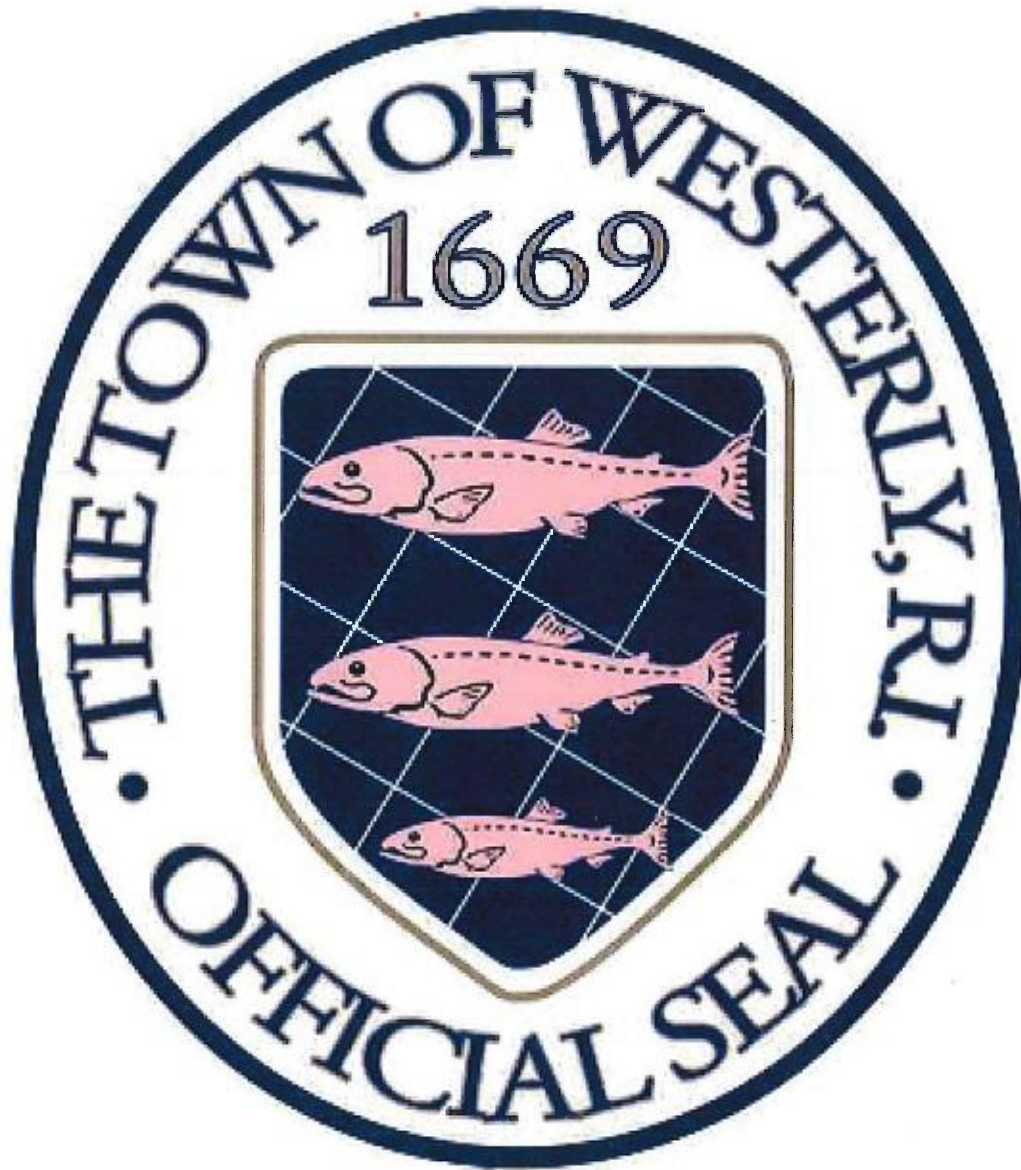


**TOWN OF WESTERLY
RHODE ISLAND**



Comprehensive Annual Finance Report

For the Fiscal Year Ended June 30, 2018

TOWN OF WESTERLY, RHODE ISLAND

CONTENTS

Introductory Section

Page

List of Principal Officials	i
Organizational Chart.....	ii
Public Schools Organizational Chart.....	iii
Letter of Transmittal	iv-x

Financial Section

Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-12

Basic Financial Statements

Exhibit

Government-wide Financial Statements:

I	Statement of Net Position	13
II	Statement of Activities	14

Fund Financial Statements:

Governmental Funds:

III	Balance Sheet	15-16
IV	Statement of Revenues, Expenditures and Changes in Fund Balances	17-18

Proprietary Funds:

V	Statement of Net Position	19
VI	Statement of Revenues, Expenditures and Changes in Net Position.....	20
VII	Statement of Cash Flows	21-22

Fiduciary Funds:

VIII	Statement of Net Position	23
IX	Statement Changes in Net Position	24
	Notes to the Financial Statements	25-90

Required Supplementary Information

General Fund:

RSI-1	Schedule of Revenues and Expenditures - Budget and Actual (Town)	91
RSI-2	Schedule of Revenues and Other Financing Sources - Budget and Actual (Town)...	92
RSI-3	Schedule of Expenditures and Other Financing Uses - Budget and Actual (Town) ..	93-94
RSI-4	Schedule of Revenues and Expenditures - Budget and Actual (School).....	95

Pension Funds:

RSI-5	Schedule of Town's Proportionate Share of Net Pension Liability – Employees' Retirement System - Teachers.....	96
RSI-6	Schedule of Town's Contributions - Employees Retirement System - Teachers	97
RSI-7	Schedule of Changes in Town's Net Pension Liability and Related Ratios - MERS Plan	98
RSI-8	Schedule of Town's Contributions MERS Plan	99

TOWN OF WESTERLY, RHODE ISLAND

CONTENTS

<u>Exhibit</u>	Required Supplementary Information (Continued)	<u>Page</u>
RSI-9	Schedule of Changes in Net Pension Liability and Related Ratios – Police	100
RSI-10	Schedule of Employer Contributions - Police	101
RSI-11	Schedule of Investment Returns - Police.....	102
RSI-12	Schedule of Town's Proportionate Share of Net Pension Liability – Teacher's Survivors Benefit Plan	103
RSI-13	Schedule of Town's Contributions - Teachers' Survivor Benefit Plan	104
RSI-14	Schedule of Changes in Net OPEB Liability and Related Ratios	105
RSI-15	Schedule of Employer Contributions - Other Post-Employment Benefits Plan.....	106
RSI-16	Schedule of Investment Returns - Other Post-Employment Benefits Plan	107
RSI-17	Notes to Required Supplementary Information.....	108-110
 Supplemental, Combining and Individual Fund Statements and Schedules		
Municipal Transparency Reporting:		
A-1	Annual Supplemental Transparency Report.....	111-115
A-2	Notes to Annual Supplemental Transparency Report	116-117
 Nonmajor Governmental Funds:		
B-1	Combining Balance Sheet	118
B-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	119
B-3	Combining Balance Sheet-Special Revenue Funds.....	120-125
B-4	Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Special Revenue Funds.....	126-131
B-5	Combining Balance Sheet-Capital Project Funds	132-133
B-6	Combining Statement of Revenues, Expenditures and Changes in Fund Balances-Capital Project Funds	134-135
 Private-Purpose Trust Funds:		
C-1	Combining Statement of Fiduciary Net Position.....	136-137
C-2	Combining Statement of Changes in Fiduciary Net Position.....	138-139
 Agency Funds:		
D-1	Combining Statement of Changes in Assets and Liabilities.....	140-141

TOWN OF WESTERLY, RHODE ISLAND

CONTENTS

Statistical Section

<u>Table</u>		<u>Page</u>
	Financial Trends:	
1	Net Position by Component.....	142
2	Changes in Net Position	143-144
3	Fund Balances, Governmental Funds	145
4	Changes in Fund Balances, Governmental Funds	146
	Revenue Capacity:	
5	Assessed Value and Actual Value of Taxable Property	147
6	Property Tax Rates	148
7	Principal Property Taxpayers	149
8	Property Tax Levies and Collections.....	150
	Debt Capacity:	
9	Ratio of Outstanding Debt by Type.....	151
10	Ratios of General Bonded Debt Outstanding	152
11	Legal Debt Margin Information	153
	Demographic and Economic Statistics:	
12	Demographic and Employment Statistics.....	154
	Operating Information:	
13	Full-Time Equivalent Town Government Employees by Function/Program	155
14	Operating Indicators by Function/Program	156
15	Capital Asset Statistics by Function/Program	157

INTRODUCTORY SECTION

TOWN OF WESTERLY, RHODE ISLAND

LIST OF PRINCIPAL OFFICIALS

FISCAL YEAR ENDED JUNE 30, 2018

Town Council:

Edward P. Morrone, President
William J. Aiello, Vice President
John P. Carson, Sr.
Mario P. Celico
Karen A. Cioffi
Jean L. Gagnier
Philip M. Overton

School Committee:

Diane C. Bowdy, Chair
Patricia A. Panciera, Vice Chair
Marianne A. Nardone
Gina Fuller
Christine A. Piezzo
Christine M. Misto
Rebecca Greene

Town Manager: J. Mark Rooney

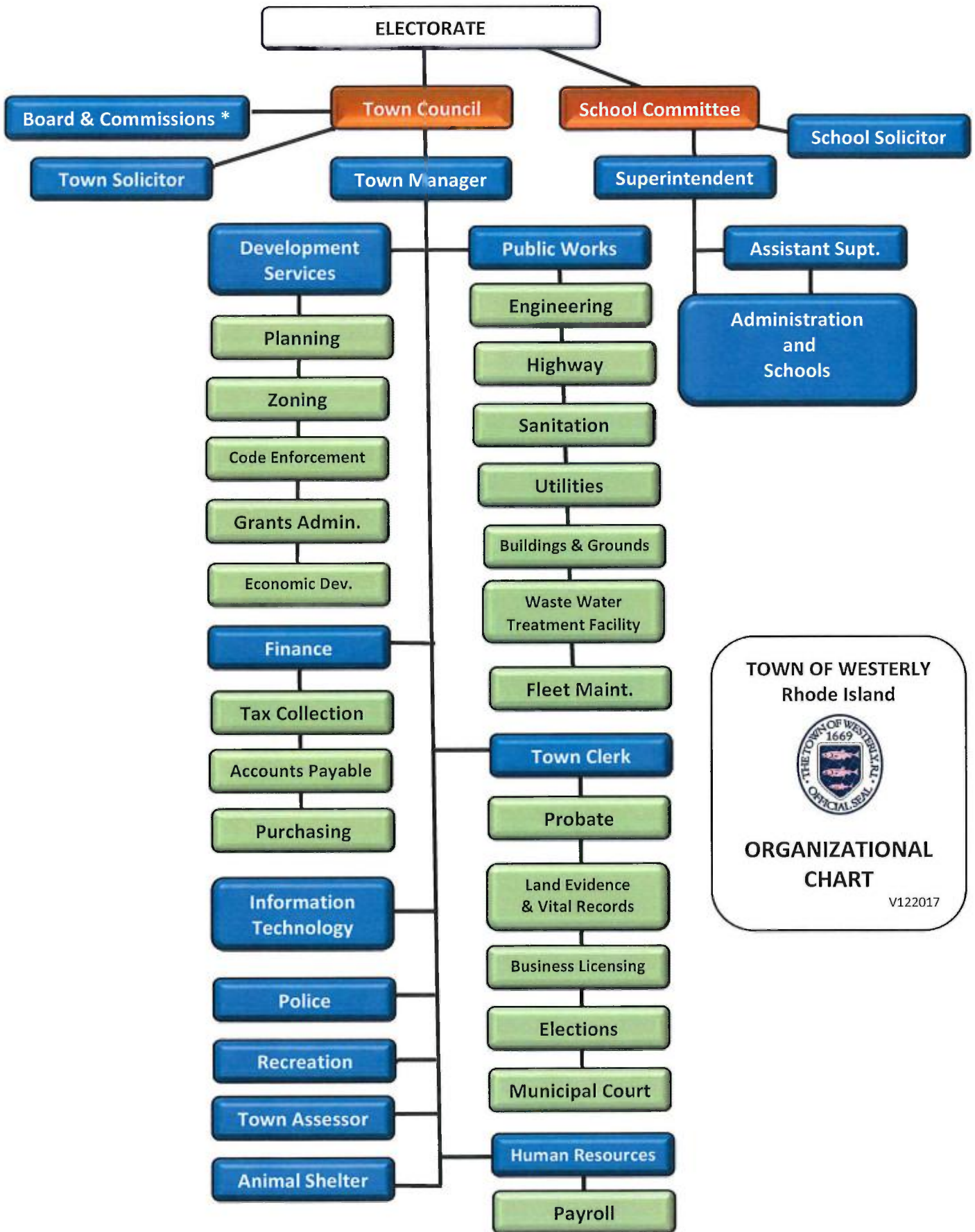
School Superintendent: Mark Garceau, Ed.D.

Director of Finance: Dyann J. Baker, CPA. MBA

School Director of Finance and Operations: Barbara J. Perino, CPA

Police Chief: Richard Silva

Town Clerk: Donna L. Giordano, MMC

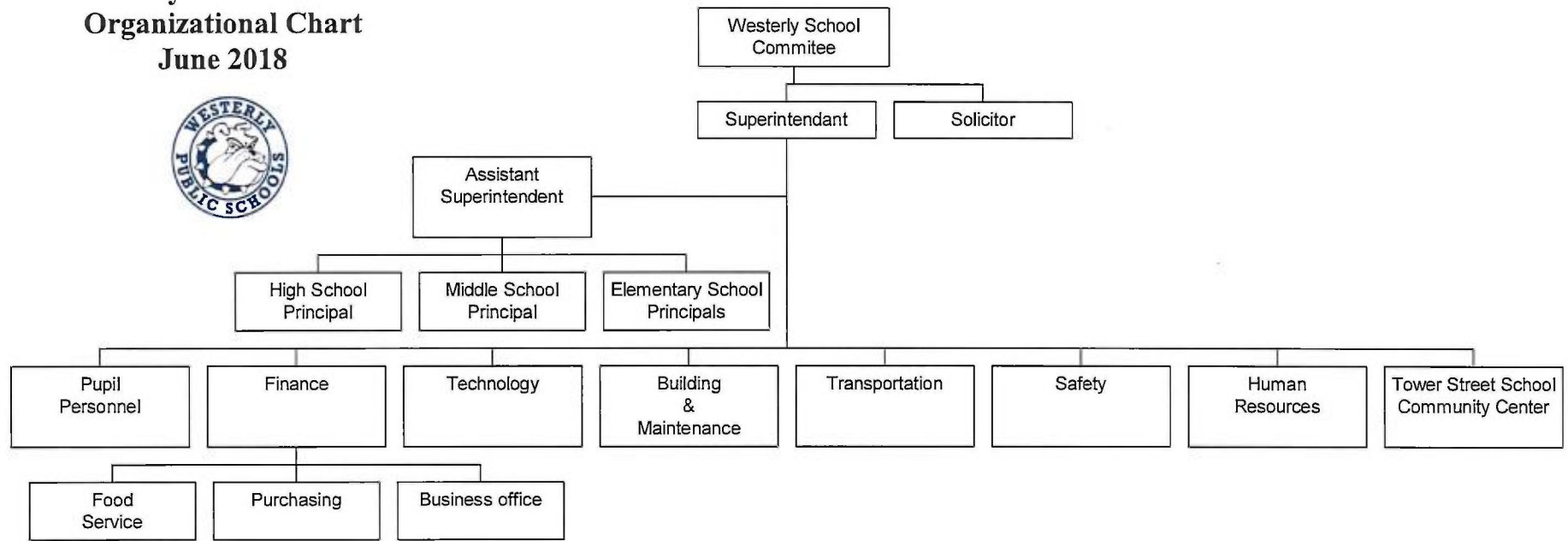


TOWN OF WESTERLY
Rhode Island

ORGANIZATIONAL CHART
V122017

* The majority of appointments are by the Town Council, however some Board members are appointed by the Town Manager.

**Westerly Public Schools
Organizational Chart
June 2018**



School Committee

Diane C. Bowdy, Chair
 Patricia Panciera, Vice Chair
 Marianne Nardone, Clerk
 Gina Fuller
 Rebecca Greene
 Christine Misto
 Christine Piezzo

Solicitors

Jon Lallo, Esq.
 William Nardone, Esq.

Superintendent

Mark C. Garceau, Ed.D.

Assistant Superintendent

Alicia Storey

Director of Pupil Personnel

Melissa Denton

Director of Finance

Barbara J. Perino, CPA

Director of Technology

Vacant

Director of Buildings & Maintenance

Michael Needleman

Safety Officer

Michael Turano

Human Resources

Kimberly Sihavong

Tower Street School Community Center

Joan Serra, Director

Director of Transportation

Susan Guarino

High School Principal

Michael Hobin

Middle School Principal

Paula Fusco

Elementary School Principals

Steven Morrone, Dunn's Corners
 Susan Martin, Springbrook
 Audrey Faubert, State Street



Westerly Rhode Island

Finance Department

45 Broad Street Westerly, RI 02891
tel: (401) 348-2516 fax: (401) 348-2607

February 15, 2019

To the Citizens of Westerly, Rhode Island

The comprehensive annual financial report of the Town of Westerly, Rhode Island, for the fiscal year ended June 30, 2018, is hereby submitted as mandated by state statute. State laws require that all general-purpose local governments publish a complete set of financial statements, presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants licensed to practice in the State of Rhode Island, within six months of the close of each fiscal year. Financial statements were not issued by the State of Rhode Island deadline due to implementing new standards required for this reporting period.

This report consists of management's representations concerning the finances of the Town of Westerly, Rhode Island. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed to both protect the government's accounts from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Town of Westerly's financial statements in conformity with GAAP. As the cost of internal controls should not outweigh their benefits, the Town of Westerly's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Westerly's financial statements have been audited by Marcum LLP., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Westerly for the fiscal year ended June 30, 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion, that the Town of Westerly's financial statement for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Westerly was part of the broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentations of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in the Single Audit section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Westerly's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

General

The Town of Westerly, established in 1669, is in the southwest corner of the State of Rhode Island, bounded on the west by the Town of Stonington, Connecticut; on the north by the Towns of North Stonington, Connecticut and Hopkinton, Rhode Island; on the east by the Town of Charlestown, Rhode Island; and on the south by the Atlantic Ocean. Covering 32.5 square miles, Westerly is located approximately 42 miles from Providence, Rhode Island, 60 miles from Hartford, Connecticut, 80 miles from Boston, Massachusetts, and 130 miles from New York City, New York.

