	-	-
COMPUTER SERVICES	-	3,465	3,465	1,740	-	1,725
CONTRACTUAL PAYROLL	-	861,037	861,037	792,223	-	68,814
ENGINEERING SERVICE	-	4,000	4,000	2,332	-	1,668
EQUIPMENT EXPENSES	-	90,000	90,000	101,079	-	(11,079)
FIELD MAINT	-	5,000	5,000	3,384	-	1,616
FOREMAN'S SALARY	-	54,039	54,039	54,450	-	(411)
FUEL/ DIESEL	-	65,000	65,000	33,108	-	31,892
MOSQUITO CONTROL	-	1,500	1,500	-	-	1,500
OPERATION'S EXPENSE	-	90,000	90,000	88,755	-	1,245
OTHER PART TIME/ DITCH CLEANING	-	25,950	25,950	18,177	-	7,773
OUTSIDE SERVICES	-	24,433	24,433	24,327	-	106
OVERTIME	-	55,000	55,000	42,856	-	12,144
TRASH COLLECTION	-	158,000	158,000	157,424	-	576
TIPPING FEES	-	200,000	200,000	220,192	-	(20,192)
TRANSFER STATION OVERTIME	-	9,544	9,544	9,544	-	-
GENERAL EXPENSES	-	7,344	7,344	48,246	-	(40,902)
VEHICLE & EQUIPMENT MAINTENANCE	-	43,350	43,350	57,672	-	(14,322)
UTILITIES & FUEL	-	28,000	28,000	11,978	-	16,022
<b>TOTAL DEPARTMENT OF PUBLIC WORKS</b>	-	<b>1,806,181</b>	<b>1,806,181</b>	<b>1,748,522</b>	-	<b>57,659</b>
<b>WATER TREATMENT</b>						
OPERATION CONTRACT	-	601,844	601,844	642,398	-	(10,554)
PLANT OPERATION EXPENSE	-	418,200	418,200	417,908	-	292
RI WATER RESOURCE PERMIT	-	5,000	5,000	4,955	-	45
SLUDGE DISPOSAL	-	180,000	180,000	179,630	-	370
WASTE WATER MGT DISTRICT EXPENSE	-	28,000	28,000	12,892	-	15,108
<b>TOTAL WATER TREATMENT</b>	-	<b>1,233,044</b>	<b>1,233,044</b>	<b>1,227,783</b>	-	<b>5,261</b>
<b>COSTS OF COLLECTION</b>	-	<b>25,000</b>	<b>25,000</b>	<b>-</b>	-	<b>25,000</b>
<b>CAPITAL EXPENDITURES</b>						
Capital - Open Space	500,000	-	-	-	500,000	-
Capital	1,402,436	1,321,567	1,321,567	1,155,387	1,568,616	-
Capital - Emergency truck purchase	-	-	-	135,952	-	(135,952)
<b>TOTAL CAPITAL</b>	<b>1,902,436</b>	<b>1,321,567</b>	<b>1,321,567</b>	<b>1,291,339</b>	<b>2,068,616</b>	<b>(135,952)</b>
<b>DEBT SERVICE</b>	-	<b>1,616,000</b>	<b>1,616,000</b>	<b>1,403,911</b>	-	<b>212,089</b>
<b>EDUCATION GENERAL COST (NET)</b>	-	<b>12,831,999</b>	<b>12,831,999</b>	<b>11,425,896</b>	-	<b>1,406,103</b>
<b>Total Expenditures</b>	<b>1,902,436</b>	<b>27,206,648</b>	<b>27,206,648</b>	<b>25,019,149</b>	<b>2,068,616</b>	<b>2,021,319</b>
<b>Other financing sources/(uses):</b>						
Transfer out	-	-	-	-	-	-
<b>Total Other financing sources/(uses)</b>	-	-	-	-	-	-
<b>Total Expenditures and other financing sources/(uses)</b>	<b>\$ 1,902,436</b>	<b>\$ 27,206,648</b>	<b>\$ 27,206,648</b>	<b>\$ 25,019,149</b>	<b>\$ 2,068,616</b>	<b>\$ 2,021,319</b>

**TOWN OF WARREN, RHODE ISLAND**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2016**

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**MERS - Town**  
**Schedule of Changes in Net Pension Liability and Related Ratios Multiyear**

**Last 10 Fiscal Years (to be built prospectively)**

Measurement period ending June 30,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Total Pension Liability</b>										
Service Cost	\$ 148,875	\$ 165,795								
Interest on the Total Pension Liability	488,988	478,136								
Benefit Changes	103,895	-								
Difference Between Expected and Actual Experience	(183,753)	-								
Assumption Changes	-	(62,439)								
Benefit Payments	(402,697)	(453,981)								
<b>Net Change in Total Pension Liability</b>	<b>155,308</b>	<b>127,511</b>								
<b>Total Pension Liability - Beginning</b>	<b>6,646,755</b>	<b>6,519,244</b>								
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 6,802,063</b>	<b>\$ 6,646,755</b>								
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 255,456	\$ 270,622								
Employee Contributions	40,020	40,521								
Pension Plan Net Investment income	118,361	671,865								
Benefit Payments	(402,697)	(453,981)								
Pension Plan Administrative Expense	(5,028)	(4,207)								
Other Changes in Plan Fiduciary Net Position	1	(1)								
<b>Net Change in Plan Fiduciary Net Position</b>	<b>6,113</b>	<b>524,819</b>								
<b>Plan Fiduciary Net Position - Beginning</b>	<b>5,044,456</b>	<b>4,519,637</b>								
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 5,050,569</b>	<b>\$ 5,044,456</b>								
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>1,751,494</b>	<b>1,602,299</b>								
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>74.25%</b>	<b>75.89%</b>								
<b>Covered Employee Payroll</b>	<b>\$ 1,906,207</b>	<b>\$ 1,999,936</b>								
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	<b>91.88%</b>	<b>80.12%</b>								