The Town has a population of about 23,000. In 2017, the Town's median family income was approximately \$63,500, and the median value of owner occupied housing was \$277,500. Not reflected in the Census statistics is the above average income of the more than 20,000 summer inhabitants of the Town that contribute to the local economy, nor the value of vacation homes located along the Town's coastal areas.

Westerly is an economically diverse residential community with a well-established commercial tax base and small pockets of industry and recreational facilities. Due to its many miles of salt water beaches and ocean frontage, the Town is a well-known vacation and tourist center, and part of Rhode Island's South County summer vacation area. Stately summer residences located in the Watch Hill area along with summer cottage colonies located in the Misquamicut, Weekapaug and Shelter Harbor areas of the Town add substantially to the Town's tax base.

Revaluations are completed every three years in conformity with Rhode Island General Statutes. The revaluation cycle requires a full revaluation for the effective date of December 31, 2018 which will impact fiscal year 2019 - 2020 tax revenues. As of December of 2017, the taxable assessed property value totaled \$5,932,500,000.

Government

The Town of Westerly, established in 1669, operates under a Home Rule Charter adopted in 1968, which provides for a council/manager form of government. The Town Council, which is comprised of seven members who are elected at-large and serve two-year terms, are vested by the Charter with all legislative powers of the Town. These powers include the ordering of any tax, making appropriations, the power to enact, amend, or repeal ordinances related to the Town's property and to authorize the issuance of bonds or notes by resolution; subject to approval by a majority of electors voting who are qualified to vote on financial matters of the Town.

The Town Council appoints a Town Manager for a definite term based on his or her executive and administrative qualifications and experience. The Town Manager is the chief executive officer and the head of the administrative branch of the Town government. The Town Manager is responsible for carrying out the policies of the Town Council, for overseeing the day-to-day

operations of the Town, and for appointing all Town employees, except for School District personnel.

The Town provides a full range of municipal services including public safety protection; the maintenance of highways, streets and other infrastructure; recreational activities; economic and development services; high-quality education; water and sewer utilities; waste disposal services; and other administrative services.

The annual budget serves as the foundation for the Town of Westerly's financial planning and control. All departments of the Town are required to submit requests for appropriation and revenue estimates to the Town Manager on or before December 31st. The School Committee submits the proposed school budget to the Town Manager by the first Monday of February. The Town Manager uses these requests as the starting point for developing a proposed budget. It is the responsibility of the Town Manager to submit a recommended budget to the Board of Finance for the following fiscal year on or before the third Monday of February. The Board of Finance holds several budget work sessions with the Town Manager to discuss the details of the proposed budget document and may make recommended edits to the Town Council. After the recommended Board of Finance budget is delivered to the Town Council, the Town Manager and Town Council hold several budget work sessions to revise and, eventually, adopt a preliminary budget not later than the fourth Wednesday in April of each year.

Following adoption of the preliminary budget by the Town Council, any qualified elector of the Town may circulate and file a petition contesting any of the proposed budget items, within eight (8) days of the publishing of the budget. If no petition is filed by this date, the budget is considered adopted. If there is a petition, a referendum must be held within 35 days of the date the Board of Canvassers validates the signatures on the budget petition.

The appropriated budget is prepared by fund, major program function (e.g., public safety) and department (e.g., police). At any time during the fiscal year the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office or agency and, upon written request by the Town Manager, the Council may by ordinance transfer part or all of any unencumbered appropriation balance from one department, office or agency to another. If during the fiscal year the Town Manager certified that there are available for appropriation revenues in excess of those estimated in the budget, the Council by ordinance may make supplemental appropriations for the year up to the amount of such excess. If at any time during the fiscal year it appears probable to the Town Manager that the revenues available will be insufficient to meet the amount appropriated, he shall report to the Council without delay, indicating the estimated amount of the deficit, any remedial action taken by him and his recommendations as to any other steps to be taken. The Council shall then take such further action as it deems necessary to prevent or minimize any deficit and for that purpose it may by ordinance reduce one or more appropriations.

Budget-to-actual comparisons are provided in this report for the General Fund and the School Unrestricted Fund on pages 91 through 95.

Education

The general administration of the Westerly Public Schools is directed by a seven-member School Committee that is elected at large at the regular biennial elections for staggered four-year terms. The School Committee determines and controls all policies affecting the administration,

maintenance, and operation of the public schools in the Town. The School Committee appoints a Superintendent as its chief administrative agent; submits a detailed budget of expenditures and revenue to the Town Council and, once the school budget has been approved, determines the allocation of the amount appropriated. The cost of operating the School District for the fiscal year ended June 30, 2018 was \$56,354,967. The Town currently has three elementary schools, (Bradford Elementary was closed at the end of the 2017 school year) one middle school, one high school and the Tower Street Community Center. At the beginning of each school year, the student enrollment in the Westerly School System for the past five years has been and is projected to be as follows:

Enrollment PK-12 - Projected Enrollment **

FY 2014	3,016
FY 2015	3,022
FY 2016	2,908
FY 2017	2,843
FY 2018	2,799
FY 2019	2,744
FY 2020	2,656
FY 2021	2,606
FY 2022	2,558
FY 2023	2,490

***Source: State of Rhode Island School Building Authority at the Department of Education – Demographics Summary Report*

Municipal Services

The Town provides major public services which are detailed as follows:

Water Facilities

Westerly’s water system is owned by the Town and operated by the Public Works Utilities Department. This system serves portions of Westerly and the Pawcatuck section of Stonington, Connecticut. A small portion of town (approximately 6%) depends on private wells. Most properties that are not served by the Town water system are residences remote from the Town water system. A study titled, *“Westerly Water Division - Water Supply Management Plan”*, prepared by the Maguire Group in July 2007, describes existing conditions and includes a long-range program to improve the quality and quantity of water. Water studies are conducted on five-year cycles and results are submitted to both Rhode Island and Connecticut state agencies (Departments of Health) for evaluation.

Sanitary Sewer System

Westerly owns and operates a wastewater collection and treatment system that services approximately 45% of the parcels in the Town. In terms of residential parcels only, 39% have public sewers and 61% use individual septic systems. The Town has not extended sewer service in several years. Developers of some projects have extended sewers in conjunction with completing the projects. The wastewater in areas not serviced by sewers has been accommodated in many ways including cesspools and septic systems installed during time periods where no regulations existed or where there were minimal local regulations. Later

systems were installed under regulations of Rhode Island Department of Environmental Management (RIDEM) relating to Individual Septic Disposal Systems including, effective January 1, 2008, the new RIDEM-Rules Establishing Minimum Standards Relating to Location, Design, Construction and Maintenance of Onsite Wastewater Treatment Systems.

Public Works

The Town's Public Works Department provides a full range of services including vehicle, roads, grounds, and building maintenance and snow removal. The Public Works Department expended \$3,754,592 for fiscal year ended June 30, 2018 and budgeted \$3,721,719. In prior years, the Transfer Station was consolidated into the Public Works Department, however beginning in FY 2018, the Transfer Station is now reported as an Enterprise Funds. As a result, \$2M of expenditures are no longer reflected under Public Works.

Public Safety

Services include police patrol, investigations, community education, dispatching, harbor patrol and animal control functions. The Westerly Police Department has a force that consisting of 50 full-time police officers and 12 support personnel. The Police Department expended \$7,265,444 for fiscal year ended June 30, 2018 and budgeted \$6,538,984 respectively; however, results are related to a reporting change. Beginning with FY2018, the Town elected to report revenue from public safety services as Other Revenue as opposed to netting the revenue against expenditures. Therefore \$646,000 of the expense increase is offset by those revenues.

Financing

In July of 2017, the Town refinanced an existing bond, thereby reducing the interest rate and debt service over the life of the bond without extending the bond maturity date. The original bond was issued in 2007.

In 2018, the Town issued a Sewer Improvement bond totaling \$1,664,000 to address sewer system infrastructure improvements and groundwater infiltration. This project is expected to be completed by the end of the next fiscal year.

Employee Relations

As of June 30, 2018, the Town employs 181 full-time employees exclusive of those employed by the School District. The School District employs 558 full-time equivalent employees.

The status of union contracts for municipal and school employees is as follows:

- Police Department-Three-year contract expires June 30, 2019
- Public Works & Municipal Clerical – Three-year contract expires June 30, 2020
- Teachers- Two-year extended contract expires August 31, 2021
- Transportation – Three-year contract expires June 30, 2019
- Local 808 Clerical-Custodial-Mechanical-Secretarial – Three-year contract expired June 30, 2017 (in negotiations).

Factors Affecting Financial Condition

The information presented in the financial statement is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of Westerly operates.

Local Economy

Westerly is known for its granite and stone-cutting industry. A type of granite, known as Westerly granite, has been and continues to be quarried here. The granite is ideal for statuary and has been used in numerous government buildings of states along the eastern seaboard.

Salt ponds lie along the coast of Westerly, which serve as shallow reef-like pools, whose outer walls form the long, white beaches that the Town is renowned for. These ponds, Maschaug Pond, Winnapaug Pond and the Quonochontaug Pond are assets that the Town continues to utilize. Further, they are part of the Rhode Island's growing aquaculture industry. Portions of the ponds are leased to small commercial oyster farms.

Westerly is home to the Westerly State Airport and an Amtrak Station.

Westerly is also home to multiple public and private golf courses. Other recreation facilities include two yacht clubs, and several marinas and boat yards. The Westerly downtown area includes the YMCA, an outdoor ice skating rink, the Westerly Library and many restaurants and retail stores. Westerly is a popular tourist destination during the summer months and specific taxes, such as hotel tax and sales tax, are shared with the Town and support the annual budget.

The Town of Westerly, in partnership with Stand up for Animals (SUFA) completed the Santo Algieri Dog Park in 2016, which also includes a new boat launch that is adjacent to the dog park.

In October 2016 the Town entered into a memorandum of agreement with Cherenzia Excavations Inc. a tax-exempt lease purchase \$2,800,000 for a 20-year period, subject to non-appropriation on annual basis, a declaration of covenants, restrictions and conditions with respect to the Aquifer Protection Property, including a prohibition of an incinerator and a Conditional right of first refusal and option to purchase with respect to the aquifer protection property.

Over the past several years, the Town has invested in a new police station, public works facility, middle and high school. The Town is currently working on developing a plan to upgrade the Town's three elementary schools.

To address the Town roads, a referendum was passed in November of 2018 approving the issuance of \$15,000,000 in Rhode Island Infrastructure Bank bonds. This project, and funding, is anticipated to span three fiscal years.

The Town entered into an agreement to purchase real estate for a solar land development program to provide the Town's electricity. The Town estimates the financial impact of the project to benefit the 2019-2020 fiscal year.

In the spring of 2017, the Town welcomed the opening of the Westerly Educational Center. This multi-occupant facility offers academic courses provided by several private and public post-

secondary schools, such as the Community College of Rhode Island (CCRI) and the Rhode Island School of Design (RISD), and provides job skills training to prepare potential employees for work in their chosen industry. Working with General Dynamics Electric Boat division, more than 750 potential employees have already undergone training since the facility's opening.

Prior to 2017, Lawrence and Memorial (L&M), which previously acquired the Westerly Hospital in 2013, was acquired by and affiliated with Yale-New Haven Health System (YNHHS). After this, YNHHS has committed \$300 million in capital upgrades over a five-year period to Westerly Hospital and other facilities in eastern Connecticut and western Rhode Island it has acquired through its purchase, thereby preserving the work force that support these operations.

Pension and other postemployment benefits

All non-union Town employees participate in a defined contribution 401(a) plan. The police union, public works/clerical union, and teachers have defined benefit plans.

Teachers participate in the State plan. In November 2011, the State of Rhode Island passed major changes to this plan including the creation of a hybrid program with both defined benefit and defined contribution components and the required length of service.

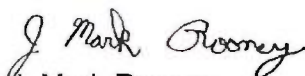
The public works/clerical union participate in a federally-managed, union plan. Employee contributions and fund management are dictated by the union. The police participate in a defined benefit plan whereby plan assets are professionally managed. The police pension is currently funded at 71%. The Town continues to fund the Annual Required Contribution (ARC) at 100%. Westerly has a net OPEB obligation of \$22.7 million, related to retired and active employees. The OPEB is 15.6% funded.

Other

Westerly believes in transparency and the accountability it inspires. This is the seventh year that the Town's annual audit is presented in the form of a Comprehensive Annual Financial Report.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. We would like to express our appreciation to all members of the department. Credit must also be given to the Town Council and its President, and the School Committee and its Chair, for the unfailing support for achieving and maintaining the highest standards of professionalism in the management of the Town of Westerly's finances.

Respectfully submitted,


J. Mark Rooney
Town Manager


Mark Garceau, Ed.D.
Superintendent of Schools


Dyann J. Baker, CPA, MBA
Town Finance Director


Barbara J. Perino, CPA
School Director of Finance and Operations

FINANCIAL SECTION

This Section Contains the Following Subsections

**REPORT OF INDEPENDENT AUDITORS
MANAGEMENT'S DISCUSSION AND ANALYSIS
BASIC FINANCIAL STATEMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
REQUIRED SUPPLEMENTARY INFORMATION
SUPPLEMENTARY INFORMATION**

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable President and
Members of the Town Council
Town of Westerly, Rhode Island

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westerly, Rhode Island (the Town) as of and for the fiscal year ended June 30, 2018, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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, each major fund, and the aggregate remaining fund information of the Town of Westerly, Rhode Island, as of June 30, 2018, 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 discussions and analysis on pages 4 through 12, the budgetary comparison information on pages 91 through 95 and the pension and OPEB schedules on pages 96 through 110 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 Westerly, Rhode Island's basic financial statements. The introductory section, annual supplemental transparency report, combining and individual nonmajor 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 annual supplemental transparency report, and the combining and individual nonmajor 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 annual supplemental transparency report, and the combining and individual nonmajor 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2019 on our consideration of the Town of Westerly, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Westerly, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Westerly, Rhode Island's internal control over financial reporting and compliance.

Marcum LLP

Providence, RI
February 15, 2019

**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

**TOWN OF WESTERLY, RHODE ISLAND
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2018**

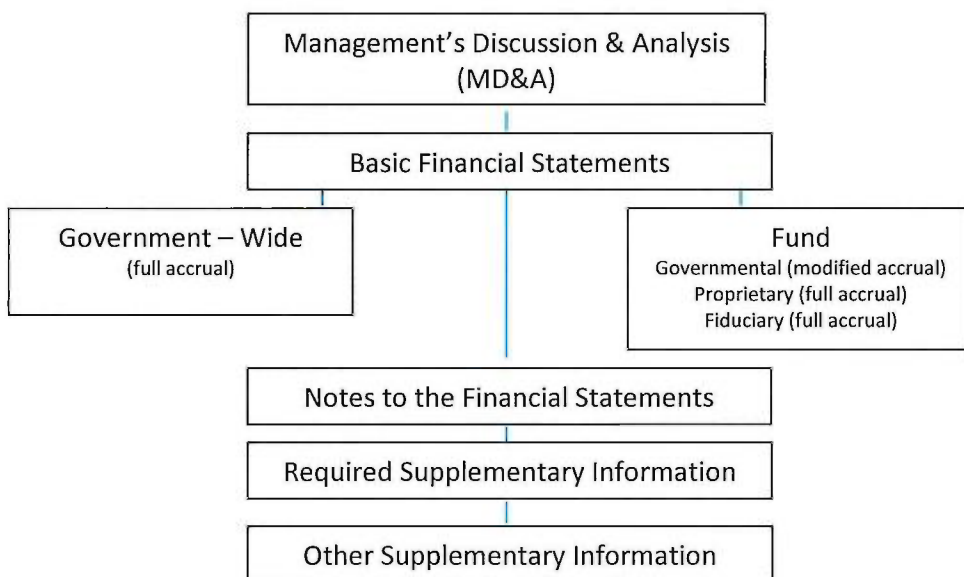
As management of the Town of Westerly, we offer readers of the Town’s financial statements this narrative overview and analysis of the Town’s financial activities for the fiscal year ended June 30, 2018. We encourage the readers to consider the information presented here in conjunction with the letter of transmittal on pages iv-x of this report as well as the Town’s basic financial statements that follow this section.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Westerly’s basic financial statements. The Town’s basic financial statements are comprised of three components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

This report also contains other supplementary information in addition to the basic financial statements.



Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town’s finances in a manner like a private-sector business. During the fiscal year, the Town implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

The Statement of Net Position presents information on the Town’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town'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. Examples are uncollected taxes and compensated absences earned but unused.

Government-wide financial statements distinguish functions of the Town of Westerly that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The government activities of the Town include general government, public safety, streets and highways, education, beach and recreation. The business-type activities of the Town include the Water Fund and Sewer Funds, the Transfer Station and the Animal Shelter.

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

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Westerly, like other state and local governments, uses fund accounting to ensure compliance with finance related legal requirements. All Town funds can be divided into three categories; governmental funds, proprietary funds, and fiduciary funds.

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

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

The Town of Westerly maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, School Restricted Fund, and \$6.0 Million Bond Fund, which are major funds. Data from the other 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 included in the other supplementary information.

The Town of Westerly adopts an annual appropriated budget for its General Fund and School Unrestricted Fund. Budgetary comparison schedules have been provided for the General Fund and School Unrestricted Fund to demonstrate compliance with this budget.

Proprietary Funds. The Town's proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements except for the Internal Service Funds which are reported as governmental fund type activity. The Town has four enterprise funds. The Water Fund

accounts for the water system of the entire Town of Westerly as well as a portion of neighboring Pawcatuck, Connecticut. The Sewer Fund accounts for sewer system user charges and costs associated with wastewater collection for approximately 45% of the parcels in Town. The Transfer Station fund accounts for residential and commercial waste and recycling. The Animal Shelter fund accounts for revenues and expenses associated with the care of animals sheltered by the Town.

The Town uses internal service funds to account for employee healthcare expenses in the Health Fund. Included in the Health Fund activities are contributions from the Town and employees, as well as claims paid.

The basic propriety fund financial statements are present on pages 19-22.

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 statements because resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 23-24.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement are presented on page 25-90.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Westerly.

Required supplementary information is presented on pages 91-107.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 118-141.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator over time of a government's financial position. In the case of the Town of Westerly, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$79,905,813 as of June 30, 2018.