**TOWN OF WARREN, RHODE ISLAND**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2016**

**MERS - Town**  
**Schedule of Contributions Multiyear**  
**Last 10 Fiscal Years**

FY Ending June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
(a)	(b)	(c)	(d)	(e)	(f)
2015	\$ 263,692	\$ 249,323	\$ 14,369	\$ 2,064,934	12.07%
2016	\$ 249,563	\$ 240,333	\$ 9,230	\$ 1,968,159	12.21%

<b>Notes to Schedule</b>	
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	21 years
Inflation	2.75%
Salary Increases	General Employees - 3.50% to 7.50%
	Police & Fire Employees - 4.00% to 14.00%
Investment rate of return	7.50%
Retirement age	Varies depending on Years of Service and Age
Mortality	Male Employees, MERS General and MERS P&F: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.
	Female Employees, MERS General and MERS P&F: 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

**TOWN OF WARREN, RHODE ISLAND**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2016**

**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,	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Total Pension Liability</b>											
Service Cost	\$ 283,991	\$ 260,526									
Interest on the Total Pension Liability	977,348	938,251									
Benefit Changes	410,250	-									
Difference Between Expected and Actual Experience	(275,870)	-									
Assumption Changes	-	(84,529)									
Benefit Payments	(601,274)	(608,108)									
<b>Net Change in Total Pension Liability</b>	<b>794,445</b>	<b>506,140</b>									
<b>Total Pension Liability - Beginning</b>	<b>13,189,947</b>	<b>12,683,807</b>									
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 13,984,392</b>	<b>\$ 13,189,947</b>									
<b>Plan Fiduciary Net Position</b>											
Employer Contributions	\$ 491,829	\$ 343,729									
Employee Contributions	129,208	111,691									
Pension Plan Net Investment income	222,765	1,234,929									
Benefit Payments	(601,274)	(608,108)									
Pension Plan Administrative Expense	(8,939)	(7,733)									
Other Changes in Plan Fiduciary Net Position	1	(1)									
<b>Net Change in Plan Fiduciary Net Position</b>	<b>233,590</b>	<b>1,074,507</b>									
<b>Plan Fiduciary Net Position - Beginning</b>	<b>9,272,018</b>	<b>8,197,511</b>									
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 9,505,608</b>	<b>\$ 9,272,018</b>									
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>4,478,784</b>	<b>3,917,929</b>									
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>67.97%</b>	<b>70.30%</b>									
<b>Covered Employee Payroll</b>	<b>\$ 1,609,012</b>	<b>\$ 1,497,273</b>									
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	<b>278.36%</b>	<b>261.67%</b>									

**TOWN OF WARREN, RHODE ISLAND**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2016**

**MERS - Police & Fire Department**  
**Schedule of Contributions Multiyear**  
**Last 10 Fiscal Years**

FY Ending June 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
(a)	(b)	(c)	(d)	(e)	(f)
2015	\$ 472,807	\$ 492,316	\$ (19,509)	\$ 1,549,677	31.77%
2016	\$ 484,200	\$ 443,483	\$ 40,717	\$ 1,624,834	27.29%

Notes to Schedule	
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	21 years
Inflation	2.75%
Salary Increases	General Employees - 3.50% to 7.50% Police & Fire Employees - 4.00% to 14.00%
Investment rate of return	7.50%
Retirement age	Varies depending on Years of Service and Age
Mortality	Male Employees, MERS General and MERS P&F: 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.
	Female Employees, MERS General and MERS P&F: 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

**TOWN OF WARREN, RHODE ISLAND**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2016**

**Other Post-Employment Benefits**  
Schedule of Funding Progress

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as Percentage of Covered Payroll</b>
7/1/2009	\$ 700,000	\$ 3,018,423	\$ (2,318,423)	23.19%	\$ 3,019,466	-76.78%
7/1/2012	739,870	4,332,008	(3,592,138)	17.08%	2,935,090	-122.39%
7/1/2014	745,277	4,369,521	(3,624,244)	17.06%	3,302,667	-109.74%

**TOWN OF WARREN**  
*Notes to Required Supplementary Information*  
*June 30, 2016*

***BUDGETARY DATA***

The Town Council adopts an annual budget for the General Fund. The Town Council is authorized to transfer budgeted amounts within and among departments and to authorize emergency expenditures. Any revisions that alter total expenditures must be approved by the taxpayers by a vote at the Financial Town Meeting. Management cannot make any transfers without prior Council approval. The governing Council made no supplemental budgetary appropriation during the 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 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.

***Budgetary to GAAP Basis Reconciliation***

Excess of revenues and other sources over expenditures and other uses Non-GAAP Budgetary Basis	\$2,728,125
Reappropriation of Fund Balance	(135,952)
Bond proceeds other than for capital expenditures	2,078,433
Principal repayment of bonds from refunding	<u>(2,210,000)</u>
Excess of revenues over expenditures, GAAP Basis	<u>\$2,460,606</u>

**TOWN OF WARREN**  
*Notes to Required Supplementary Information*  
*June 30, 2016*

***MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS)***

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

The schedules are intended to show information for 10 years – additional years will be displayed as they become available.

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.

**Changes in benefit provisions –**

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 based on the member's years of service (an additional .25% for members with 10-15 years of service and .50% for members with 15-20 years of service) . 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 7/1/2012 will receive 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.



**TOWN OF WARREN**  
*Notes to Required Supplementary Information*  
*June 30, 2016*

***MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) (continued)***

- 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.

## Other Supplementary Information

## **Non-Major Government Funds:**

Enterprise Zone – accounts for activity of the regional Enterprise Zone coordinator and related economic development initiatives.

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

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

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

Rec. Department Donation – accounts for revenue from donations towards the recreation department activity.

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

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

## **Non-Major Government Funds:**

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.

USDA Police Vehicle – accounts for the revenues and expenditures for the purchases of police vehicles.

ACO Donations – accounts for donations for ACO activities.

Cops That Care – accounts for revenues and expenditures related to activities for Cops That Care program.

Social Services 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.

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

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.

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

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

## **Non-Major Government Funds:**

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

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

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

Recreational Trails Grant - accounts for revenues and expenditures related to Recreation Trails Grant.

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).

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

Jamiel's Park Softball Field – accounts for activity related to the softball field located in 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).

## **Non-Major Government Funds:**

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

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 Community Development Block Grant programs.

Veterans Honor Roll - accounts for revenues and expenditures related to the maintenance of Veteran Honor Roll memorial.

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

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

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

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

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

## **Non-Major Government Funds:**

Document Preservation – Accounts 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 Sara B. Burtis Trust.

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds						
	Enterprise Zone	Senior Center	Road Duty	Tourister Peer Review	Rec Department Donation	In-Line Skate Rink	Gun Buy Back
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,772	\$ 59,323	\$ 4,407	\$ 6,465	\$ 11,875	\$ 18,000	\$ 2,000
Cash on deposit	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from federal and state	-	-	-	-	-	-	-
Receivables (net)	-	-	1,688	-	-	-	-
<b>TOTAL ASSETS</b>	<b>2,772</b>	<b>59,323</b>	<b>6,095</b>	<b>6,465</b>	<b>11,875</b>	<b>18,000</b>	<b>2,000</b>
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	-	-	-
Accrued expenses	-	-	3,825	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>3,825</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Non-Spendable	-	-	-	-	-	-	-
Restricted	2,772	59,323	2,270	6,465	11,875	18,000	2,000
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 2,772</b>	<b>\$ 59,323</b>	<b>\$ 2,270</b>	<b>\$ 6,465</b>	<b>\$ 11,875</b>	<b>\$ 18,000</b>	<b>\$ 2,000</b>



**TOWN OF WARREN, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds						
	WPD RI Senatorial Grant	Recycling Grant	Planning Challenge Grant	Historical Cemetery Fund	Community Gardens	USDA Police Vehicle	ACO Donations
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,657	\$ 73	\$ -	\$ 400	\$ 2,317	\$ -	\$ 34,343
Cash on deposit	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from federal and state Receivables (net)	-	-	5,213	-	-	23,000	-
	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>1,657</b>	<b>73</b>	<b>5,213</b>	<b>400</b>	<b>2,317</b>	<b>23,000</b>	<b>34,343</b>
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	1,093	-	-	-	-
Unearned revenue	-	-	4,120	-	-	23,000	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>5,213</b>	<b>-</b>	<b>-</b>	<b>23,000</b>	<b>-</b>
<b>FUND BALANCES</b>							
Non-Spendable	-	-	-	-	-	-	-
Restricted	1,657	73	-	400	2,317	-	34,343
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 1,657</b>	<b>\$ 73</b>	<b>\$ -</b>	<b>\$ 400</b>	<b>\$ 2,317</b>	<b>\$ -</b>	<b>\$ 34,343</b>

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds						
	Cops that Care	Social Services Donations	Marjuana Grant	Beautification Donation	Warren Animal Rescue	Baker Street Musuem	Animal Spaying
<b>ASSETS</b>							
Cash and cash equivalents	\$ 21	\$ 8,489	\$ 43,635	\$ 3,372	\$ 38,738	\$ 1,275	\$ 812
Cash on deposit	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from federal and state	-	-	30,817	-	-	-	-
Receivables (net)	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>21</b>	<b>8,489</b>	<b>74,452</b>	<b>3,372</b>	<b>38,738</b>	<b>1,275</b>	<b>812</b>
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	50	-	-
Accrued expenses	-	-	630	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	21,820	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>22,450</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Non-Spendable	-	-	-	-	-	-	-
Restricted	21	8,489	52,002	3,372	38,688	1,275	812
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 21</b>	<b>\$ 8,489</b>	<b>\$ 52,002</b>	<b>\$ 3,372</b>	<b>\$ 38,688</b>	<b>\$ 1,275</b>	<b>\$ 812</b>

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds						
	Police Bicycle Patrol Grant	AFIS Live Scan Fed Grant	RI State Byrnes Justice Grant	Memorial Tree Fund	Stormwater Permitting	Recreational Trails Grant	Summer Concerts
<b>ASSETS</b>							
Cash and cash equivalents	\$ 3,264	\$ 250	\$ -	\$ 401	\$ 26,923	\$ -	\$ 2,510
Cash on deposit	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from federal and state	-	-	-	-	-	123,549	-
Receivables (net)	-	-	711	-	-	-	-
<b>TOTAL ASSETS</b>	<b>3,264</b>	<b>250</b>	<b>711</b>	<b>401</b>	<b>26,923</b>	<b>123,549</b>	<b>2,510</b>
<b>LIABILITIES</b>							
Accounts payable	-	-	569	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	162	-	-	45,033	-
Unearned revenue	-	-	-	-	-	45,490	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>731</b>	<b>-</b>	<b>-</b>	<b>90,523</b>	<b>-</b>
<b>FUND BALANCES</b>							
Non-Spendable	-	-	-	-	-	-	-
Restricted	3,264	250	-	401	26,923	33,026	2,510
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	(20)	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 3,264</b>	<b>\$ 250</b>	<b>\$ (20)</b>	<b>\$ 401</b>	<b>\$ 26,923</b>	<b>\$ 33,026</b>	<b>\$ 2,510</b>