TOWN OF WESTERLY, RHODE ISLAND						
NET POSITION						
	Governmental		Business-Type		Total	
	Activities		Activities			
	<i>2018</i>	<i>Restated 2017</i>	<i>2018</i>	<i>Restated 2017</i>	<i>2018</i>	<i>Restated 2017</i>
Current and other assets	\$ 31,322,729	\$ 33,516,686	\$ 10,146,975	\$ 9,012,120	\$ 41,469,704	\$ 42,528,806
Restricted assets	4,089,122	3,506,625	1,664,000		5,753,122	3,506,625
Capital assets, net of accumulated depreciation	<u>162,204,227</u>	<u>162,598,447</u>	<u>38,345,983</u>	<u>36,238,911</u>	<u>200,550,210</u>	<u>198,837,358</u>
Total assets	<u>197,616,078</u>	<u>199,621,758</u>	<u>50,156,958</u>	<u>45,251,031</u>	<u>247,773,036</u>	<u>244,872,789</u>
Deferred outflows of resources	<u>19,160,136</u>	<u>16,209,377</u>	<u>-</u>	<u>-</u>	<u>19,160,136</u>	<u>16,209,377</u>
Current liabilities	14,038,660	12,372,984	1,758,932	1,209,902	15,797,592	13,582,886
Long-term liabilities outstanding	<u>148,347,060</u>	<u>161,258,921</u>	<u>5,777,066</u>	<u>4,665,573</u>	<u>154,124,126</u>	<u>165,924,494</u>
Total liabilities	<u>162,385,720</u>	<u>173,631,905</u>	<u>7,535,998</u>	<u>5,875,475</u>	<u>169,921,718</u>	<u>179,507,380</u>
Deferred inflows of resources	<u>17,105,641</u>	<u>9,290,387</u>	<u>-</u>	<u>-</u>	<u>17,105,641</u>	<u>9,290,387</u>
Net Position:						
Net investment in capital assets	91,523,267	91,221,136	31,789,291	31,019,004	123,312,558	122,240,140
Restricted	6,744,578	6,453,686			6,744,578	6,453,686
Unrestricted	<u>(60,982,992)</u>	<u>(64,765,979)</u>	<u>10,831,669</u>	<u>8,356,552</u>	<u>(50,151,323)</u>	<u>(56,409,427)</u>
Total Net Position	<u>\$ 37,284,853</u>	<u>\$ 32,908,843</u>	<u>\$ 42,620,960</u>	<u>\$ 39,375,556</u>	<u>\$ 79,905,813</u>	<u>\$ 72,284,399</u>

The largest portion of the Town's net position \$123,312,558 is its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital asset cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$6,744,578, represents resources that are subject to external restriction on how they may be used. The remaining balance of the unrestricted net position is (\$50,151,323). The Town's restatement of prior year net position is primarily attributable to the legacy costs related to unfunded OPEB liabilities.

The Town's net position increased by \$7,621,414 during the current fiscal year. Of this amount, governmental activities accounted for \$4,376,010 of the increase, while business-type activities increased by \$3,245,404.

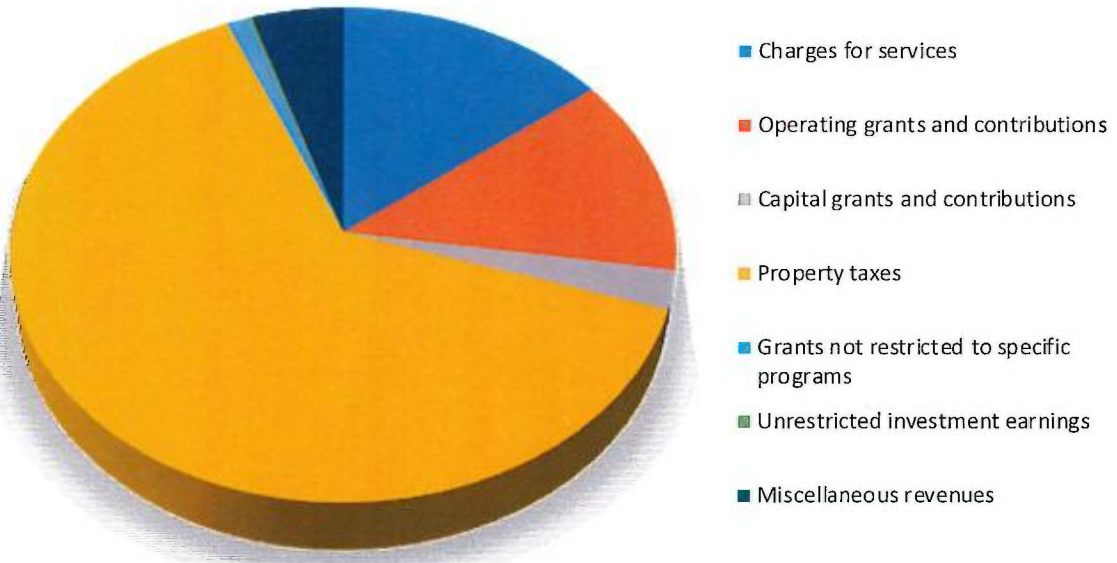
Governmental Activities

Governmental activities decreased the Town's net position by \$4,376,010.

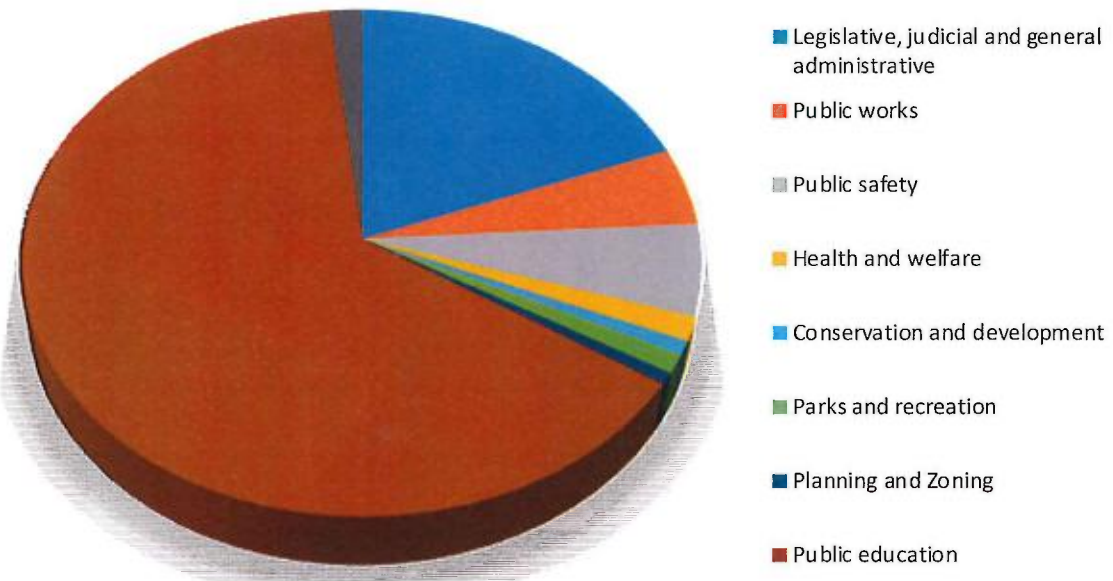
TOWN OF WESTERLY, RHODE ISLAND CHANGES IN NET POSITION For the Fiscal Years Ended June 30, 2018 and 2017

	Governmental		Business-Type		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 16,229,766	\$ 5,804,599	\$ 9,579,966	\$ 8,528,429	\$ 25,809,732	\$ 14,333,028
Operating grants and contributions	14,577,457	16,052,500			14,577,457	16,052,500
Capital grants and contributions	2,845,247	147,507			2,845,247	147,507
General revenues:						
Property taxes	71,442,426	70,244,120			71,442,426	70,244,120
Grants not restricted to specific programs	1,393,019	2,735,220			1,393,019	2,735,220
Unrestricted investment earnings	165,931	71,802	3,457	3,439	169,388	75,241
On-behalf pension contribution	5,141,470				5,141,470	-
Residual equity on transfer	(2,125,451)		2,125,451		-	-
Miscellaneous revenues	2,494,828	31,120	734,277	-	3,229,105	31,120
Total revenues	<u>\$ 112,164,693</u>	<u>\$ 95,086,868</u>	<u>\$ 12,443,151</u>	<u>\$ 8,531,868</u>	<u>\$ 124,607,844</u>	<u>\$ 103,618,736</u>
Expenses:						
Legislative, judicial and general administrative	\$ 20,376,569	\$ 6,148,593	\$ -	\$ -	\$ 20,376,569	\$ 6,148,593
Public works	5,313,151	6,962,464			5,313,151	6,962,464
Public safety	6,300,762	9,023,890			6,300,762	9,023,890
Health and welfare	1,598,964	1,444,325			1,598,964	1,444,325
Conservation and development	948,771	44,730			948,771	44,730
Parks and recreation	1,266,933	1,309,351			1,266,933	1,309,351
Planning and Zoning	800,231	198,784			800,231	198,784
Public education	68,507,646	62,428,690			68,507,646	62,428,690
Interest on long-term debt	1,857,957	3,435,937			1,857,957	3,435,937
Water fund			4,185,008	4,239,920	4,185,008	4,239,920
Sewer fund			3,508,531	3,719,113	3,508,531	3,719,113
Transfer station fund			1,953,345	-	1,953,345	-
Other non-major funds			368,562	-	368,562	-
Total expenses	<u>\$ 106,970,984</u>	<u>\$ 90,996,764</u>	<u>\$ 10,015,446</u>	<u>\$ 7,959,033</u>	<u>\$ 116,986,430</u>	<u>\$ 98,955,797</u>
Changes in net position before transfers	5,193,709	4,090,104	2,427,705	572,835	7,621,414	4,662,939
Transfers	(817,699)	(316,002)	817,699	316,002	-	-
Change in net position	<u>4,376,010</u>	<u>3,774,102</u>	<u>3,245,404</u>	<u>888,837</u>	<u>7,621,414</u>	<u>4,662,939</u>
Net Position at Beginning of Year, as Restated	<u>32,908,843</u>	<u>51,619,244</u>	<u>39,375,556</u>	<u>38,387,986</u>	<u>72,284,399</u>	<u>90,007,230</u>
Restatement		\$ (22,484,503)		\$ 98,733		(22,385,770)
Net Position at End of Year	<u>\$ 37,284,853</u>	<u>\$ 32,908,843</u>	<u>\$ 42,620,960</u>	<u>\$ 39,375,556</u>	<u>\$ 79,905,813</u>	<u>\$ 72,284,399</u>

2018 Governmental Activities: Revenues



2018 Governmental Activities: Expenses



Business-type Activities - Net position in business type activities increased by \$3,245,404 resulting in a 7.61% increase in business-type assets.

Charges for services for business-type activities accounted for 37.00% of the total revenue sources. The balance of revenues for business-type activities was from investment income.

The total expenses within the business-type activities of the Town include the following: Water Fund 41.79%, Sewer Fund 35.03%, Transfer Station 19.50% and Other non-major funds which includes Animal Shelter 3.68%.

Financial Analysis of the Town of Westerly's Funds

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

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

At the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$19,380,839. Approximately 52.28%, or \$10,133,071, is available for spending at the government's discretion within the Town's total Fund Balance. The remaining fund balance of \$9,247,768 includes \$4,170,067 of Committed Fund Balance for Capital Projects, \$65,142 non-spendable for prepaid items, and \$5,012,559 restricted to specific programs.

The General Fund is the chief operating fund of the Town of Westerly. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10,148,541 while total fund balance was \$14,195,751. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund budgeted expenditures. Unassigned fund balance represents 11.46% of the 2018 FY Adopted General Fund Expenditure Budget, while total fund balance represents 16.04% of that same amount.

Key Factors in the Change of the Town's Governmental Fund Balances

The School Unrestricted Fund reported ending fund balance of \$2,955,649. \$16,854 of this amount is considered non-spendable as it relates to prepaid expenditures.

Proprietary Funds - The Town of Westerly's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position in the Water Fund at the end of the fiscal year amounted to \$4,554,400; Sewer Fund was \$6,034,434; Transfer Station was \$117,972 and Animal Shelter was combined into the Non-Major Funds which totaled \$124,863.

General Fund Budgetary Highlights

The Town of Westerly, Rhode Island finished the 2017-2018 fiscal year with a budgetary surplus of \$361,717.

Major General Fund Revenue Factors:

Property taxes are the largest single revenue source for the General Fund and account for 80.02% of total budgetary revenues. The tax collection rate for both current and prior year assessments was approximately 98.8%.

Major Expenditure Factors:

Education Expense accounts for approximately 62.87% of the total budgetary expenditures within the General Fund of the Town of Westerly, followed by Debt Service representing 10.74%, Public Safety representing 8.37%, Public Works representing 4.33%, and General Government representing 8.81%.

Capital Assets and Debt Administration

Capital Assets - The Town of Westerly's capital assets for its governmental and business-type activities amounted to \$200,550,210 (net of accumulated depreciation) as of June 30, 2018. This investment in capital assets includes land, buildings, improvements, machinery and equipment, motor vehicles, infrastructure, and construction in progress.

TOWN OF WESTERLY'S CAPITAL ASSETS AT YEAR END NET OF ACCUMULATED DEPRECIATION

	Governmental Activities		Business-Type Activities		Total	
	<i>Restated</i>		2018	2017	2018	2017
	2018	2017				
Land	\$ 15,146,109	\$ 15,146,109	\$ 5,931,635	\$ 5,931,635	\$ 21,077,744	\$ 21,077,744
Construction in progress	2,278,492	3,380,641	400,000	849,088	2,678,492	4,229,729
Buildings and improvements	77,804,399	81,068,140	10,859,813	9,503,522	88,664,212	90,571,662
Mains, wells, pumps and hydrants		-	11,254,968	10,500,290	11,254,968	10,500,290
Tanks and structures		-	8,593,915	8,809,878	8,593,915	8,809,878
Motor vehicles	\$ 2,187,940	2,440,612			2,187,940	2,440,612
Machinery, equipment and furniture	\$ 2,514,984	2,819,457	1,305,652	644,498	3,820,636	3,463,955
Infrastructure	62,272,303	57,743,488			62,272,303	57,743,488
Total	\$ 162,204,227	\$ 162,598,447	\$ 38,345,983	\$ 36,238,911	\$ 200,550,210	\$ 198,837,358

Debt Administration - At the end of the current fiscal year, the Town of Westerly had total bonded debt outstanding of \$43,840,000, capital leases of \$4,814,238 and \$27,319,915 of loans payable.

TOWN OF WESTERLY'S OUTSTANDING DEBT AT YEAR END BONDS, LOANS AND CAPITALIZED LEASES PAYABLE

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 43,840,000	\$ 48,160,000	\$ -	\$ -	\$ 43,840,000	\$ 48,160,000
Capital lease	2,121,462	2,190,137	2,692,776	2,459,388	4,814,238	4,649,525
Loans	23,456,000	24,541,000	3,863,915	2,760,519	27,319,915	27,301,519
	<u>\$ 69,417,462</u>	<u>\$ 74,891,137</u>	<u>\$ 6,556,691</u>	<u>\$ 5,219,907</u>	<u>\$ 75,974,153</u>	<u>\$ 80,111,044</u>

State statutes limit the amount of general obligation bonded debt a town can issue to 3% of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from this limit. As of June 30, 2018, the Town had a debt limit of \$177,974,643.

Standard and Poor's rated the Town of Westerly's credit at AA, while Moody's Investors Service rated the Town at Aa3.

Economic Factors and Next Year's Budget and Rates

The Town of Westerly's total proposed General Fund budget for fiscal year 2018-19 amounted to \$90,705,805 which reflects an increase of \$2,274,710 (2.57%) over the fiscal 2017-18 budget. Of the total Town budget, \$56,340,724 or 62.11% is budgeted for Westerly Public Schools. The Town is budgeted to receive \$10,557,020 from the State of Rhode Island for Aid to Education. The Town's mill rate rose 2.50% for fiscal year 2018-19 to 11.88, versus 11.59 for fiscal year 2017-18.

The Town's debt service will remain fairly level until 2026, when the Town will see significant reductions.

Request for Information: This financial report is designed to provide a general overview of the Town of Westerly's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Office of the Finance Director, 45 Broad Street, Westerly, RI 02891.

BASIC FINANCIAL STATEMENTS

TOWN OF WESTERLY, RHODE ISLAND

I

STATEMENT OF NET POSITION

JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 17,951,418	\$ 6,995,999	\$ 24,947,417
Real estate and personal property taxes receivable	1,312,441	--	1,312,441
Water user fees receivable	--	3,010,222	3,010,222
Due from federal and state government	4,589,567	--	4,589,567
Due from Rhode Island Infrastructure Bank	261,942	--	261,942
Internal balances	60,860	(60,860)	--
Other receivables	1,323,191	--	1,323,191
Prepaid items	1,857,941	--	1,857,941
Net pension asset	3,965,369	--	3,965,369
Inventories	--	201,614	201,614
Total current assets	<u>31,322,729</u>	<u>10,146,975</u>	<u>41,469,704</u>
Noncurrent assets			
Restricted assets:			
Cash and cash equivalents	4,089,122	1,664,000	5,753,122
Capital assets:			
Capital assets not being depreciated	17,424,601	6,331,635	23,756,236
Capital assets being depreciated	<u>144,779,626</u>	<u>32,014,348</u>	<u>176,793,974</u>
Total noncurrent assets	<u>166,293,349</u>	<u>40,009,983</u>	<u>206,303,332</u>
Total assets	<u>197,616,078</u>	<u>50,156,958</u>	<u>247,773,036</u>
Deferred outflows of resources			
Deferred loss on refunding bonds	2,062,028	--	2,062,028
Pension	<u>17,098,108</u>	<u>--</u>	<u>17,098,108</u>
Total deferred outflows of resources	<u>19,160,136</u>	<u>--</u>	<u>19,160,136</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	4,779,215	701,448	5,480,663
Accrued interest payable	981,851	22,456	1,004,307
Unearned revenue	126,567	85,649	212,216
Claims payable	1,080,436	--	1,080,436
Long-term liabilities due within one year	<u>7,070,591</u>	<u>949,379</u>	<u>8,019,970</u>
Total current liabilities	<u>14,038,660</u>	<u>1,758,932</u>	<u>15,797,592</u>
Noncurrent liabilities			
Long-term liabilities	<u>148,347,060</u>	<u>5,777,066</u>	<u>154,124,126</u>
Total noncurrent liabilities	<u>148,347,060</u>	<u>5,777,066</u>	<u>154,124,126</u>
Total liabilities	<u>162,385,720</u>	<u>7,535,998</u>	<u>169,921,718</u>
Deferred inflows of resources			
Unavailable revenues	786,462	--	786,462
Pension	<u>16,319,179</u>	<u>--</u>	<u>16,319,179</u>
Total deferred inflows of resources	<u>17,105,641</u>	<u>--</u>	<u>17,105,641</u>
Net position			
Net investment in capital assets	91,523,267	31,789,291	123,312,558
Restricted for:			
Capital projects	6,744,578	--	6,744,578
Unrestricted	<u>(60,982,992)</u>	<u>10,831,669</u>	<u>(50,151,323)</u>
Total net position	<u>\$ 37,284,853</u>	<u>\$ 42,620,960</u>	<u>\$ 79,905,813</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WESTERLY, RHODE ISLAND

II

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Legislative, judicial and general administrative	\$ 20,376,569	\$ 11,654,047	\$ 9,086	\$ 88,747	\$ (8,624,689)	\$ --	\$ (8,624,689)
Public works	5,313,151	31,471	--	2,172,442	(3,109,238)	--	(3,109,238)
Public safety	6,300,762	980,614	121,704	--	(5,198,444)	--	(5,198,444)
Health and welfare	1,598,964	12,489	492,194	--	(1,094,281)	--	(1,094,281)
Conservation and development	948,771	--	796,777	345,000	193,006	--	193,006
Parks and recreation	1,266,933	351,884	--	239,058	(675,991)	--	(675,991)
Planning and zoning	800,231	557,855	--	--	(242,376)	--	(242,376)
Education	68,507,646	2,165,528	13,157,696	--	(53,184,422)	--	(53,184,422)
Interest on long-term debt	1,857,957	475,878	--	--	(1,382,079)	--	(1,382,079)
Total Governmental Activities	<u>106,970,984</u>	<u>16,229,766</u>	<u>14,577,457</u>	<u>2,845,247</u>	<u>(73,318,514)</u>	<u>--</u>	<u>(73,318,514)</u>
Business-Type Activity:							
Water fund	4,185,008	4,134,104	--	--	--	(50,904)	(50,904)
Sewer fund	3,508,531	3,390,651	--	--	--	(117,880)	(117,880)
Transfer station fund	1,953,345	1,964,107	--	--	--	10,762	10,762
Other non-major funds	368,562	91,104	--	--	--	(277,458)	(277,458)
Total Business-Type Activity	<u>10,015,446</u>	<u>9,579,966</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(435,480)</u>	<u>(435,480)</u>
Total Primary Government	<u>\$ 116,986,430</u>	<u>\$ 25,809,732</u>	<u>\$ 14,577,457</u>	<u>\$ 2,845,247</u>	<u>(73,318,514)</u>	<u>(435,480)</u>	<u>(73,753,994)</u>
General Revenues:							
Taxes:							
Property taxes levied for general purposes					71,442,426	--	71,442,426
On-behalf pension contribution					5,141,470	--	5,141,470
State aid and lieu of taxes, not for a restricted purpose					1,393,019	--	1,393,019
Investment and interest income					165,931	3,457	169,388
Other revenues					2,494,828	734,277	3,229,105
Residual equity on transfer					(2,125,451)	2,125,451	--
Transfer (in) out					(817,699)	817,699	--
Total General Revenues					<u>77,694,524</u>	<u>3,680,884</u>	<u>81,375,408</u>
Change in Net Position					4,376,010	3,245,404	7,621,414
Net Position - Beginning of Year, as restated					<u>32,908,843</u>	<u>39,375,556</u>	<u>72,284,399</u>
Net Position - End of Year					<u>\$ 37,284,853</u>	<u>\$ 42,620,960</u>	<u>\$ 79,905,813</u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

TOWN OF WESTERLY, RHODE ISLAND

III

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	School Restricted Fund	\$6,000,000 Bond Fund	Other Non-Major Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 8,279,330	\$ 88,394	\$ 2,240,700	\$ 4,728,232	\$ 15,336,656
Real estate and personal property tax receivable	642,815	--	--	--	642,815
Due from federal and state governments	999,985	673,019	--	2,916,563	4,589,567
Due from RIIB	--	--	--	261,942	261,942
Due from other funds	14,294,384	--	--	173,483	14,467,867
Other receivables	537,009	4,267	--	595,386	1,136,662
Prepaid items	65,142	--	--	--	65,142
Total Assets	\$ 24,818,665	\$ 765,680	\$ 2,240,700	\$ 8,675,606	\$ 36,500,651
Liabilities, Deferred Inflows and Fund Balances					
Liabilities					
Accounts payable and accrued liabilities	\$ 3,629,697	\$ 49,851	\$ 355,822	\$ 743,845	\$ 4,779,215
Due to other funds	5,775,374	624,394	--	4,596,419	10,996,187
Unearned revenue	--	--	--	126,567	126,567
Total Liabilities	9,405,071	674,245	355,822	5,466,831	15,901,969
Deferred Inflows of Resources					
Unavailable revenue - property taxes	1,217,843	--	--	--	1,217,843
Total Deferred Inflows of Resources	1,217,843	--	--	--	1,217,843
Fund Balances					
Non-spendable	65,142	--	--	--	65,142
Restricted	2,553,308	91,435	1,884,878	482,938	5,012,559
Committed	1,428,760	--	--	2,741,307	4,170,067
Assigned	--	--	--	--	--
Unassigned	10,148,541	--	--	(15,470)	10,133,071
Total Fund Balances	14,195,751	91,435	1,884,878	3,208,775	19,380,839
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 24,818,665	\$ 765,680	\$ 2,240,700	\$ 8,675,606	\$ 36,500,651

The accompanying notes are an integral part of these financial statements.

TOWN OF WESTERLY, RHODE ISLAND

III

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS (III) TO THE STATEMENT OF NET POSITION (I)
JUNE 30, 2018

Amounts Reported for Governmental Activities in the Statement of Net Position Differ Because:

Total Net Position (III)	\$ 19,380,839
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	162,204,227
Net Pension Asset	3,965,369
Penalties and interest on tax receivables	669,626
Sinking bond fund investments	4,089,122
Deferred outflows relating to pensions are recorded in the statement of net position	19,160,136
Deferred inflows relating to pensions are recorded in the statement of net position	(17,105,641)
Long-term liabilities and related items are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities (net of premiums) at year-end consist of:	
Bonds and loans payable	(67,295,999)
Bond premium	(3,384,940)
Capital leases	(2,121,483)
Compensated absences	(1,290,085)
Accrual for net OPEB liability	(22,714,557)
Accrual for net pension liability	(58,610,587)
Accrued interest payable is recorded in government activities, but is not recorded in the funds.	(981,851)
Internal service funds are recorded as proprietary funds in the fund financial statements but are recorded as governmental activities on the government-wide statement of net position	102,834
Unavailable tax revenues (net of an allowance for uncollectible) are recorded in the funds, but are not deferred under the measurement focus employed in the statement of net position.	<u>1,217,843</u>
Total Net Position (I)	<u>\$ 37,284,853</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WESTERLY, RHODE ISLAND

IV

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General Fund	School Restricted Fund	\$6,000,000 Bond Fund	Other Non-Major Governmental Funds	Total Governmental Funds
Revenues					
General property taxes and payments in lieu of taxes	\$ 71,539,943	\$ --	\$ --	\$ --	\$ 71,539,943
Intergovernmental and departmental	16,548,975	1,892,276	--	4,409,545	22,850,796
Licenses and permits	560,357	--	--	--	560,357
Fines and penalties	256,321	--	--	--	256,321
Charges for service	1,885,484	--	--	334,302	2,219,786
Operating grants and contributions	--	--	--	--	--
Capital grants and contributions	--	--	--	425,766	425,766
Investment income	162,929	--	--	3,002	165,931
On behalf pension contribution	2,428,738	--	--	--	2,428,738
Other revenues	528,648	96,238	--	--	624,886
Total Revenues	<u>93,911,395</u>	<u>1,988,514</u>	<u>--</u>	<u>5,172,615</u>	<u>101,072,524</u>
Expenditures					
Legislative, executive and administrative	8,352,069	--	--	21,125	8,373,194
Public works	3,892,322	--	--	99,224	3,991,546
Public safety	7,265,723	--	--	--	7,265,723
Health and welfare	1,094,170	--	--	504,794	1,598,964
Conservation and development	6,235	--	--	942,536	948,771
Parks and recreation	1,084,395	--	--	--	1,084,395
Planning	788,633	--	--	--	788,633
Education	56,723,960	1,905,443	--	939,006	59,568,409
Debt service principal	9,431,770	--	--	17,594	9,449,364
Capital outlay	2,545,209	33,406	1,174,114	4,165,538	7,918,267
On behalf pension contribution	2,428,738	--	--	--	2,428,738
Total Expenditures	<u>93,613,224</u>	<u>1,938,849</u>	<u>1,174,114</u>	<u>6,689,817</u>	<u>103,416,004</u>
Excess of Revenues Over (Under) Expenditures					
Before Other Financing Sources (Uses)	<u>298,171</u>	<u>49,665</u>	<u>(1,174,114)</u>	<u>(1,517,202)</u>	<u>(2,343,480)</u>
Other Financing Sources (Uses)					
Transfers from other funds	208,841	1,142	--	1,301,480	1,511,463
Transfers to other funds	(2,073,953)	--	--	(255,209)	(2,329,162)
Bond proceeds	3,890,000	--	--	250,000	4,140,000
Capital lease proceeds	1,254,864	--	--	--	1,254,864
Payments to refunding bond escrow agent	(4,179,386)	--	--	--	(4,179,386)
Bond premium	366,446	--	--	--	366,446
Total Other Financing Sources (Uses)	<u>(533,188)</u>	<u>1,142</u>	<u>--</u>	<u>1,296,271</u>	<u>764,225</u>
Net Change in Fund Balances	(235,017)	50,807	(1,174,114)	(220,931)	(1,579,255)
Fund Balances (Deficit) - Beginning of Year, as Restated	<u>14,430,768</u>	<u>40,628</u>	<u>3,058,992</u>	<u>3,429,706</u>	<u>20,960,094</u>
Fund Balances - End of Year	<u>\$ 14,195,751</u>	<u>\$ 91,435</u>	<u>\$ 1,884,878</u>	<u>\$ 3,208,775</u>	<u>\$ 19,380,839</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WESTERLY, RHODE ISLAND

IV

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES (GOVERNMENTAL FUNDS)
JUNE 30, 2018**

Net Change in Fund Balances - Total Governmental Funds (IV)	\$ (1,579,255)
<p>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 and amortization expense. The capital outlays are as follows:</p>	
Capital asset additions	7,661,554
Net book value of disposals	(2,554,382)
Net capital outlays reported as expenditures	5,107,172
Depreciation expense	(5,718,856)
Proceeds from issuance of long-term debt	(5,761,310)
Change in accrued interest	31,509
Change in liability for compensated absences	635,684
Change in unearned tax revenues that are recorded in the funds, but are not deferred under the measurement focus employed	(97,517)
Principal payments made on long-term obligations	11,770,793
Excess of internal service funds' revenues over expenses, reported as governmental activities in government-wide statement of activities	(1,629,185)
Change in net OPEB liability	(5,233,903)
Change in net pension asset	923,155
Change in net pension liability	(1,234,583)
Change in deferred inflows of resources	3,994,083
Change in deferred outflows of resources	3,168,223
Change in Net Position of Governmental Activities (II)	\$ 4,376,010

The accompanying notes are an integral part of these financial statements.

TOWN OF WESTERLY, RHODE ISLAND

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2018

	Business-Type Activities Enterprise Funds				Total Enterprise Funds	Governmental Activities
	Water Fund	Sewer Fund	Transfer Station Fund	Other Non-Major Enterprise Fund		Internal Service Fund
Assets						
Current Assets						
Cash and cash equivalents	\$ 3,227,249	\$ 3,525,711	\$ 88,574	\$ 154,465	\$ 6,995,999	\$ 2,614,762
Fee receivables	1,574,255	1,204,642	230,345	980	3,010,222	--
Due from federal and state government	--	--	--	--	--	--
Inventories	194,498	7,116	--	--	201,614	--
Other receivables	--	--	--	--	--	186,530
Prepaid items	--	--	--	--	--	1,792,798
Due from other funds	--	--	--	--	--	139,073
Total Current Assets	<u>4,996,002</u>	<u>4,737,469</u>	<u>318,919</u>	<u>155,445</u>	<u>10,207,835</u>	<u>4,733,163</u>
Noncurrent Assets						
Restricted cash - due from RIIB	--	1,664,000	--	--	1,664,000	--
Capital assets not being depreciated	5,334,315	597,320	400,000	--	6,331,635	--
Capital assets, net of accumulated depreciation	<u>14,939,416</u>	<u>14,884,314</u>	<u>614,106</u>	<u>1,576,512</u>	<u>32,014,348</u>	<u>--</u>
Total Noncurrent Assets	<u>20,273,731</u>	<u>17,145,634</u>	<u>1,014,106</u>	<u>1,576,512</u>	<u>40,009,983</u>	<u>--</u>
Total Assets	<u>25,269,733</u>	<u>21,883,103</u>	<u>1,333,025</u>	<u>1,731,957</u>	<u>50,217,818</u>	<u>4,733,163</u>
Liabilities						
Current Liabilities						
Accounts payable and accrued expenses	249,752	255,805	175,431	20,460	701,448	--
Accrued interest payable	--	19,146	3,310	--	22,456	--
Due to other funds	60,860	--	--	--	60,860	3,549,893
Due to state government	--	--	--	--	--	--
Unearned revenue	--	78,939	--	6,710	85,649	--
Claims payable	--	--	--	--	--	1,080,436
Current portion of long-term liabilities	<u>180,819</u>	<u>575,605</u>	<u>192,615</u>	<u>340</u>	<u>949,379</u>	<u>--</u>
Total Current Liabilities	<u>491,431</u>	<u>929,495</u>	<u>371,356</u>	<u>27,510</u>	<u>1,819,792</u>	<u>4,630,329</u>
Noncurrent Liabilities						
Capital leases	2,159,842	--	191,811	--	2,351,653	--
Compensated absences	98,680	11,845	22,206	3,072	135,803	--
Bonds, loans and notes payable	--	<u>3,289,610</u>	--	--	<u>3,289,610</u>	--
Total Noncurrent Liabilities	<u>2,258,522</u>	<u>3,301,455</u>	<u>214,017</u>	<u>3,072</u>	<u>5,777,066</u>	<u>--</u>
Total Liabilities	<u>2,749,953</u>	<u>4,230,950</u>	<u>585,373</u>	<u>30,582</u>	<u>7,596,858</u>	<u>4,630,329</u>
Net Position						
Net investment in capital assets	17,965,380	11,617,719	629,680	1,576,512	31,789,291	--
Restricted for:						
Other purposes	--	--	--	--	--	102,834
Unrestricted	<u>4,554,400</u>	<u>6,034,434</u>	<u>117,972</u>	<u>124,863</u>	<u>10,831,669</u>	<u>--</u>
Total Net Position	<u>\$ 22,519,780</u>	<u>\$ 17,652,153</u>	<u>\$ 747,652</u>	<u>\$ 1,701,375</u>	<u>\$ 42,620,960</u>	<u>\$ 102,834</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WESTERLY, RHODE ISLAND

VI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Business-Type Activities				Total Enterprise Funds	Governmental Activities Internal Service Fund
	Enterprise Funds					
	Water Fund	Sewer Fund	Transfer Station Fund	Other Non-Major Enterprise Fund		
Operating Revenues						
User fees and rental income	\$ 4,134,104	\$ 2,787,692	\$ 1,964,107	\$ 91,104	\$ 8,977,007	\$ --
Sewer and water assessments and taxes	--	602,959	--	--	602,959	--
Charges for insurance	--	--	--	--	--	10,576,025
Other income	414,409	297,669	--	22,199	734,277	26,380
Total Operating Revenues	<u>4,548,513</u>	<u>3,688,320</u>	<u>1,964,107</u>	<u>113,303</u>	<u>10,314,243</u>	<u>10,602,405</u>
Operating Expenses						
Salaries and benefits	1,996,350	481,234	743,159	147,092	3,367,835	--
Materials and supplies	451,767	35,743	227,394	79,471	794,375	--
Repairs and maintenance	271,140	1,552,162	30,360	7,282	1,860,944	--
Depreciation and amortization	444,069	523,100	87,134	46,387	1,100,690	--
Utilities	371,417	--	20,146	41,596	433,159	--
Administrative expense	298,094	79,545	22,966	--	400,605	3,995
Insurance	144	29,574	181	--	29,899	--
Claims	--	--	--	--	-	12,227,595
Contracted services	228,983	759,952	848,921	46,734	1,884,590	--
Total Operating Expenses	<u>4,061,964</u>	<u>3,461,310</u>	<u>1,980,261</u>	<u>368,562</u>	<u>9,872,097</u>	<u>12,231,590</u>
Income (Loss) from Operations	<u>486,549</u>	<u>227,010</u>	<u>(16,154)</u>	<u>(255,259)</u>	<u>442,146</u>	<u>(1,629,185)</u>
Non-Operating Revenues (Expenses)						
Interest income	3,457	--	--	--	3,457	--
Interest expense	(97,825)	(47,221)	(7,997)	--	(153,043)	--
Residual equity on transfer	--	--	502,554	1,622,897	2,125,451	--
Gain (loss) on disposal of capital assets	(25,219)	--	34,913	--	9,694	--
Total Non-Operating Revenues (Expenses)	<u>(119,587)</u>	<u>(47,221)</u>	<u>529,470</u>	<u>1,622,897</u>	<u>1,985,559</u>	<u>--</u>
Transfers						
Transfers from other funds	245,169	791,375	234,336	235,004	1,505,884	--
Transfers out	(218,605)	(469,580)	--	--	(688,185)	--
Total Transfers	<u>26,564</u>	<u>321,795</u>	<u>234,336</u>	<u>235,004</u>	<u>817,699</u>	<u>--</u>
Change in Net Position	393,526	501,584	747,652	1,602,642	3,245,404	(1,629,185)
Net Position - Beginning of Year, as restated	<u>22,126,254</u>	<u>17,150,569</u>	<u>--</u>	<u>98,733</u>	<u>39,375,556</u>	<u>1,732,019</u>
Net position - End of Year	<u>\$ 22,519,780</u>	<u>\$ 17,652,153</u>	<u>\$ 747,652</u>	<u>\$ 1,701,375</u>	<u>\$ 42,620,960</u>	<u>\$ 102,834</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WESTERLY, RHODE ISLAND