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds						
	Project Playground	Jamiel's Park Picnic Shelter	Jamiel's Park Softball Field	Substance Abuse	Fire Inspections	Jamiel's Park DEM Grant	Fire State Meds Plan
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,424	\$ -	\$ -	\$ 14,173	\$ 15,226	\$ -	\$ 11,022
Cash on deposit	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from federal and state Receivables (net)	-	67,755	32,500	2,953	-	200,000	-
<b>TOTAL ASSETS</b>	<b>2,424</b>	<b>67,755</b>	<b>32,500</b>	<b>17,126</b>	<b>15,226</b>	<b>200,000</b>	<b>11,022</b>
<b>LIABILITIES</b>							
Accounts payable	-	-	3,902	-	-	-	-
Accrued expenses	-	-	-	527	-	-	-
Due to other funds	-	-	2,970	-	-	18,102	-
Unearned revenue	-	67,755	25,628	-	-	187,774	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>67,755</b>	<b>32,500</b>	<b>527</b>	<b>-</b>	<b>205,876</b>	<b>-</b>
<b>FUND BALANCES</b>							
Non-Spendable	-	-	-	-	-	-	-
Restricted	2,424	-	-	16,599	15,226	-	11,022
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(5,876)	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 2,424</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,599</b>	<b>\$ 15,226</b>	<b>\$ (5,876)</b>	<b>\$ 11,022</b>

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds						
	FEMA Sandy Event	Community Development Block Grant	Veterans Honor Roll	Government Center	Ship Shape	Holiday Committee	Narcotics
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,457	\$ -	\$ 17,738	\$ 2,107	\$ 800	\$ -	\$ 6,625
Cash on deposit	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from federal and state	-	-	-	-	-	-	-
Receivables (net)	-	180,177	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>4,457</b>	<b>180,177</b>	<b>17,738</b>	<b>2,107</b>	<b>800</b>	<b>-</b>	<b>6,625</b>
<b>LIABILITIES</b>							
Accounts payable	-	1,760	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	83,650	-	-	-	-	-
Unearned revenue	-	72,534	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>157,944</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Non-Spendable	-	-	-	-	-	-	-
Restricted	4,457	22,233	17,738	2,107	800	-	6,625
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 4,457</b>	<b>\$ 22,233</b>	<b>\$ 17,738</b>	<b>\$ 2,107</b>	<b>\$ 800</b>	<b>\$ -</b>	<b>\$ 6,625</b>

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds	Capital Project Fund	Permanent Funds			GRAND TOTAL
	Employee Charity Fund	RI Infrastructure Bank Bond 2016	Document Preservation	Police Trust	Sara B. Burtis	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 330	\$ -	\$ 6,036	\$ 3,141	\$ -	\$ 357,401
Cash on deposit	-	1,190,450	-	-	-	1,190,450
Investments	-	-	-	-	27,339	27,339
Due from federal and state	-	-	-	-	-	182,579
Receivables (net)	-	-	-	-	-	485,784
<b>TOTAL ASSETS</b>	<b>330</b>	<b>1,190,450</b>	<b>6,036</b>	<b>3,141</b>	<b>27,339</b>	<b>2,243,553</b>
<b>LIABILITIES</b>						
Accounts payable	-	247,445	-	-	-	253,726
Accrued expenses	-	-	-	-	-	4,982
Due to other funds	-	-	-	-	-	151,010
Unearned revenue	-	-	-	-	-	448,121
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>247,445</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>857,839</b>
<b>FUND BALANCES</b>						
Non-Spendable	-	-	6,036	3,141	27,339	36,516
Restricted	330	943,005	-	-	-	1,355,094
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(5,896)
<b>TOTAL FUND BALANCES</b>	<b>\$ 330</b>	<b>\$ 943,005</b>	<b>\$ 6,036</b>	<b>\$ 3,141</b>	<b>\$ 27,339</b>	<b>\$ 1,385,714</b>

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds						
	Enterprise Zone	Senior Center	Road Duty	Tourister Peer Review	Rec Department Donation	In-Line Skate Rink	Gun Buy Back
REVENUES							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees, permits and fines	-	-	-	-	-	-	-
Intergovernmental	-	43,851	202,132	20,000	1,100	15,000	-
Other	-	161	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>44,012</b>	<b>202,132</b>	<b>20,000</b>	<b>1,100</b>	<b>15,000</b>	<b>-</b>
EXPENDITURES							
General government	6,410	39,736	-	19,530	3,000	-	-
Public safety	-	-	202,486	-	-	-	-
Fire safety	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>6,410</b>	<b>39,736</b>	<b>202,486</b>	<b>19,530</b>	<b>3,000</b>	<b>-</b>	<b>-</b>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	(6,410)	4,276	(354)	470	(1,900)	15,000	-
OTHER FINANCING SOURCES/USES							
Transfer in	-	-	-	-	-	-	-
<b>NET OTHER SOURCES/USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(6,410)</b>	<b>4,276</b>	<b>(354)</b>	<b>470</b>	<b>(1,900)</b>	<b>15,000</b>	<b>-</b>
FUND BALANCE - BEGINNING	9,182	55,047	2,624	5,995	13,775	3,000	2,000
<b>FUND BALANCE - ENDING</b>	<b>\$ 2,772</b>	<b>\$ 59,323</b>	<b>\$ 2,270</b>	<b>\$ 6,465</b>	<b>\$ 11,875</b>	<b>\$ 18,000</b>	<b>\$ 2,000</b>