VII

**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Business-Type Activities Enterprise Funds				Governmental Activities	
	Water Fund	Sewer Fund	Transfer Station Fund	Other Non-Major Enterprise Fund	Total Enterprise Funds	Internal Service Fund
Reconciliation of Operating Income to Net Cash Provided by Operating Activities						
Operating income (loss)	\$ 486,549	\$ 227,010	\$ (16,154)	\$ (255,259)	\$ 442,146	\$ (1,629,185)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities						
Depreciation and amortization	444,069	523,100	87,134	46,387	1,100,690	--
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable and accrued revenue	26,833	14,627	--	(980)	40,480	(186,530)
(Increase) decrease in inventories	(7,709)	1,135		--	(6,574)	--
(Increase) decrease in prepaid items	--			--	--	1,634,369
Increase (decrease) in accounts payable and accrued expenses	128,825	(425,735)	178,741	20,460	(97,709)	--
Increase (decrease) in claims payable	--			--	--	130,598
Increase (decrease) in interfund balances	--			--	--	368,562
Increase (decrease) in unearned revenues	--	(12,896)		(6,710)	(19,606)	--
Increase (decrease) in deposits	--	--	--	--	--	--
Total Adjustments	<u>592,018</u>	<u>100,231</u>	<u>265,875</u>	<u>59,157</u>	<u>1,017,281</u>	<u>1,946,999</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,078,567</u>	<u>\$ 327,241</u>	<u>\$ 249,721</u>	<u>\$ (196,102)</u>	<u>\$ 1,459,427</u>	<u>\$ 317,814</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF WESTERLY, RHODE ISLAND

VII (Continued)

STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Business-Type Activities				Total	Governmental Activities	
	Enterprise Funds						Internal Service Fund
	Water Fund	Sewer Fund	Transfer Station Fund	Other Non-Major Enterprise Fund			
Cash Flows from Operating Activities:							
Cash received from customers	\$4,160,937	\$ 3,392,382	\$ 1,964,107	\$ 83,414	\$ 9,600,840	\$ 12,418,806	
Cash received from other operating services	414,409	297,669	--	22,199	734,277	-	
Cash payments to suppliers for goods and services	(3,496,779)	(3,362,810)	(1,714,386)	(301,715)	(8,875,690)	(12,096,997)	
Cash payments to employees for services	--	--	--	--	-	--	
Cash payments of administrative expenses	--	--	--	--	-	(3,995)	
Net Cash Provided by (Used in) Operating Activities	<u>1,078,567</u>	<u>327,241</u>	<u>249,721</u>	<u>(196,102)</u>	<u>1,459,427</u>	<u>317,814</u>	
Cash Flows from Non-Capital Financing Activities:							
Transfers from other funds	26,564	321,795	234,336	235,004	817,699	--	
Miscellaneous non-operating revenue received	--	--	502,554	1,622,897	2,125,451	--	
Net Cash Provided by Non-Capital Financing Activities	<u>26,564</u>	<u>321,795</u>	<u>736,890</u>	<u>1,857,901</u>	<u>2,943,150</u>	<u>--</u>	
Cash Flows from Capital and Related Financing Activities:							
Principal paid on bonds, notes and loans	(201,433)	(106,293)	--	--	(307,726)	--	
Proceeds from bond issuance	--	1,664,000	--	3,072	1,667,072	--	
Additions to capital assets	(162,359)	(260,403)	(924,953)	(1,510,406)	(2,858,121)	--	
Debt issuance cost	--	--	--	--	--	--	
Disposition cost of assets	(25,219)	--	34,913	--	9,694	--	
Interest paid on bonds, notes and loans	(97,825)	(47,221)	(7,997)	--	(153,043)	--	
Net Cash (Used in) Provided by Capital-Related Financing Activities	<u>(486,836)</u>	<u>1,250,083</u>	<u>(898,037)</u>	<u>(1,507,334)</u>	<u>(1,642,124)</u>	<u>--</u>	
Cash Flows from Investing Activities:							
Purchase/sale of investments, net	--	--	--	--	--	--	
Investment income	3,457	--	--	--	3,457	--	
Net Cash Provided by Investing Activities	<u>3,457</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,457</u>	<u>--</u>	
Net Increase in Cash and Cash Equivalents	<u>621,752</u>	<u>1,899,119</u>	<u>88,574</u>	<u>154,465</u>	<u>2,763,910</u>	<u>317,814</u>	
Cash and Cash Equivalents - Beginning of Year	<u>2,605,497</u>	<u>3,290,592</u>	<u>--</u>	<u>--</u>	<u>5,896,089</u>	<u>2,296,948</u>	
Cash and Cash Equivalents - End of Year	<u>\$3,227,249</u>	<u>\$ 5,189,711</u>	<u>\$ 88,574</u>	<u>\$ 154,465</u>	<u>\$ 8,659,999</u>	<u>\$ 2,614,762</u>	
Unrestricted cash and cash equivalents, per statement of net position	\$3,227,249	\$ 3,525,711	\$ 88,574	\$ 154,465	\$ 6,995,999	\$ 2,614,762	
Restricted cash and cash equivalents, per statement of net position	--	1,664,000	--	--	1,664,000	--	
Total Cash and Cash Equivalents, Per Statement of Net Position	<u>\$3,227,249</u>	<u>\$ 5,189,711</u>	<u>\$ 88,574</u>	<u>\$ 154,465</u>	<u>\$ 8,659,999</u>	<u>\$ 2,614,762</u>	

The accompanying notes are an integral part of these financial statements.

TOWN OF WESTERLY, RHODE ISLAND

VIII

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2018

	Pension Benefit Trust Fund	Other Employee Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
Assets				
Cash equivalents	\$ 346,720	\$ 154,203	\$ 2,590	\$ 350,919
Investments, at fair value	34,925,676	4,400,221	174,058	3,470
Receivables:				
Interest and dividends	112,192	6,330	--	--
Other	184,021	--	800	--
Total Receivables	296,213	6,330	800	--
Total Assets	\$ 35,568,609	\$ 4,560,754	\$ 177,448	\$ 354,389
Liabilities				
Amounts held for the benefit of others	\$ --	\$ --	\$ --	\$ 354,389
Accounts payable and accrued expenses	--	370,861	16,246	--
Total Liabilities	--	370,861	16,246	354,389
Net Position				
Net position held in trust	35,568,609	4,189,893	161,202	--
Total Liabilities and Net Position	\$ 35,568,609	\$ 4,560,754	\$ 177,448	\$ 354,389

The accompanying notes are an integral part of these financial statements.

TOWN OF WESTERLY, RHODE ISLAND

IX

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Pension Benefit Trust Fund	Other Employee Benefit Trust Fund	Private Purpose Trust Funds
Additions			
Contributions:			
Employer	\$ 1,850,000	\$ 1,912,794	\$ --
Plan members	447,302	--	--
Total Contributions	<u>2,297,302</u>	<u>1,912,794</u>	<u>--</u>
Investment Income			
Net increase in fair value of investments	2,104,574	144,052	--
Interest and dividends	821,144	95,058	10,302
Other	--	--	--
Net Investment Earnings	<u>2,925,718</u>	<u>239,110</u>	<u>10,302</u>
Less: investment expenses	--	--	--
Total Investment Income (Loss)	<u>2,925,718</u>	<u>239,110</u>	<u>10,302</u>
Total Additions	<u>5,223,020</u>	<u>2,151,904</u>	<u>10,302</u>
Deductions			
Benefits paid	2,194,835	725,982	--
Administrative and other expenses	61,754	36,348	1,485
Total Deductions	<u>2,256,589</u>	<u>762,330</u>	<u>1,485</u>
Change in Net Position	2,966,431	1,389,574	8,817
Net Position - Beginning of Year	<u>32,602,178</u>	<u>2,800,319</u>	<u>152,385</u>
Net Position - End of Year	<u>\$ 35,568,609</u>	<u>\$ 4,189,893</u>	<u>\$ 161,202</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town of Westerly, Rhode Island (the Town). All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

REPORTING ENTITY

The Town was founded in 1669. The Town is governed largely under the 1968 Westerly Home Rule Charter. In some matters, including the issuance of short- and long-term debt, the Town is governed by the general laws of the State of Rhode Island. The Town operates under a Town Council-Town Manager form of government with a seven-member Town Council headed by a Council President and a Council Vice-President. The Town Manager exercises the executive power of the Town government and is responsible to the Town Council for day-to-day operations of the Town's affairs. All legislative powers of the Town are vested in the Town Council.

The Town provides the following services as authorized by its charter: public safety (police, traffic safety, inspections); public works (sanitation, highways and streets, engineering and building maintenance); zoning and planning; parks and recreation; education; social services; and general administrative services.

BASIS OF PRESENTATION - GOVERNMENT-WIDE FINANCIAL STATEMENTS

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the Town's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the Town's water and transit functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category (governmental, proprietary and fiduciary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The General Fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The School Restricted Fund is used to account for activities related to educational programs funded by state and federal grants.

The \$6.0 Million Bond Fund is used to account for projects funded by general obligation series 2015A issuance to finance the construction, renovation, rehabilitation, repair and improvement to the Town's roads, sidewalks and drainage facilities.

The Town reports the following major proprietary funds:

The *Water Fund* is a proprietary (enterprise) fund is used to account for the operation and maintenance of the Town's water system, which is primarily supported through charges to customers.

The *Sewer Fund* is a proprietary (enterprise) fund used to account for sewer use fees and the expenses associated with providing wastewater services to Town residents. The fund is primarily supported through charges to customers.

The *Transfer Station Fund* is a proprietary (enterprise) fund used to account for transfer station fees and the expenses associated with operation of the transfer station. The fund is primarily supported through charges to customers.

Additionally, the Town reports the following fund types:

The *Internal Service Funds* are used to account for the Town's self-insurance program for medical and dental health insurance coverage for persons covered by the health benefit plan of the Town and for payment of insurance claims and deductibles not covered by the Town's commercial insurance.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS (CONTINUED)

The *Private Purpose Trust Funds* are used to account for resources legally held in trust for use by parties outside of the Town, and cannot be used at the Town's discretion or to support the Town's general operations. The activities of the Town's private purpose trust fund are utilized for various purposes with the Town.

The *Pension and Other Employee Benefit Trust Funds* are used to account for funding and payment of pension benefits provided to police officer retirees.

The *Agency Funds* account for assets held by the Town as agent for various student groups and other organizations for construction deposits held in escrow, and for unclaimed probate estate assets.

During the course of operations, the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the governmental-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

The proprietary, trust funds, and private purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus, but utilizes the accrual basis of accounting for reporting its assets and liabilities.

ASSETS, LIABILITIES AND EQUITY

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Investments

Investments for the Town are reported at fair value (generally based on quoted market prices), except for nonparticipating interest earning investment contracts (i.e. certificates of deposit) which are recorded at amortized cost. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants at the measurement date. State statutes authorize the Town to invest in obligation of the U.S. Treasury, commercial paper and corporate bonds.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Unbilled Services Receivable

Water and sewer revenue is recorded when earned. Customers are billed semi-annually and some commercial customers are billed quarterly. The estimated value of services provided but unbilled at June 30, 2018 is recorded as an accounts receivable in the water and sewer funds.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets (retroactive to January 1, 1979) is included as part of the governmental capital assets reported in the government-wide statements.

As the Town constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs that are essentially amounts spent in relation to capital assets and that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Capital Assets (Continued)

Excluding land and construction in progress, 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 provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Assets	Years
Tanks and structures	100
Mains, wells, pumps, hydrants, laterals, connections, filter beds	75
Buildings and improvements	25-65
Machinery and equipment	3-20
Vehicles	5-10

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This section represents a consumption of net position or fund balance that applies to a future period or periods, and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This section represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until then. The Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. The Town also reports deferred inflows of resources related to pensions in the government-wide statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions, or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). In addition, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, other Town billings and solid waste management receivables. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

Equity

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position

Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

This component consists of net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt.

The equity of the fund financial statements is defined as "fund balance" and is classified in the following categories:

Nonspendable Fund Balance

This represents amounts that cannot be spent due to the form (e.g., inventories and prepaid amounts) or legally or contractually required to be maintained intact.

Restricted Fund Balance

This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Committed Fund Balance

This represents amounts constrained for a specific purpose imposed by formal action of the Town's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Town 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 or resolution as a formal procedure to commit fund balance.

Assigned Fund Balance

This represents amounts constrained for the intent to be used for a specific purpose, but are neither restricted nor committed. The intent should be expressed by the Town Council, or an official to which the Town Council has delegated the authority.

Unassigned Fund Balance

This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

Fund Balance Policies

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

REVENUE AND EXPENDITURES/EXPENSES

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE AND EXPENDITURES/EXPENSES (CONTINUED)

Property Taxes

Property taxes attach as an enforceable lien on real property. Real and personal property taxes are based on values assessed as of each December 31 (lien date) and are levied as of July 1st.

Taxes are due in equal quarterly installments on August 1, November 1, February 1, and May 1 following the levy date. The taxpayer may elect to pay the taxes in full by September 1, annually. Taxes due and unpaid after the respective due dates are subject to interest at a rate of 12% per annum calculated on the unpaid portion of the total tax. An automatic lien is placed on the taxpayer's property if payment has not been received by the tax due date. Property taxes levied are recorded as receivables in the fiscal year of the levy.

Compensated Absences

Vacation and Sick Leave

The Town's policy permits certain employees to accumulate earned but unused vacation and sick benefits. Upon retirement, termination or death, these employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. For governmental activities, the General Fund is used to satisfy this liability as it becomes due, while each enterprise fund accounts for all its settlement of business-type liabilities for compensated absences. The liability for compensated absences is accrued at varying amounts based on the collective bargaining unit contracts of the various unions and includes salary-related benefits, where applicable.

Net Pension Liability/Asset

The net pension liability/asset is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability/asset is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

Net OPEB Liability

The net OPEB liability represents the cumulative difference between the annual OPEB cost and the Town's contributions to the plan. This amount is calculated on an actuarial basis and is recorded as noncurrent liabilities in the government-wide financial statements.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE AND EXPENDITURES/EXPENSES (CONTINUED)

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the wastewater fund, solid waste fund, water fund, school cafeteria fund and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ACCOUNTING 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RECENTLY ISSUED ACCOUNTING STANDARDS

During the year ended June 30, 2018, the Town implemented the following new governmental accounting pronouncements:

GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The following are recently issued governmental accounting standards which may be applicable in future years:

GASB Statement No. 83 – *Certain Asset Retirement Obligations*, effective for the Town's fiscal year ending June 30, 2019.

GASB Statement No. 84 – *Fiduciary Activities*, effective for Town's fiscal year ending June 30, 2020.

GASB Statement No. 87 – *Leases*, effective for Town's fiscal year ending June 30, 2021.

GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective for Town's fiscal year ending June 30, 2019.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENTLY ISSUED ACCOUNTING STANDARDS (CONTINUED)

GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for Town’s fiscal year ending June 30, 2021.

GASB Statement No. 90 – *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*, effective for Town’s fiscal year ending June 30, 2020.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

In accordance with the Town's charter, the Town has formally established budgetary accounting control for its General Fund. It is the responsibility of the Town Manager to submit a proposed General Fund budget to the Town Council and the Board of Finance. The General Fund budget includes the Municipal budget and the School budget. The proposed School budget is approved by the School Committee and presented to the Town Manager. The Board of Finance has the power to recommend revisions to any School budget item and must conduct one public hearing after a tentative School budget is formed. The Board of Finance must also review the proposed Municipal budget and make revisions as appropriate and hold one public hearing on the Municipal budget. The Town Council may then revise and adopt a recommended General Fund budget including changes to the School appropriation. At least two public hearings are conducted on the recommended General Fund budget and the final recommended budget is legally enacted through an ordinance by the Town Council prior to the start of the fiscal year.

Budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the School Unrestricted Fund. The Capital Projects Fund is appropriated on a project-length basis. Other special revenue funds and the permanent funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

At any time during the fiscal year, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office or agency and, upon written request by the Town Manager, the Council may by ordinance transfer part or all of any unencumbered appropriation balance from one department, office or agency to another.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

BUDGETARY INFORMATION (CONTINUED)

Every appropriation, except an appropriation for a capital expenditure or the appropriation for support of public schools, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if three years pass without any disbursement from or encumbrance of the appropriation.

DEFICIT FUND EQUITY

The following funds had fund equity deficits at June 30, 2018:

Special Revenue Funds:

CERT Fund	\$ 11,355
NEIWPC Grant	615
Chapman Pond	3,500

The funds deficits will be funded by future debt issuances, grant and Town contributions.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2018, expenditures exceeded appropriations in the following categories:

Town council	\$ 17,199
Legal services	92,606
Board of canvassers	4,301
Finance department	539,461
Assessment Administration	5,183
Management information systems	11,759
Human resources	35,324
Public Works administration	25,849
Highway and drainage	29,077
Snow and ice control	58,887
Equipment maintenance	9,491
Police department	725,234
Emergency preparedness	5,000
Health and welfare subsidies	4,354
Town beach operation	22,355

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

EXCESS OF EXPENDITURES OVER APPROPRIATIONS (CONTINUED)

The excess of expenditures over appropriations was offset by additional revenues generated.

NOTE 3 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

DEPOSITS

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 deposit institutions are required to insure accounts that hold public funds in excess of the \$250,000 that is guaranteed by Federal Deposit Insurance Corporation (FDIC). At times, the Town pools cash resources of its various funds to facilitate the management of cash and maximize investment returns.

Deposits Custodial Credit Risk

Custodial credit risk in the case of deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned. 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 its federal regulator must be collateralized. The Town does not have a formal deposit policy for custodial credit risk, but is governed by State laws as described above.

As of June 30, 2018, the Town's entire bank balance of \$26,699,763 was covered by either FDIC insurance or collateral held in the Town's name.

CASH EQUIVALENTS

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. As of June 30, 2018, the Town held \$1,466,750 in money market funds that are considered to be cash equivalents.

NOTE 4 - INVESTMENTS

General Fund investments are governed by Title 35, Chapter 10, Section 11 of the State's General Laws. This law generally allows for short-term investments, such as certificates of deposit, money market funds and obligations guaranteed by the United States government with the goal of seeking reasonable income while preserving capital. The Pension and OPEB Trust Fund's investments are not restricted in this manner.