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds						
	Police Bicycle Patrol Grant	AFIS Live Scan Fed Grant	RI State Byrnes Justice Grant	Memorial Tree Fund	Stormwater Permitting	Recreational Trails Grant	Summer Concerts
<b>ASSETS</b>							
Cash and cash equivalents	\$ 3,264	\$ 250	\$ -	\$ 401	\$ 26,923	\$ -	\$ 2,510
Cash on deposit	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from federal and state	-	-	-	-	-	123,549	-
Receivables (net)	-	-	711	-	-	-	-
<b>TOTAL ASSETS</b>	<b>3,264</b>	<b>250</b>	<b>711</b>	<b>401</b>	<b>26,923</b>	<b>123,549</b>	<b>2,510</b>
<b>LIABILITIES</b>							
Accounts payable	-	-	569	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	162	-	-	45,033	-
Unearned revenue	-	-	-	-	-	45,490	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>731</b>	<b>-</b>	<b>-</b>	<b>90,523</b>	<b>-</b>
<b>FUND BALANCES</b>							
Non-Spendable	-	-	-	-	-	-	-
Restricted	3,264	250	-	401	26,923	33,026	2,510
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	(20)	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 3,264</b>	<b>\$ 250</b>	<b>\$ (20)</b>	<b>\$ 401</b>	<b>\$ 26,923</b>	<b>\$ 33,026</b>	<b>\$ 2,510</b>



**TOWN OF WARREN, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds						
	Project Playground	Jamiel's Park Picnic Shelter	Jamiel's Park Softball Field	Substance Abuse	Fire Inspections	Jamiel's Park DEM Grant	Fire State Meds Plan
<b>ASSETS</b>							
Cash and cash equivalents	\$ 2,424	\$ -	\$ -	\$ 14,173	\$ 15,226	\$ -	\$ 11,022
Cash on deposit	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from federal and state Receivables (net)	-	67,755	32,500	2,953	-	200,000	-
<b>TOTAL ASSETS</b>	<b>2,424</b>	<b>67,755</b>	<b>32,500</b>	<b>17,126</b>	<b>15,226</b>	<b>200,000</b>	<b>11,022</b>
<b>LIABILITIES</b>							
Accounts payable	-	-	3,902	-	-	-	-
Accrued expenses	-	-	-	527	-	-	-
Due to other funds	-	-	2,970	-	-	18,102	-
Unearned revenue	-	67,755	25,628	-	-	187,774	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>67,755</b>	<b>32,500</b>	<b>527</b>	<b>-</b>	<b>205,876</b>	<b>-</b>
<b>FUND BALANCES</b>							
Non-Spendable	-	-	-	-	-	-	-
Restricted	2,424	-	-	16,599	15,226	-	11,022
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(5,876)	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 2,424</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,599</b>	<b>\$ 15,226</b>	<b>\$ (5,876)</b>	<b>\$ 11,022</b>

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds						
	FEMA Sandy Event	Community Development Block Grant	Veterans Honor Roll	Government Center	Ship Shape	Holiday Committee	Narcotics
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,457	\$ -	\$ 17,738	\$ 2,107	\$ 800	\$ -	\$ 6,625
Cash on deposit	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from federal and state	-	-	-	-	-	-	-
Receivables (net)	-	180,177	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>4,457</b>	<b>180,177</b>	<b>17,738</b>	<b>2,107</b>	<b>800</b>	<b>-</b>	<b>6,625</b>
<b>LIABILITIES</b>							
Accounts payable	-	1,760	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	83,650	-	-	-	-	-
Unearned revenue	-	72,534	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>157,944</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Non-Spendable	-	-	-	-	-	-	-
Restricted	4,457	22,233	17,738	2,107	800	-	6,625
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>\$ 4,457</b>	<b>\$ 22,233</b>	<b>\$ 17,738</b>	<b>\$ 2,107</b>	<b>\$ 800</b>	<b>\$ -</b>	<b>\$ 6,625</b>

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds	Capital Project Fund	Permanent Funds			GRAND TOTAL
	Employee Charity Fund	RI Infrastructure Bank Bond 2016	Document Preservation	Police Trust	Sara B. Burtis	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 330	\$ -	\$ 6,036	\$ 3,141	\$ -	\$ 357,401
Cash on deposit	-	1,190,450	-	-	-	1,190,450
Investments	-	-	-	-	27,339	27,339
Due from federal and state	-	-	-	-	-	182,579
Receivables (net)	-	-	-	-	-	485,784
<b>TOTAL ASSETS</b>	<b>330</b>	<b>1,190,450</b>	<b>6,036</b>	<b>3,141</b>	<b>27,339</b>	<b>2,243,553</b>
<b>LIABILITIES</b>						
Accounts payable	-	247,445	-	-	-	253,726
Accrued expenses	-	-	-	-	-	4,982
Due to other funds	-	-	-	-	-	151,010
Unearned revenue	-	-	-	-	-	448,121
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>247,445</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>857,839</b>
<b>FUND BALANCES</b>						
Non-Spendable	-	-	6,036	3,141	27,339	36,516
Restricted	330	943,005	-	-	-	1,355,094
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(5,896)
<b>TOTAL FUND BALANCES</b>	<b>\$ 330</b>	<b>\$ 943,005</b>	<b>\$ 6,036</b>	<b>\$ 3,141</b>	<b>\$ 27,339</b>	<b>\$ 1,385,714</b>

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds						
	Enterprise Zone	Senior Center	Road Duty	Tourister Peer Review	Rec Department Donation	In-Line Skate Rink	Gun Buy Back
REVENUES							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees, permits and fines	-	-	-	-	-	-	-
Intergovernmental	-	43,851	202,132	20,000	1,100	15,000	-
Other	-	161	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>44,012</b>	<b>202,132</b>	<b>20,000</b>	<b>1,100</b>	<b>15,000</b>	<b>-</b>
EXPENDITURES							
General government	6,410	39,736	-	19,530	3,000	-	-
Public safety	-	-	202,486	-	-	-	-
Fire safety	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>6,410</b>	<b>39,736</b>	<b>202,486</b>	<b>19,530</b>	<b>3,000</b>	<b>-</b>	<b>-</b>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	(6,410)	4,276	(354)	470	(1,900)	15,000	-
OTHER FINANCING SOURCES/USES							
Transfer in	-	-	-	-	-	-	-
<b>NET OTHER SOURCES/USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(6,410)</b>	<b>4,276</b>	<b>(354)</b>	<b>470</b>	<b>(1,900)</b>	<b>15,000</b>	<b>-</b>
FUND BALANCE - BEGINNING	9,182	55,047	2,624	5,995	13,775	3,000	2,000
<b>FUND BALANCE - ENDING</b>	<b>\$ 2,772</b>	<b>\$ 59,323</b>	<b>\$ 2,270</b>	<b>\$ 6,465</b>	<b>\$ 11,875</b>	<b>\$ 18,000</b>	<b>\$ 2,000</b>

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds						
	WPD RI Senatorial Grant	Recycling Grant	Planning Challenge Grant	Historical Cemetery Fund	Community Gardens	USDA Police Vehicle	ACO Donations
REVENUES							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees, permits and fines	-	-	-	-	-	-	-
Intergovernmental	-	6,977	17,420	-	-	-	-
Other	4,000	-	-	-	-	-	2,543
TOTAL REVENUES	4,000	6,977	17,420	-	-	-	2,543
EXPENDITURES							
General government	6,435	14,172	5,003	2,600	-	-	-
Public safety	-	-	-	-	-	-	-
Fire safety	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-
TOTAL EXPENDITURES	6,435	14,172	5,003	2,600	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	(2,435)	(7,195)	12,417	(2,600)	-	-	2,543
OTHER FINANCING SOURCES/USES							
Transfer in	-	-	-	-	-	-	-
NET OTHER SOURCES/USES	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(2,435)	(7,195)	12,417	(2,600)	-	-	2,543
FUND BALANCE - BEGINNING	4,092	7,268	(12,417)	3,000	2,317	-	31,800
FUND BALANCE - ENDING	\$ 1,657	\$ 73	\$ -	\$ 400	\$ 2,317	\$ -	\$ 34,343

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds						
	Cops that Care	Social Services Donations	Marjuana Grant	Beautification Donation	Warren Animal Rescue	Baker Street Museum	Animal Spaying
REVENUES							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees, permits and fines	-	-	-	-	-	-	-
Intergovernmental	-	-	94,095	-	-	-	203
Other	-	11,000	-	-	13,500	1,575	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>11,000</b>	<b>94,095</b>	<b>-</b>	<b>13,500</b>	<b>1,575</b>	<b>203</b>
EXPENDITURES							
General government	-	3,523	74,830	-	9,857	300	-
Public safety	-	-	-	-	-	-	-
Fire safety	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>3,523</b>	<b>74,830</b>	<b>-</b>	<b>9,857</b>	<b>300</b>	<b>-</b>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	-	7,477	19,265	-	3,643	1,275	203
OTHER FINANCING SOURCES/USES							
Transfer in	-	-	-	-	-	-	-
NET OTHER SOURCES/USES	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	7,477	19,265	-	3,643	1,275	203
FUND BALANCE - BEGINNING	21	1,012	32,737	3,372	35,045	-	609
FUND BALANCE - ENDING	<b>\$ 21</b>	<b>\$ 8,489</b>	<b>\$ 52,002</b>	<b>\$ 3,372</b>	<b>\$ 38,688</b>	<b>\$ 1,275</b>	<b>\$ 812</b>

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds						
	Police Bicycle Patrol Grant	AFIS Live Scan Fed Grant	RI State Byrnes Justice Grant	Memorial Tree Fund	Stormwater Permitting	Recreational Trails Grant	Summer Concerts
REVENUES							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees, permits and fines	-	-	-	-	-	-	-
Intergovernmental	-	-	5,369	-	-	33,026	-
Other	-	-	-	-	-	-	3,400
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>5,369</b>	<b>-</b>	<b>-</b>	<b>33,026</b>	<b>3,400</b>
EXPENDITURES							
General government	-	-	-	195	-	-	3,632
Public safety	-	-	5,227	-	-	-	-
Fire safety	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>5,227</b>	<b>195</b>	<b>-</b>	<b>-</b>	<b>3,632</b>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	-	-	142	(195)	-	33,026	(232)
OTHER FINANCING SOURCES/USES							
Transfer in	-	-	-	-	-	-	-
NET OTHER SOURCES/USES	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	142	(195)	-	33,026	(232)
FUND BALANCE - BEGINNING	3,264	250	(162)	596	26,923	-	2,742
FUND BALANCE - ENDING	\$ 3,264	\$ 250	\$ (20)	\$ 401	\$ 26,923	\$ 33,026	\$ 2,510