TOWN OF WESTERLY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 - INVESTMENTS (CONTINUED)

As of June 30, 2018, the Town had the following investments:

	Investment Maturities (Years)				
	Fair Value	Less Than 1	1 - 3	3 - 5	5 Or Later
Interest-bearing investments:					
Certificate of Deposit*	\$ 2,858,736	\$ --	\$ 1,206,707	\$ 1,423,764	\$ 228,265
U.S. Government Agencies	4,394,364	201,852	300,981	675,689	3,215,842
Corporate Bonds	5,470,640	595,859	2,767,880	1,747,315	359,586
Total	<u>\$ 12,723,740</u>	<u>\$ 797,711</u>	<u>\$ 4,275,568</u>	<u>\$ 3,846,768</u>	<u>\$ 3,803,693</u>
Other investments					
Mutual Funds	\$ 8,851,802				
Common Stock	17,927,883				
Total Investments	<u>\$ 39,503,425</u>				

* Subject to coverage by the FDIC and financial institution collateralization

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 - INVESTMENTS (CONTINUED)

Presented below is the credit rating of each investment type:

Average Rating	Corporate Bonds	U.S. Government Agencies	Certificate of Deposit
Aaa	\$ 406,516	\$ 3,095,496	\$ --
Aa	--	301,184	--
Aa1	475,584	--	--
Aa2	445,106	201,852	--
Aa3	24,721	--	--
A	--	494,851	--
A1	1,435,436	300,981	--
A2	1,238,255	--	--
A3	244,200	--	--
Ba1	246,373	--	--
Baa1	400,451	--	--
Baa2	453,272	--	--
Unrated	100,726	--	2,858,736
	<u>\$ 5,470,640</u>	<u>\$ 4,394,364</u>	<u>\$ 2,858,736</u>

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2018:

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 - INVESTMENTS (CONTINUED)

	Fair Value Measurements			
	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Agencies	\$ 4,394,364	\$ --	\$ 4,394,364	\$ --
Corporate Bonds	5,470,640	--	5,470,640	--
Common Stock	17,927,883	17,927,883	--	--
Mutual Funds	8,851,802	8,851,802	--	--
Total Investments by Fair Value Level	36,644,689	<u>\$ 26,779,685</u>	<u>\$ 9,865,004</u>	<u>\$ --</u>
Investments not included above:				
Certificate of Deposit	<u>2,858,736</u>			
Total Investments	<u>\$ 39,503,425</u>			

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town has made it a practice to limit the maturities on General Fund investments to sixty (60) days or less. Information about the exposure of the Town's securities to the risk is presented in the table directly above.

Credit Risk

State law limits investments in U.S. Treasury bills, U.S. Treasury notes and bonds, U.S. Agency obligations, certificates of deposit, repurchase agreements, commercial paper, money market mutual funds and money market mutual funds. The Town has no investment policy that would further limit its investment choices. The ratings for the Town's investments are presented above.

Concentration of Credit Risk

The Town does not have any policies that limit the amount that can be invested in any one issuer.

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy related to custodial credit risk. The Town's investments held by the Town's counterparty are held in the name of the Town.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 5 - RECEIVABLES

Below is the detail of receivables for each major governmental fund, proprietary funds and the aggregate remaining funds, including the applicable allowances for uncollectible accounts:

	General	School Restricted Fund	Water	Sewer	Transfer Station	Other Nonmajor Enterprise Funds	Nonmajor and Other Funds	Total
Receivables:								
Property taxes	\$ 1,554,516	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,554,516
Accounts	--	--	1,650,881	1,231,565	--	--	--	2,882,446
Other receivable	539,188	4,267	--	--	286,806	980	595,386	1,426,627
Intergovernmental	999,985	673,019	--	--	--	--	2,916,563	4,589,567
Gross receivables	<u>3,093,689</u>	<u>677,286</u>	<u>1,650,881</u>	<u>1,231,565</u>	<u>286,806</u>	<u>980</u>	<u>3,511,949</u>	<u>10,453,156</u>
Less allowance for uncollectables	<u>(913,880)</u>	<u>--</u>	<u>(76,626)</u>	<u>(26,923)</u>	<u>(56,461)</u>	<u>--</u>	<u>--</u>	<u>(1,073,890)</u>
Net Total Receivables	<u>\$ 2,179,809</u>	<u>\$ 677,286</u>	<u>\$ 1,574,255</u>	<u>\$ 1,204,642</u>	<u>\$ 230,345</u>	<u>\$ 980</u>	<u>\$ 3,511,949</u>	<u>\$ 9,379,266</u>

Receivables of \$669,626 related to accrued interest on property taxes are included in the government- wide statement of net position but not included in the table above.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2018 is as follows:

<u>Payable Fund</u>	<u>Amount</u>
Internal Service Fund	\$ 3,549,893
Nonmajor Governmental Funds	4,596,419
School Restricted Fund	624,394
General Fund	5,775,374
Enterprise Fund	60,860
	<u>\$ 14,606,940</u>

<u>Receivable Fund</u>	<u>Amount</u>
General Fund	\$ 14,292,384
Nonmajor Governmental Funds	173,483
Internal Service Fund	139,073
	<u>\$ 14,604,940</u>

The outstanding balances between funds result mainly from advances from one fund (primarily the General Fund) to another fund. The advances may represent balances resulting from operating advances or reimbursement for expenditures paid by one fund on behalf of another fund.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS (CONTINUED)

INTERFUND TRANSFERS

The composition of interfund transfers for the year ended June 30, 2018 is as follows:

<u>Fund</u>	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General Fund	\$ 208,841	\$ 2,073,953
School Restricted Fund	1,142	
Non-Major Governmental Funds	1,301,480	255,209
Enterprise Funds	<u>1,505,884</u>	<u>688,185</u>
	<u>\$ 3,017,347</u>	<u>\$ 3,017,347</u>

During the year, transfers are used to provide a financing source to various funds that may not have the ability to cover all operating costs with revenue generated by the fund.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 7 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2018 was as follows:

	Beginning Balance (as Restated)	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 15,146,109	\$ --	\$ --	\$ --	\$ 15,146,109
Construction in progress	3,380,641	5,950,054	53,800	(6,998,403)	2,278,492
Total capital assets not being depreciated	<u>18,526,750</u>	<u>5,950,054</u>	<u>53,800</u>	<u>(6,998,403)</u>	<u>17,424,601</u>
Capital assets being depreciated:					
Land improvements	6,135,389	52,877	--	1,534,757	7,723,023
Buildings and improvements	116,097,067	220,752	--	(1,838,241)	114,479,578
Motor vehicles	9,687,999	190,558	218,751	(945,024)	8,714,782
Machinery, equipment and furniture	8,151,378	367,392	243,341	(1,145,996)	7,129,433
Software	130,000	--	--	--	130,000
Infrastructure	86,794,218	879,921	--	4,510,993	92,185,132
Total capital assets being depreciated	<u>226,996,051</u>	<u>1,711,500</u>	<u>462,092</u>	<u>2,116,489</u>	<u>230,361,948</u>
Less Accumulated Depreciation for:					
Land improvements	2,535,410	268,633	--	(53,870)	2,750,173
Buildings and improvements	38,628,906	3,544,871	--	(525,748)	41,648,029
Motor vehicles	7,247,387	525,443	218,751	(1,027,237)	6,526,842
Machinery, equipment and furniture	5,331,921	517,810	243,341	(991,941)	4,614,449
Software	130,000	--	--	--	130,000
Infrastructure	29,050,730	862,099	--	--	29,912,829
Total accumulated depreciation	<u>82,924,354</u>	<u>5,718,856</u>	<u>462,092</u>	<u>(2,598,796)</u>	<u>85,582,322</u>
Total capital assets being depreciated, net	<u>144,071,697</u>	<u>(4,007,356)</u>	<u>--</u>	<u>4,715,285</u>	<u>144,779,626</u>
Governmental Activities Capital Assets, Net	<u>\$ 162,598,447</u>	<u>\$ 1,942,698</u>	<u>\$ 53,800</u>	<u>\$ (2,283,118)</u>	<u>\$ 162,204,227</u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 7 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to the functions of the governmental activities of the primary government as follows:

Governmental Activities	
Legislative, judicial and general administrative	\$ 163,276
Public Works	1,321,605
Public Safety	422,974
Planning and zoning	11,598
Parks and recreation	182,538
Education	<u>3,616,865</u>
Total	<u>\$ 5,718,856</u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 7 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance (as Restated)	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 5,931,635	\$ --	\$ --	\$ --	\$ 5,931,635
Construction in progress	849,088	502,382	951,470	--	400,000
Total capital assets not being depreciated	<u>6,780,723</u>	<u>502,382</u>	<u>951,470</u>	<u>--</u>	<u>6,331,635</u>
Capital assets being depreciated					
Buildings and improvements	22,275,640	--	--	2,376,111	24,651,751
Mains, wells, pumps and hydrants	18,032,468	1,034,926	--	--	19,067,394
Tanks and structures	14,516,006	--	34,935	--	14,481,071
Machinery and equipment	3,892,725	378,574	407,596	2,459,795	6,323,498
Odor control plant	1,024,302	--	--	--	1,024,302
Total capital assets being depreciated	<u>59,741,141</u>	<u>1,413,500</u>	<u>442,531</u>	<u>4,835,906</u>	<u>65,548,016</u>
Less accumulated depreciation for:					
Buildings and improvements	12,772,118	440,202	--	579,618	13,791,938
Mains, wells, pumps and hydrants	7,532,178	280,248	--	--	7,812,426
Tanks and structures	5,706,128	190,228	9,200	--	5,887,156
Machinery and equipment	3,248,227	193,390	402,270	1,978,499	5,017,846
Odor control plant	1,024,302	--	--	--	1,024,302
Total Accumulated Depreciation	<u>30,282,953</u>	<u>1,104,068</u>	<u>411,470</u>	<u>2,558,117</u>	<u>33,533,668</u>
Total capital assets being depreciated, net	<u>29,458,188</u>	<u>309,432</u>	<u>31,061</u>	<u>2,277,789</u>	<u>32,014,348</u>
Business-Type Activities Capital Assets, Net	<u>\$ 36,238,911</u>	<u>\$ 811,814</u>	<u>\$ 982,531</u>	<u>\$ 2,277,789</u>	<u>\$ 38,345,983</u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 7 - CAPITAL ASSETS (CONTINUED)

Depreciation was charged to the following business-type activities:

Business-type activities:		
Water	\$	444,069
Sewer		523,100
Transfer Station		90,512
Animal Shelter		46,387
Total	\$	<u>1,104,068</u>

CONSTRUCTION COMMITMENTS

The Town has active construction projects as of June 30, 2018. The projects include renovations to public buildings and various demolition and remediation projects.

The following is a summary of significant capital projects as of June 30, 2018:

<u>Project</u>	<u>Project Authorization</u>	<u>Expenditures to June 30, 2018</u>
22 & 26 Canal Street Demolition & Remediation	\$ 1,486,625	\$ 940,180
Energy Upgrades to Public Buildings	1,995,774	1,754,895
Bay Street Streetscape TIP Design	1,734,877	58,152
Friendship Street	1,018,228	27,785
Downtown Improvements Project	653,000	474,685

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8 - FUND BALANCE

The components of fund balance for the government funds at June 30, 2018 are as follows:

	General Fund	School Restricted Fund	\$6.0 Million Bond Fund	Nonmajor Governmental Fund	Total
Fund balances:					
Nonspendable for:	\$	\$	\$	\$	\$
Prepaid expenditures - Town	48,288	--	--	--	48,288
Prepaid expenditures - Schools	16,854	--	--	--	16,854
Restricted for:					
Educational programs	2,553,309	91,435	--	--	2,644,744
Neuter surcharge	--	--	--	1,873	1,873
Historical records preservation grant	--	--	--	47,441	47,441
Public safety grant programs	--	--	--	207,762	207,762
Health and welfare grant programs	--	--	--	115,085	115,085
Conservation programs	--	--	--	17,492	17,492
Road improvement projects	--	--	1,884,878	--	1,884,878
Other capital projects	--	--	--	93,285	93,285
Committed for:					
Town capital projects	--	--	--	2,732,286	2,732,286
Recycling program	--	--	--	1,934	1,934
Cosmetology program	255,016	--	--	--	255,016
School fire suppression system upgrades	270,000	--	--	--	270,000
School parking lot improvements	166,100	--	--	--	166,100
Adult day center improvements	40,000	--	--	--	40,000
Snow removal	54,227	--	--	--	54,227
Hospital evaluation	17,843	--	--	--	17,843
Dredging Winnapaug pond	227,650	--	--	--	227,650
Canal Street remediation	3,852	--	--	--	3,852
Senior center improvements	100,000	--	--	--	100,000
Legislative, judicial and general and administrative	17,954	--	--	7,087	25,041
Other programs	3,347	--	--	--	3,347
Educational programs	130,471	--	--	--	130,471
FSA program	14,813	--	--	--	14,813
Revaluation	9,649	--	--	--	9,649
K-9 donations program	2,551	--	--	--	2,551
Mentor and juvenile program	5,286	--	--	--	5,286
Security cameras	16,000	--	--	--	16,000
Beach equipment	19,000	--	--	--	19,000
Higher Education	75,000	--	--	--	75,000
Unassigned	10,148,541	--	--	(15,470)	10,133,071
Total Fund Balances	\$ 14,195,751	\$ 91,435	\$ 1,884,878	\$ 3,208,775	\$ 19,380,839

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 9 - LONG-TERM LIABILITIES

CHANGES IN LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities for the year ended June 30, 2018 are as follows:

	Beginning Balance (as Restated)	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities					
Bonds and loans payable					
General obligation bonds	\$ 48,160,000	\$ 4,140,000	\$ 8,460,000	\$ 43,840,000	\$ 4,517,000
Loan payable	24,541,000	--	1,085,000	23,456,000	1,085,000
Premium on bond issuance	<u>3,338,272</u>	<u>366,466</u>	<u>319,778</u>	<u>3,384,960</u>	<u>312,435</u>
Total bonds and notes payable	76,039,272	4,506,466	9,864,778	70,680,960	5,914,435
Capital lease payable	2,190,137	1,254,864	1,323,539	2,121,462	898,139
Compensated absences	1,925,769	--	635,684	1,290,085	258,017
Net Pension liability	59,845,170	162,618	1,397,201	58,610,587	--
Net OPEB liability	<u>27,948,460</u>	<u>--</u>	<u>5,233,903</u>	<u>22,714,557</u>	<u>--</u>
Total Governmental Activities					
Long Term Liabilities	<u>\$ 167,948,808</u>	<u>\$ 5,923,948</u>	<u>\$ 18,455,105</u>	<u>\$ 155,417,651</u>	<u>\$ 7,070,591</u>
Business Type Activities					
Loans payable	\$ 2,760,519	\$ 1,664,000	\$ 560,604	\$ 3,863,915	\$ 574,305
Capital lease payable	2,459,388	604,014	370,626	2,692,776	341,124
Compensated absences	<u>199,145</u>	<u>--</u>	<u>29,391</u>	<u>169,754</u>	<u>33,950</u>
Total Business Type Activities					
Long-Term Liabilities	<u>\$ 5,419,052</u>	<u>\$ 2,268,014</u>	<u>\$ 960,621</u>	<u>\$ 6,726,445</u>	<u>\$ 949,379</u>

Compensated absences are normally liquidated by the General Fund inclusive of the School Department.

GENERAL OBLIGATION BONDS

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. These bonds generally are issued as serial bonds with equal or varying amounts of principal maturing each year with maturities that range from 15 to 20 years. General obligation bonds outstanding at June 30, 2018 are as follows:

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

GENERAL OBLIGATION BONDS (CONTINUED)

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2018
Governmental Activities					
General obligation bonds:					
General obligation school bond	07/15/98	07/15/18	5.0-7.5%	\$ 560,000	\$ 25,000
General obligation bond, 2012 Series A	07/03/12	07/01/25	2.0-3.0%	6,500,000	5,405,000
Refunding bonds - 2012 Series B	07/03/12	08/15/24	2.0-5.0%	20,073,678	13,160,461
Refunding bonds - 2012 Series B	07/03/12	08/15/24	2.0-5.0%	121,322	79,539
Refunding bonds - 2012 Series C	07/03/12	10/15/23	1.5-3.0%	1,290,000	735,000
Refunding bonds - 2012 Series A	06/04/14	07/01/26	2.0-5.0%	15,890,000	13,505,000
General obligation bond, 2015 Series A	04/15/15	04/15/35	2.0-3.25%	6,000,000	5,440,000
SRF Revenue Bonds 2016B	07/08/16	09/01/32	0.77-2.07%	1,350,000	1,350,000
Refunding bonds - 2017 Series A	07/19/17	09/15/27	2.0-4.0%	3,890,000	3,890,000
General obligation efficient building bond	12/28/17	09/01/32	0.77-2.07%	250,000	250,000
Total general obligation bonds				<u>55,925,000</u>	<u>43,840,000</u>
Loans:					
High school renovation loans	06/15/10	04/01/27	5.75%	3,855,000	3,855,000
High school renovation loans	12/02/10	04/01/27	6.29%	5,496,000	5,496,000
High school renovation loans	02/03/11	04/01/31	2.0-5.5%	6,000,000	4,095,000
High school renovation loans	07/14/11	04/01/31	2.0-5.5%	14,645,000	10,010,000
Total loans				<u>29,996,000</u>	<u>23,456,000</u>
Total governmental activities				<u>85,921,000</u>	<u>67,296,000</u>
Business Type Activities					
Loans Payable:					
Westerly Sewer Fund:					
RICWFA 00 SRF	05/01/00	09/01/20	3.04%	255,000	50,463
RICWFA 01 SRF	12/19/00	09/01/20	2.86%	7,995,000	1,457,152
RICWFA 04 SRF	12/16/04	09/01/25	0.78-1.55%	1,724,300	692,300
Sewer improvement bonds 2018	04/25/18	09/01/27	1.01-1.83%	1,664,000	1,664,000
Total loans payable				<u>11,638,300</u>	<u>3,863,915</u>
Total Outstanding				<u>\$ 97,559,300</u>	<u>\$ 71,159,915</u>

The Wastewater and Superfund bonds payable presented in the financial statements as direct liabilities of the Wastewater and Solid Waste funds are general obligations of the Town backed ultimately by its taxing power. Because the proceeds of the bonds are used entirely for the benefits of the Wastewater and Solid Waste Funds, the liabilities and the related debt service of these bonds are accounted for in these funds.