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds						
	Project Playground	Jamiel's Park Picnic Shelter	Jamiel's Park Softball Field	Substance Abuse	Fire Inspections	Jamiel's Park DEM Grant	Fire State Meds Plan
REVENUES							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees, permits and fines	-	-	-	-	-	-	-
Intergovernmental	-	-	6,872	23,473	4,230	59,928	3,500
Other	-	-	-	-	-	-	3,222
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>6,872</b>	<b>23,473</b>	<b>4,230</b>	<b>59,928</b>	<b>6,722</b>
EXPENDITURES							
General government	-	-	6,872	17,703	-	59,928	11,480
Public safety	-	-	-	-	-	-	-
Fire safety	-	-	-	-	10,413	-	-
Debt service	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>6,872</b>	<b>17,703</b>	<b>10,413</b>	<b>59,928</b>	<b>11,480</b>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	-	-	-	5,770	(6,183)	-	(4,758)
OTHER FINANCING SOURCES/USES							
Transfer in	-	-	-	-	-	-	-
<b>NET OTHER SOURCES/USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,770</b>	<b>(6,183)</b>	<b>-</b>	<b>(4,758)</b>
FUND BALANCE - BEGINNING	2,424	-	-	10,829	21,409	(5,876)	15,780
<b>FUND BALANCE - ENDING</b>	<b>\$ 2,424</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,599</b>	<b>\$ 15,226</b>	<b>\$ (5,876)</b>	<b>\$ 11,022</b>



**TOWN OF WARREN, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds						
	FEMA Sandy Event	Community Development Block Grant	Veterans Honor Roll	Government Center	Ship Shape	Holiday Committee	Narcotics
REVENUES							
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees, permits and fines	-	-	-	-	-	-	-
Intergovernmental	-	82,447	4,380	-	-	-	-
Other	-	-	-	-	-	5,400	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>82,447</b>	<b>4,380</b>	<b>-</b>	<b>-</b>	<b>5,400</b>	<b>-</b>
EXPENDITURES							
General government	-	82,447	-	-	1,500	5,400	121
Public safety	-	-	-	-	-	-	-
Fire safety	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital and special appropriations	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>82,447</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>5,400</b>	<b>121</b>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	-	-	4,380	-	(1,500)	-	(121)
OTHER FINANCING SOURCES/USES							
Transfer in	-	-	-	-	-	-	-
<b>NET OTHER SOURCES/USES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>4,380</b>	<b>-</b>	<b>(1,500)</b>	<b>-</b>	<b>(121)</b>
FUND BALANCE - BEGINNING	4,457	22,233	13,358	2,107	2,300	-	6,746
<b>FUND BALANCE - ENDING</b>	<b>\$ 4,457</b>	<b>\$ 22,233</b>	<b>\$ 17,738</b>	<b>\$ 2,107</b>	<b>\$ 800</b>	<b>\$ -</b>	<b>\$ 6,625</b>

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2016**

	Special Revenue Funds	Capital Project Fund	Permanent Funds			GRAND TOTAL
	Employee Charity Fund	RI Infrastructure Bank Bond 2016	Document Preservation	Police Trust	Sara B. Burtis	
REVENUES						
Interest and investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, fees, permits and fines	-	-	15,739	-	-	15,739
Intergovernmental	-	-	-	-	-	624,003
Other	223	-	-	1	1,891	46,916
<b>TOTAL REVENUES</b>	<b>223</b>	<b>-</b>	<b>15,739</b>	<b>1</b>	<b>1,891</b>	<b>686,658</b>
EXPENDITURES						
General government	-	-	20,231	20	4,664	399,589
Public safety	-	-	-	-	-	207,713
Fire safety	-	-	-	-	-	10,413
Debt service	-	26,625	-	-	-	26,625
Capital and special appropriations	-	730,370	-	-	-	730,370
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>756,995</b>	<b>20,231</b>	<b>20</b>	<b>4,664</b>	<b>1,374,710</b>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS	223	(756,995)	(4,492)	(19)	(2,773)	(688,052)
OTHER FINANCING SOURCES/USES						
Note issued	-	1,700,000	-	-	-	1,700,000
Transfer in	-	-	-	-	-	-
<b>NET OTHER SOURCES/USES</b>	<b>-</b>	<b>1,700,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,700,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>223</b>	<b>943,005</b>	<b>(4,492)</b>	<b>(19)</b>	<b>(2,773)</b>	<b>1,011,948</b>
FUND BALANCE - BEGINNING	107	-	10,528	3,160	30,112	373,766
<b>FUND BALANCE - ENDING</b>	<b>\$ 330</b>	<b>\$ 943,005</b>	<b>\$ 6,036</b>	<b>\$ 3,141</b>	<b>\$ 27,339</b>	<b>\$ 1,385,714</b>

## Private-Purpose Trust 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 other private parties.

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Statement of Changes in Net Position**  
**Private-Purpose Trusts**  
**For the year ended June 30, 2016**

	Samuel P. Colt Fund	Joseph Martin Fund	Abby A. Cole Fund	Asylum Farm Fund	Joseph W. Smith Fund	C. Richard Gardener Fund	Total
<b>ASSETS</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	153,099	109,356	38,275	71,082	125,760	21,871	519,443
<b>TOTAL ASSETS</b>	<b>153,099</b>	<b>109,356</b>	<b>38,275</b>	<b>71,082</b>	<b>125,760</b>	<b>21,871</b>	<b>519,443</b>
<b>LIABILITIES</b>							
	-	-	-	-	-	-	-
<b>NET POSITION</b>							
Held in Trust for private purposes	\$ 153,099	\$ 109,356	\$ 38,275	\$ 71,082	\$ 125,760	\$ 21,871	\$ 519,443

**TOWN OF WARREN, RHODE ISLAND**  
**Combining Statement of Changes in Net Position**  
**Private-purpose Trusts**  
**For the year ended June 30, 2016**

	Samuel P. Colt Fund	Joseph Martin Fund	Abby A. Cole Fund	Asylum Farm Fund	Joseph W. Smith Fund	C. Richard Gardener Fund	Totals
<b>ADDITIONS:</b>							
Investment Income	\$ 10,587	\$ 7,562	\$ 2,647	\$ 4,916	\$ 8,697	\$ 1,512	\$ 35,921
<b>DEDUCTIONS:</b>							
Portfolio management fees	26,116	18,655	6,529	12,126	21,453	3,730	88,609
Other expenses	-	-	-	-	-	-	-
Total Deductions	26,116	18,655	6,529	12,126	21,453	3,730	88,609
<b>CHANGE IN NET POSITION</b>	<b>(15,529)</b>	<b>(11,093)</b>	<b>(3,882)</b>	<b>(7,210)</b>	<b>(12,756)</b>	<b>(2,218)</b>	<b>(52,688)</b>
Net Position - beginning	168,628	120,449	42,157	78,292	138,516	24,089	572,131
Net Position - ending	<u>\$ 153,099</u>	<u>\$ 109,356</u>	<u>\$ 38,275</u>	<u>\$ 71,082</u>	<u>\$ 125,760</u>	<u>\$ 21,871</u>	<u>\$ 519,443</u>

## Agency Funds

## **Agency Funds:**

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

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



**TOWN OF WARREN, RHODE ISLAND**

**Statement of Changes in Assets and Liabilities  
Agency Funds  
For the year ended June 30, 2016**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>Performance Bonds</u>				
ASSET				
Cash	<u>\$ 18,727</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 18,740</u>
LIABILITY				
Deposits Held in Custody for Others	<u>\$ 18,727</u>	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 18,740</u>

**TOWN OF WARREN, RHODE ISLAND**  
**TAX COLLECTOR'S ANNUAL REPORT**  
**YEAR ENDED JUNE 30, 2016**

Real Estate and Personal Property Taxes

<u>Tax Year</u>	<u>Balance July 1, 2015</u>	<u>Assessments December 31, 2014</u>	<u>Adjustments/ Abatements</u>	<u>Amount to be collected</u>	<u>Current Year Collections</u>	<u>Balance June 30, 2016</u>
2016	\$	23,625,826	\$ 41,370	\$ 23,667,196	\$ 23,346,251	\$ 320,945
2015	\$ 327,476	\$ -	\$ (2,289)	\$ 325,187	\$ 254,564	\$ 70,623
2014	\$ 82,609	\$ -	\$ (4,237)	\$ 78,372	\$ 22,118	\$ 56,254
2013	\$ 56,549	\$ -	\$ (4,001)	\$ 52,548	\$ 5,301	\$ 47,247
2012	\$ 56,712	\$ -	\$ (3,930)	\$ 52,782	\$ 4,949	\$ 47,833
2011	\$ 53,655	\$ -	\$ (3,860)	\$ 49,795	\$ 3,177	\$ 46,618
2010	\$ 31,580	\$ -	\$ (2,630)	\$ 28,950	\$ 2,736	\$ 26,214
2009	\$ 26,148	\$ -	\$ (2,998)	\$ 23,150	\$ 1,329	\$ 21,821
2008 and prior	\$ 113,477	\$ -	\$ (38,468)	\$ 75,009	\$ 341	\$ 74,668

\$ 748,206	\$	23,625,826	\$ (21,043)	\$ 24,352,989	\$ 23,640,766	\$ 712,223
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*Allowance for Uncollectible Accounts* \$ (302,030)

*Net Property Tax Receivable* \$ 410,193

Schedule of Most Recent Net Assessed Property Value by Category:

<u>Description of Property</u>	<u>Valuation</u>	<u>Levy</u>
<i>Real Property</i>	\$ 1,085,541,607	\$ 21,678,266
<i>Motor Vehicles</i>	\$ 88,676,045	\$ 2,305,577
<i>Tangible</i>	\$ 31,620,513	\$ 631,462
<b>Total</b>	\$ 1,205,838,165	\$ 24,615,305
<i>Exemptions</i>	\$ 46,989,691	\$ 1,028,053
 <i>Net assessed value</i>	<u>\$ 1,158,848,474</u>	\$ 23,587,252
<i>Current Year Supplemental/Deferred ect.</i>		\$ 4,092
<i>Current Year Collectable</i>		<u><u>\$ 23,591,344</u></u>

TOWN OF WARREN, RHODE ISLAND  
TAX COLLECTOR'S ANNUAL REPORT  
YAER ENDED JUNE 30, 2016

Schedule of most recent net assessed property value by category:

Description of Property	Valuations	Levy
Real Property	\$ 1,085,541,607	\$ 21,678,266
Motor Vehicles	88,676,045	2,305,577
Tangible	<u>31,620,513</u>	<u>631,462</u>
Total	1,205,838,165	24,615,305
Exemptions	46,989,691	1,028,053
Current Year Assessment	<u>\$ 1,158,848,474</u>	23,587,252
Current Year Supplemental/Deferred etc.		4,092
Current Year Collectable		<u>\$ 23,591,344</u>
Reconciliation of current year property tax revenue:		
Current year collections		\$ 23,640,766
Revenue collected within 60 days subsequent to year ended June 30, 2015		<u>83,681</u>
		23,724,447
Prior year revenue received in current year		<u>(106,027)</u>
Current year real estate and personal property tax revenue		<u>\$ 23,618,420</u>

Parmelee Poirier &amp; Associates, LLP

Certified Public Accountants

**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***

The Honorable Town Council  
Town of Warren  
Warren, Rhode Island

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Warren (Town), as of and for the year fiscal ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 5, 2016.

**Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. 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 in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

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

### **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.



Parmelee, Poirier & Associates, LLP  
December 5, 2016