The Sewer Fund bonds payable presented in the financial statements as direct liabilities of the Sewer Fund are revenue bonds backed by the Sewer Fund's ability to assess user fees. Because the proceeds of the bonds are used entirely for the benefit of the Sewer Fund, the liability and the related debt service of these bonds are accounted for in the Sewer Fund.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

GENERAL OBLIGATION BONDS (CONTINUED)

The debt service requirements for the Town's bonds and loans are as follows:

	Governmental Activities		
	Bonds		Loans
	Principal	Interest	Principal
2019	\$ 4,517,000	\$ 1,519,100	\$ 1,085,000
2020	4,553,000	1,361,389	1,085,000
2021	4,614,000	1,201,966	1,085,000
2022	4,674,000	1,042,417	1,085,000
2023	4,751,000	865,296	1,085,000
2024-2028	15,543,000	1,934,797	14,776,000
2029-2033	4,373,000	516,355	3,255,000
2034-2035	815,000	36,391	--
Total	<u>\$ 43,840,000</u>	<u>\$ 8,477,711</u>	<u>\$ 23,456,000</u>

LOANS PAYABLE

The Town has entered into loan agreements with the Rhode Island Clean Water Protection Finance Agency (the Agency) as noted in the table above. The loan proceeds are to be used by the Town for the upgrade of the sewer treatment system.

The Town has also entered into loan agreements with the Rhode Island Health and Educational Building Corporation as noted in the table above. The Town will receive interest subsidies totaling \$2,753,366 for the June 15, 2010 loan and \$4,379,735 for the December 2, 2010 loan from the federal government over the life of the loans.

CAPITAL LEASES

The Town has entered into various lease agreements as lessee for financing the acquisition of vehicles, machinery, and land valued at \$5,467,368. The depreciable assets have a three- to twenty-year useful life. For the year ended June 30, 2018, \$1,532,192 was included in depreciation expense. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

CAPITAL LEASES (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 are as follows:

Year Ending June 30,	Governmental Activities	Business Activities
2019	\$ 969,034	\$ 448,146
2020	655,964	398,735
2021	188,077	212,556
2022	63,182	206,000
2023	65,378	206,000
Thereafter	<u>362,587</u>	<u>2,032,013</u>
Total minimum lease payments	2,304,222	3,503,450
Less amount representing interest	<u>(182,760)</u>	<u>(810,674)</u>
Total	<u>\$ 2,121,462</u>	<u>\$ 2,692,776</u>

LEGAL DEBT MARGIN

The Town's legal debt margin as set forth by State Statute is limited to 3% of total taxable assessed value, which amounts to \$177,974,643. As of June 30, 2018, the Town's debt subject to the legal debt margin is \$28,825,852 and the Town is under the debt limit by \$149,148,791. The debt subject to the debt limitation is based on the type of debt that is issued.

AUTHORIZED BUT UNISSUED BOND AUTHORITY

The Town has remaining authorized but unissued bond authority of \$1,104,000. The unissued bond authority is allocated as follows:

Chapter/Section	Year	Description	Original Authorization	Bonds Issued	BANs Outstanding	Remaining Authority
Public Law 14 RI General Laws	1988	Sewer	\$ 943,000	\$ 940,000	\$ --	\$ 3,000
45-12-2 RI General Laws	2003	Open Space	4,000,000	2,900,000	--	1,100,000
15-11-6	2008	High School	<u>30,000,000</u>	<u>29,999,000</u>	--	<u>1,000</u>
		Total	<u>\$ 34,943,000</u>	<u>\$ 33,839,000</u>	<u>\$ --</u>	<u>\$ 1,104,000</u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

SUBSEQUENT EVENT

In November of 2018, a referendum was passed to enter into a bond under the Rhode Island Infrastructure Bank in the amount of \$15,000,000. The proceeds will be used to upgrade roads and a bridge and the project is anticipated to span three years starting in the spring of 2019.

NOTE 10 - PENSION PLANS

EMPLOYEES' RETIREMENT SYSTEM (ERS) – DEFINED BENEFIT PLAN

General Information about the Pension Plan

Plan Description

Certain employees of the Westerly School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the Employees' Retirement System plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

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

Benefit Provisions

The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. Members eligible to retire at September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

The plan provides for survivor's benefits for service connected death and certain lump sum death benefits. Joint and survivor benefit provision options are available to members.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

EMPLOYEES' RETIREMENT SYSTEM (ERS) – DEFINED BENEFIT PLAN (CONTINUED)

Cost of living adjustments are provided but are currently suspended until the collective plans administered by ERSRI reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments are provided at four-year intervals commencing with the plan year ending June 30, 2016.

The plan also provides nonservice-connected disability benefits after five years of service and service-connected disability benefits with no minimum service requirement.

Contributions

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2018, the Westerly School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The state and the Westerly School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by the Westerly School Department; the rates were 9.89% and 13.24% of annual covered payroll for the fiscal year ended June 30, 2018 for the State and the Westerly School Department, respectively. The Westerly School Department contributed approximately \$3,506,404, \$3,020,673 and \$3,408,645 for the fiscal years ended June 30, 2018, 2017 and 2016, respectively, equal to 100% of the required contributions for each year. The on-behalf contribution made by the State of Rhode Island for the defined benefit pension plan for the fiscal year ended June 30, 2018 was \$2,428,738. This amount has been included in the Fund Statements (School Unrestricted Fund) as revenue and education expenditures.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2018, the Westerly School Department reported a liability of \$43,944,932 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Westerly School Department as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the School were as follows:

Westerly School Department proportionate share of the net pension liability	\$ 43,944,932
State's proportionate share of the net pension liability associated with the Westerly School Department	<u>33,211,810</u>
Total net pension liability	<u>\$ 77,156,742</u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

EMPLOYEES' RETIREMENT SYSTEM (ERS) – DEFINED BENEFIT PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The net pension liability was measured as of June 30, 2018, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. The Westerly School Department proportion of the net pension liability was based on a projection of the Westerly School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2018 the Westerly School Department's proportion was 1.39326970%.

For the year ended June 30, 2018 the Westerly School Department recognized gross pension expense of \$5,844,122 and revenue of \$2,712,732 for support provided by the State. At June 30, 2018 the Westerly School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ (1,041,830)
Changes of assumptions	3,837,957	(692,506)
Net difference between projected and actual earnings on pension plan investments	3,400,230	(2,290,151)
Changes in proportion and differences between employer contributions and proportionate share of contributions	--	(4,300,309)
Total	\$ 7,238,187	\$ (8,324,796)

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

EMPLOYEES' RETIREMENT SYSTEM (ERS) – DEFINED BENEFIT PLAN

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The \$3,506,404 reported as deferred outflows of resources related to pensions resulting from the School contributions in fiscal year 2018 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended June 30	
2019		\$ (329,696)
2020		401,930
2021		(139,540)
2022		(911,970)
2023		(214,734)
Thereafter		<u>107,401</u>
Total		<u>\$ (1,086,609)</u>

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.0% to 13.5%
Investment rate of return	7.0%

Mortality – variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

The actuarial assumptions used in the June 30, 2016 valuation rolled forward to June 30, 2017 and the calculation of the total pension liability at June 30, 2016 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

EMPLOYEES' RETIREMENT SYSTEM (ERS) – DEFINED BENEFIT PLAN

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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 35 sources. The June 30, 2017 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity:		
U.S. Equity	20.60%	6.85%
International Developed Equity	15.90%	6.71%
Emerging Markets Equity	3.50%	8.91%
Private Growth:		
Private Equity	11.30%	9.62%
Non-Core RE	2.20%	5.17%
OPP Private Credit	1.50%	9.62%
Income:		
High Yield Infrastructure	1.00%	4.26%
REITS	1.00%	5.17%
Liquid Credit	2.80%	4.26%
Private Credit	3.20%	4.26%
Crisis Protection Class:		
Treasury Duration	4.00%	0.83%
Systematic Trend	4.00%	3.81%
Inflation Protection:		
Core Real Estate	3.60%	5.17%
Private Infrastructure	2.40%	5.57%
TIPs	1.00%	1.72%
Natural Resources	1.00%	3.98%
Volatility Protection:		
IG Fixed Income	11.50%	2.12%
Absolute Return	6.50%	3.81%
Cash	3.00%	0.83%
Total	100.00%	

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

EMPLOYEES' RETIREMENT SYSTEM (ERS) – DEFINED BENEFIT PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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

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

The following presents the net pension liability calculated using the discount rate of 7.0 percent as well as what the net pension liability 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.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability	\$ 55,228,279	\$ 43,944,932	\$ 35,540,633

Pension Plan Fiduciary Net Position

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) – DEFINED BENEFIT

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.

Benefits Provided

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

Salary 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.

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.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) – DEFINED BENEFIT (CONTINUED)

General Information about the Pension Plan (Continued)

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 as described above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's prior Retirement Date. The minimum retirement age is 59.

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

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

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

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) – DEFINED BENEFIT (CONTINUED)

General Employees (Continued)

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.

Other Benefit Provisions

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

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

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%

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) – DEFINED BENEFIT (CONTINUED)

Other Benefit Provisions (Continued)

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 (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

Employees Covered by Benefit Terms

At the June 30, 2016 valuation date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	8
Inactive, Nonretired Members	<u>1</u>
Total	<u>9</u>

Contributions

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$181,261 in the year ended June 30, 2018. There was no covered annual covered payroll as the Town has no active employees in the plan.

Net Pension Liability

The total pension liability was determined by actuarial valuations performed as of June 30, 2016 and rolled forward to June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) – DEFINED BENEFIT (CONTINUED)

Employees Covered by Benefit Terms (Continued)

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2017 measurement date (June 30, 2016 valuation rolled forward to June 30, 2017)	
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	Mortality – variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

The actuarial assumptions used in the June 30, 2015 valuation rolled forward to June 30, 2016 and the calculation of the total pension liability at June 30, 2016 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 35 sources. The June 30, 2016 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) – DEFINED BENEFIT (CONTINUED)

Employees Covered by Benefit Terms (Continued)

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity:		
U.S. Equity	20.60%	6.85%
International Developed Equity	15.90%	6.71%
Emerging Markets Equity	3.50%	8.91%
Private Growth:		
Private Equity	11.30%	9.62%
Non-Core RE	2.20%	5.17%
OPP Private Credit	1.50%	9.62%
Income:		
High Yield Infrastructure	1.00%	4.26%
REITS	1.00%	5.17%
Liquid Credit	2.80%	4.26%
Private Credit	3.20%	4.26%
Crisis Protection Class:		
Treasury Duration	4.00%	0.83%
Systematic Trend	4.00%	3.81%
Inflation Protection:		
Core Real Estate	3.60%	5.17%
Private Infrastructure	2.40%	5.57%
TIPs	1.00%	1.72%
Natural Resources	1.00%	3.98%
Volatility Protection:		
IG Fixed Income	11.50%	2.12%
Absolute Return	6.50%	3.81%
Cash	3.00%	0.83%
Total	100.00%	

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) – DEFINED BENEFIT (CONTINUED)

Employees Covered by Benefit Terms (Continued)

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

Discount Rate

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

Changes in Net Pension Liabilities

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2017	\$ 913,458	\$ 304,165	\$ 609,293
Changes for the Year			
Service cost	--	--	--
Interest on the total pension liability	63,046	--	63,046
Changes in benefits	--	--	--
Difference between expected and actual experience	34,782	--	34,782
Changes in assumptions	69,481	--	69,481
Employer contributions	--	362,522	(362,522)
Employee contributions	--	--	--
Net investment income	--	61,832	(61,832)
Benefit payments, including employee refunds	(145,691)	(145,691)	--
Administrative expense	--	(584)	584
Other changes	--	(2)	2
Net changes	<u>21,618</u>	<u>278,077</u>	<u>(256,459)</u>
Balances as of June 30, 2018	<u>\$ 935,076</u>	<u>\$ 582,242</u>	<u>\$ 352,834</u>

TOWN OF WESTERLY, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) – DEFINED BENEFIT (CONTINUED)

Changes in Net Pension Liabilities (Continued)

Sensitivity of the Net Pension Liability to changes in the discount rate

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability	\$ 472,500	\$ 352,834	\$ 263,612

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, 2018 the employer recognized pension expense of \$133,702. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments:	\$ 16,409	\$ (28,079)
Total	\$ 16,409	\$ (28,079)

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) – DEFINED BENEFIT (CONTINUED)

Changes in Net Pension Liabilities (Continued)

The \$362,522 reported as deferred outflows of resources related to pensions resulting from the School contributions in fiscal year 2018 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2019	\$ (3,270)
2020	83
2021	(2,301)
2022	(6,182)
2023	<u> --</u>
Total	<u>\$ (11,670)</u>

TEACHERS' SURVIVORS BENEFIT PLAN (TSB)

General Information about the Pension Plan

Plan Description

Certain employees of the Town of Westerly School (School) participate in a cost-sharing multiple-employer defined benefit pension plan - the Teachers' Survivors Benefit plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in Social Security.

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

General Information about the Pension Plan (Continued)

Eligibility and Plan Benefits

The plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in the plan. Specific eligibility criteria and the amount of the benefit is subject to the provisions of Chapter 16-16 of the Rhode Island General Laws which are subject to amendment by the General Assembly. Spouse, parents, family and children's benefits are payable following the death of a member. A spouse shall be entitled to benefits upon attaining the age of sixty (60) years. Children's benefits are payable to the child, including a stepchild or adopted child of a deceased member if the child is unmarried and under the age of eighteen (18) years or twenty-three (23) years and a full time student, and was dependent upon the member at the time of the member's death. Family benefits are provided if at the time of the member's death the surviving spouse has in his or her care a child of the deceased member entitled to child benefits. Parents benefits are payable to the parent or parents of a deceased member if the member did not leave a widow, widower, or child who could ever qualify for monthly benefits on the member's wages and the parent has reached the age of 60 years, has not remarried, and received support from the member.

In January, a yearly cost-of-living adjustment for spouse's benefits is paid and based on the annual social security adjustment.

Survivors are eligible for benefits if the member has made contributions for at least six months prior to death or retirement.

The TSB plan provides benefits based on the highest salary at the time of retirement of the teacher. Benefits are payable in accordance with the following table:

<u>Highest Annual Salary</u>	<u>Basic Monthly Spouses' Benefit</u>
\$17,000 or less	\$ 750
\$17,001 to \$25,000	\$ 875
\$25,001 to \$33,000	\$ 1,000
\$33,001 to \$40,000	\$ 1,125
\$40,001 and over	\$ 1,250

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

General Information about the Pension Plan (Continued)

Benefits payable to children and families are equal to the spousal benefit multiplied by the percentage below:

Parent and 1 Child	Parent and 2 or more Children	One Child Alone	Two Children Alone	Three or more Children Alone	Dependent Parent
150%	175%	75%	150%	175%	100%

Contributions

The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$9,600; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits.

The Town contributed \$35,305, \$29,664 and \$31,533 for the fiscal years ended June 30, 2018, 2017 and 2016, respectively, equal to 100% of the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2018 the Westerly School Department reported an asset of \$3,965,369 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2017, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2016. The Westerly School Department proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2016 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2016 the Westerly School Department) proportion was 4.79335383%.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

For the year ended June 30, 2018, the Westerly School Department recognized pension expense of 859,196, an increase in the net pension asset. At June 30, 2018 the Westerly School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 782,595	\$ (833,277)
Changes of assumptions	653,260	--
Net difference between projected and actual earnings on pension plan investments	911,675	(658,324)
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>334,670</u>	<u>--</u>
Total	<u>\$ 2,682,200</u>	<u>\$ (1,491,601)</u>

\$35,305 reported as deferred outflows of resources related to pensions resulting from the Westerly School Department contributions in fiscal year 2018 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended June 30
2019	\$ 187,241
2020	382,212
2021	240,061
2022	30,936
2023	146,775
Thereafter	<u>203,374</u>
Total	<u>\$ 1,190,599</u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.0% to 13.5%
Investment rate of return	7.0%

Mortality – variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

Cost of living adjustment – eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment – for valuation purposes, a 2.75% cost of living adjustment is assumed.

The actuarial assumptions used in the June 30, 2016 valuation and the calculation of the total pension liability at June 30, 2017 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

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 35 sources. The June 30, 2017 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity:		
U.S. Equity	20.60%	6.85%
International Developed Equity	15.90%	6.71%
Emerging Markets Equity	3.50%	8.91%
Private Growth:		
Private Equity	11.30%	9.62%
Non-Core RE	2.20%	5.17%
OPP Private Credit	1.50%	9.62%
Income:		
High Yield Infrastructure	1.00%	4.26%
REITS	1.00%	5.17%
Liquid Credit	2.80%	4.26%
Private Credit	3.20%	4.26%
Crisis Protection Class:		
Treasury Duration	4.00%	0.83%
Systematic Trend	4.00%	3.81%
Inflation Protection:		
Core Real Estate	3.60%	5.17%
Private Infrastructure	2.40%	5.57%
TIPs	1.00%	1.72%
Natural Resources	1.00%	3.98%
Volatility Protection:		
IG Fixed Income	11.50%	2.12%
Absolute Return	6.50%	3.81%
Cash	3.00%	0.83%
Total	100.00%	

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

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

Discount Rate

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

Sensitivity of the Net Pension Liability to changes in the discount rate

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability	\$ (2,712,202)	\$ (3,965,369)	\$ (4,898,321)

Pension Plan Fiduciary Net Position

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

POLICE PENSION PLAN

General Information about the Pension Plan

The Town is the administrator of a single-employer defined-benefit pension plan established to provide pension benefits for its police officers. The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund. Stand-alone financial statements are not issued for the plan. Plan provisions are established by contract and may be amended by union negotiation.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

General Information about the Pension Plan

Plan Description and Benefits Provided

All regular police officers are eligible to participate in the Police Retirement Plan. The plan provides retirement benefits as well as death and disability benefits. Members are 100% vested after 10 years of service. Normal retirement is after the completion of 20 years of service for officers hired prior to July 1, 2010. Officers hired after July 1, 2010 may retire upon completion of 25 years of service. The retirement benefit for officers hired prior to July 1, 2010 is calculated at 50% of annual pay for 20 years of service plus 2% times annual pay for each year of service over 20 years (maximum service equals 25 years). For officers hired after July 1, 2010, the retirement benefit is calculated at 50% of annual pay for 25 years of service plus 2% times annual pay for each year of service over 25 years (maximum service equals 30 years). Annual pay at retirement is a sum equal to the base salary received for the 12 months immediately preceding retirement. The normal form of benefit is 67.5% Joint and Survivor. If a member leaves covered employment or dies before vesting, accumulated member contributions are refunded with interest. If a member dies in the line of duty, the member's heirs shall receive the same benefits as though they had been members of the bargaining unit for 20 years. Retired members are entitled to a 3% cost of living adjustment, not compounded, each year if hired prior to July 1, 2010 (2 1/2% if retired before July 1, 1998). Officers hired after July 1, 2010 are entitled to a 3% cost of living adjustment, not compounded after 5 years on pension or age 52, whichever comes first. Disability retirement for occupational causes equals 50% of annual pay at time of disability. Non-occupational causes receive a lower percentage varying by years of service at time of disability. Members who retire with 25 or more years of service shall receive severance pay based on 1.5 days for each year of service at retirement.

The management of the Westerly Police Pension and OPEB plans consist of The Town Manager, the Finance Director, HR Director and a representative from the Police Pension. The Town Council is the governing body of approval of the Investment Policy Statements and the establishment of the OPEB share, and is responsible for the appointment of the investment committee.

At July 1, 2017, Plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	46
Terminated plan member entitled to but not yet receiving benefits	1
Active Plan Members	<u>49</u>
Total	<u><u>96</u></u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Summary of Significant Accounting Policies

Basis of Accounting

Financial statements are prepared using the accrual basis of accounting for the three defined benefit pension plans. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

Method Used to Value Investments

Investments are reported at market value. Investment income is recognized as earned.

Funding Policy

Active plan members contribute 12% of their covered earnings. The Town has an actuarial valuation to determine the annual required contribution, but does not fund the plan based on the valuation. The Town funds the plan based on the annual budget.

Administrative costs of the plan are financed through investment earnings.

Pension Trust Funds

The Town maintains a police pension trust fund to account for its fiduciary responsibility. The following schedules present the net position held in trust for pension benefits and OPEB Trust at June 30, 2018 and the changes in net position for the year then ended. Included in the Police Pension trust funds are OPEB assets related to a medical subaccount. Those assets are not used to offset the total pension liability.

Schedule of Plan Net Position

	Police Pension Trust	OPEB Trust	Total
Assets:			
Cash and cash equivalents	\$ 346,720	\$ 154,203	\$ 500,923
Investments, at fair value	34,925,676	4,400,221	39,325,897
Other accounts receivables	296,213	6,330	302,543
Total assets	<u>35,568,609</u>	<u>4,560,754</u>	<u>40,129,363</u>
Liabilities:			
Accounts payable and accrued expenses	<u>--</u>	<u>370,861</u>	<u>370,861</u>
Net Position:			
Restricted for Pension and OPEB Benefits	<u>\$ 35,568,609</u>	<u>\$ 4,189,893</u>	<u>\$ 39,758,502</u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Schedule of Changes in Plan Net Position

	Police Pension Trust	OPEB Trust	Total
Additions:			
Contributions			
Employer	\$ 1,850,000	\$ 1,912,794	\$ 3,762,794
Plan members	447,302	--	447,302
Total contributions	2,297,302	1,912,794	4,210,096
Net investment income:			
Net appreciation in fair value of investments	2,104,574	144,052	2,248,626
Interest and dividends	821,144	95,058	916,202
	2,925,718	239,110	3,164,828
Total additions	5,223,020	2,151,904	7,374,924
Deductions:			
Benefits	2,194,835	--	2,194,835
Police retiree health care	--	725,982	725,982
Administration expense	61,754	36,348	98,102
Total deductions	2,256,589	762,330	3,018,919
Changes in Net Position	2,966,431	1,389,574	4,356,005
Net Position at Beginning of Year	32,602,178	2,800,319	35,402,497
Net Position at End of Year	\$ 35,568,609	\$ 4,189,893	\$ 39,758,502

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Schedule of Changes in Plan Net Position (Continued)

Investment Policy

The Town has established an investment policy for the prudent investment of funds with the objective of preservation and growth of capital. Appropriate diversification of the portfolio is required to be maintained as advised by the plan's investment manager and the Town's finance director and approved by the Town Manager. The investment program shall be operated in conformance with federal, state and other legal requirements. All pertinent local and state ethic statutes are required to be adhered to by the Town administrative staff in regard to all investment fund activities. The investment manager may act autonomously in the selection of the fund investments within the framework of the required asset allocation. In terms of diversification, no individual security shall represent more than 5% of the portfolio's market value. The following investment types are prohibited: special placements, venture capital, derivatives, commodities, futures and options. Securities cannot be purchased on margin and short sales cannot be conducted. The fund is not allowed to borrow money.

The following was the Board's adopted asset allocation policy as of June 30, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity	62.00%
Fixed Income	34.00%
Real Estate	3.00%
Cash	<u>1.00%</u>
Total	<u><u>100.00%</u></u>

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.49%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Net Pension Liability

The components of the net pension liability of the Town at June 30, 2018 were as follows:

Total pension liability	\$ 49,881,156
Plan fiduciary net position	<u>35,568,335</u>
Total Net Pension Liability	<u><u>14,312,821</u></u>

Plan fiduciary net position as a percentage of the total pension liability	71.31%
---	--------

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2017, using the following actuarial assumptions, applied to all periods included in the measurement.

Mortality rates were based on the RP 2014 Healthy Mortality Table with generational improvements from 2006 using scale MP-2016 and the RP 2014 Disabled Mortality Table with generational improvements from 2006 using scale MP-2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 (see discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Equity	7.15%
Fixed Income	2.43%
Real Estate	5.00%
Cash	0.50%

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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. 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.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2007 through June 30, 2017.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2017	\$ 46,752,164	\$ 32,601,961	\$ 14,150,203
Changes for the Year			
Service cost	904,511	--	904,511
Interest on the total pension liability	3,375,546	--	3,375,546
Difference between expected and actual experience	(355,566)	--	(355,566)
Changes in assumptions	1,399,336	--	1,399,336
Employer contributions	--	1,850,000	(1,850,000)
Employee contributions	--	447,302	(447,302)
Net investment income	--	2,863,907	(2,863,907)
Benefit payments, including employee refunds	(2,194,835)	(2,194,835)	--
Net changes	3,128,992	2,966,374	162,618
Balances as of June 30, 2018	\$ 49,881,156	\$ 35,568,335	\$ 14,312,821

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to changes in the discount rate

The following presents the net pension liability of the Town, calculated using the discount rate of 7.0%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability	\$ 21,282,432	\$ 14,312,821	\$ 8,655,229

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

For the year ended June 30, 2018, the Town recognized pension expense of \$1,894,501. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience:	\$ 23,693	\$ (1,079,133)
Changes in assumptions:	2,245,560	(417,714)
Net difference between projected and actual earnings on pension plan investments:	984,491	(1,173,055)
Total	\$ 3,253,744	\$ (2,669,902)

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

Year Ending June 30,	Outflows (Inflows) of Resources
2019	\$ 429,103
2020	230,381
2021	(232,794)
2022	157,152
2023	--
Thereafter	--
Total	<u>\$ 583,842</u>

INTERNATIONAL CITY MANAGEMENT ASSOCIATION (ICMA) PENSION PLAN

General salaried employees hired after February 1981 were eligible to participate in this 401(a) defined contribution plan created as of September 1, 1995. Previously, these employees contributed to a defined contribution plan with the International City Management Association, established as a 457(b) deferred compensation plan; this plan was deemed ineligible by IRS codification and has been closed to new entrants, but assets cannot be transferred to the new 401(a) plan.

Employees contribute 6% or more of their qualified salary to a maximum of 25% not to exceed \$30,000. The Town contributes 10% of the qualified salary. Plan provisions and contribution requirements are established and may be amended by the Town Council. The Town's contribution for the years ended June 30, 2018 and 2017 were \$335,464 and \$282,226, respectively.

LABORERS' INTERNATIONAL UNION OF NORTH AMERICA NATIONAL PENSION FUND

Plan Description and Benefits Provided

The Laborers' International Union of North America National Pension Fund is a cost sharing multiple employer defined benefit plan (the Plan), which is operating as a 401(a) plan. All Town non-salaried general employees participate in the Plan.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 - PENSION PLANS (CONTINUED)

LABORERS' INTERNATIONAL UNION OF NORTH AMERICA NATIONAL PENSION FUND (CONTINUED)

Information regarding the Plan can be obtained from the Fund Office maintained by the Board of Trustees at the following address: Laborers' International (Industrial) Pension Fund, 905 16th Street, N.W., Washington, DC 20006-1765 or at www.lnipf.org.

Eligibility

An employee is eligible to receive pension benefits if they have attained age 62, have five or more years of pension credit and have earned at least one of the years of pension credit during the period that his or her employer is contributing to the Plan.

Benefits

The amount of regular pension benefits payable to an employee is determined by the highest contribution rate at which he or she earned pension credit and years of pension credits earned (up to a maximum of 30 years of pension credits). The regular monthly benefit is payable for each year of pension credit at each contribution rate accepted by the Plan up to \$1.86 per hour. The Plan also provides death and disability benefits.

Funding Policy

The contribution requirements of the Town and employees are established by contract and may be amended by union negotiation. Employees are not required to contribute to the plan. The Town was required to contribute the following amounts for fiscal year ended June 30, 2018: bus drivers and aides - \$1.69 per hour up to a maximum of 40 hours per week; school maintenance, secretarial and clerical employees - \$2.38 per hour; town public works and secretarial employees - \$2.05 per hour from 10/2012 to 9/2013 and \$2.26 per hour from 10/2013 to 9/2014 for employee's normal work week. The Town was also required to contribute \$0.06 per hour to an annuity fund (maximum of \$4,000 annually for School employees). The total contribution for fiscal years ended June 30, 2018, 2017 and 2016 was \$1,089,410, \$1,134,521 and \$1,031,248, respectively.

SCHOOL DEPARTMENT PENSION PROGRAM

All School Department unaffiliated, classified, appointed employees participate in an agreed-upon 403(b) pension program, which is funded by the School Department. The School Department's contribution is 10% of the qualified employee's salary per year. The employees do not contribute to the plan. The contributions are made to an eligible plan of the employee's choice. All school employees are eligible by federal law to participate in a payroll deduction tax deferred plan, which must be arranged by a broker or private insurance carrier. Total contributions for the year ended June 30, 2018 were \$149,056.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS

POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description

The Town administers a single-employer defined benefit healthcare plan for police. The plan provides medical, dental and life insurance benefits to eligible retirees and their dependents. Coverage to retirees and spouses includes dental insurance for life and a reimbursement of Medicare Part B premium to retirees only after age 65. Most full-time employees of the police department are eligible to participate in the plan. Benefit provisions are established through negotiations between the Town and the Police Officers Union.

Management of the post-employment benefits plan is vested with the Town Manager, Director of Human Resources and Director of Finance. Funds are managed by a third-party investment management firm.

Employees Covered by Benefit Terms

As of June 30, 2018, the following employees were covered by the benefit terms:

Retirees	44
Active employees	49
Total	<u>93</u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Contributions

Required contributions to the Plan are determined by an actuarial calculation. The Town Manager proposes the Plan contribution as part of the Town's annual budget process. The final budgeted amount is approved by the Town Council. The Town is required to contribute the cost of medical and dental benefits for police officers who retire with at least 20 years of service, less the amount of any applicable employee share of premiums as follows:

- Employees hired before July 1, 1993 shall, upon retirement, contribute the same percentage of medical premium as they contributed at the time of their retirement.
- Employees hired on or after July 1, 1993 and retiring after at least 20 years of active service will be eligible to receive Town-provided medical insurance for the retiring member only (single plan). The retired member will pay 17.5% percent of the cost of health care coverage at the fully mature working rate or monthly premium cost. After the retired member reaches the age of 65, the Town will be under no obligation to provide medical insurance coverage.

Investments

Investment Policy

The Town is responsible for directing and monitoring the investment and management of the Assets. Under the Plan document, the Town has the power to make such rules and regulations as may be necessary for the administration of the Plan and the Fund and the investment and reinvestment of the Assets. As such, the Town is authorized to delegate certain responsibilities to professional experts in various fields. These include Investment Managers, Custodians, and other specialists such as attorneys, auditors, actuaries, retirement plan consultants, and others to assist the Town in meeting its responsibilities and obligations to administer Plan assets prudently.

The investment Plan assets shall be diversified to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return.

The Investment Policy, while not formal, is as follows:

Asset Class	Target Allocation
Cash and equivalents	0 - 10%
Equities	35 - 75%
Fixed Income	25 - 50%

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Total OPEB Liability

The Town's total OPEB liability of \$26,904,189 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Actuarial Valuation Date:** July 1, 2017, with results actuarially projected on a "no gain / no loss" basis to get to the June 30, 2018 measurement date.
- Discount Rate:** 3.60% as of July 1, 2017 and 4.10% as of June 30, 2018 (based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher).
- Payroll Growth:** 3.00% per year for general wage inflation
- Inflation Rate:** 3.00% per year
- Cost Method:** Entry Age Normal Level % Salary
- Health Care Trend Rates:** 8.50% for 2019, decreasing by 0.5% per year to an ultimate rate of 5.0% for 2026 and later years.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Changes in Total OPEB Liability

Changes in total OPEB liability for the year ended June 30, 2018 consisted of the following:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2017	\$ 30,748,509	\$ 2,800,049	\$ 27,948,460
Changes for the year:			
Service Cost	341,151	--	341,151
Interest	1,106,276	--	1,106,276
Changes of benefit terms	--	--	--
Changes of assumptions	(2,185,085)	--	(2,185,085)
Differences between expected and actual experience	(2,380,680)	--	(2,380,680)
Contributions - employer	--	1,912,794	(1,912,794)
Net investment income	--	239,784	(239,784)
Benefit payments	(725,982)	(725,982)	--
Trust administrative expenses	--	(37,013)	37,013
Net Changes	<u>(3,844,320)</u>	<u>1,389,583</u>	<u>(5,233,903)</u>
Balance at June 30, 2018	<u>\$ 26,904,189</u>	<u>\$ 4,189,632</u>	<u>\$ 22,714,557</u>

Changes in assumptions reflect a change in the discount rate from 3.60% for fiscal year ended June 30, 2017 to 4.10% as of June 30, 2018.

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

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.10%) or 1-percentage-point higher (5.10%) than the current discount rate:

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
Total OPEB liability	\$ 27,370,920	\$ 22,714,557	\$ 19,046,218

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 - OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS (CONTINUED)

POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.5% decreasing to 4%) or 1-percentage-point higher (9.5% decreasing to 6%) than the current healthcare cost trend rates:

	1% Decrease (7.5% Decreasing to 4.0%)	Current Health Care Trend Rates (8.5% Decreasing to 5.0%)	1% Increase (9.5% Decreasing to 6.0%)
Total OPEB liability	\$ 18,935,146	\$ 22,714,557	\$ 27,461,099

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

For the year ended June 30, 2018, the Town recognized negative OPEB expense of \$762,330 in the Government-wide Statement of Activities. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ --	\$ (1,983,900)
Changes in assumptions	--	(1,820,904)
Net difference between projected and actual earnings in OPEB plan investments	3,337	--
Total	\$ 3,337	\$ (3,804,804)

Amounts reported as deferred outflows / (inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	\$ (760,127)
2020	(760,127)
2021	(760,127)
2022	(760,126)
2023	(760,960)
	<u>\$ (3,801,467)</u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 12 - RISK MANAGEMENT

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2018.

HEALTH FUND

The Town has chosen to establish a Health Fund for risks associated with the employees' health and dental insurance plans. This fund is accounted for as an Internal Service Fund where assets are set aside for claim settlements. The Town oversees the self-insured program. Plan administration is provided by Blue Cross/Blue Shield of Rhode Island and Delta Dental of Rhode Island.

A premium is charged to each fund that accounts for full or part-time employees. The total charge allocated to each of the funds is calculated using employee rates determined by the self-insurance administrator. The Town utilizes a "cost plus basis" plan under which the Town pays for the actual cost of covered health care services plus a fee to the provider for the administration of the program.

In order to avoid catastrophic losses, the Town purchases specific stop-loss re-insurance. Under the stop-loss, the Town is covered for medical claims over \$500,000 per person/per contract period.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs) and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether they are allocated to specific claims. Estimated recoveries, for example for salvage or subrogation, are another component of the claims liability estimate. Changes in the claims liability for the past two years are as follows:

Fiscal Year	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
2017-18	\$ 949,838	\$ 12,227,595	\$ 12,096,997	\$ 1,080,436
2016-17	\$ 608,623	\$ 11,145,248	\$ 10,804,033	\$ 949,838

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 - CONTINGENCIES

RISK MANAGEMENT

Liabilities for legal cases and other claims against governmental funds are recorded in the governmental funds when the ultimate liability can be estimated and such cases are expected to be settled with available expendable financial resources. During the ordinary course of its operations, the Town is party to various claims, legal actions and complaints. In the opinion of the Town's management and legal counsel, these matters are not anticipated to have a material financial impact on the Town.

NOTE 14 - TAX ABATEMENTS

The Town of Westerly enters into tax abatement agreements with local businesses under its Economic Development Tax Incentive Program for Commercially Zoned Property. Under the Program, new businesses locating in commercially zoned property with the Town or existing businesses that are expanding may qualify for a tax incentive.

For the fiscal year ended June 30, 2018, the Town abated property taxes totaling \$8,266 under this program, including the following tax abatement agreements to new businesses locating in a commercially zoned property or existing businesses that are expanding:

<u>Purpose</u>	<u>Percentage of taxes abated during the Fiscal Year</u>	<u>Amount of Taxes Abated during the Fiscal Year</u>
Retain company in Westerly area	40%	\$ 8,089
Improvements of manufacturing facility	10%	\$ 177

A twenty year property tax abatement to retain a company within the Town of Westerly. The abatement amounted to \$8,089.

A twenty year property tax abatement to a manufacturing company to improve their manufacturing facilities. The abatement amounted to \$177.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 15 - PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The following restatements were recorded to the beginning net position and fund balance for Governmental Activities, General Fund, and Nonmajor Governmental Funds:

	Governmental Activities	Business-Type Activities	General Fund	Other Nonmajor Governmental Funds	Other Nonmajor Enterprise Fund
Net position/fund balance as previously reported at June 30, 2017	\$ 55,393,346	\$ 39,276,823	\$ 14,491,057	\$ 3,271,274	\$ --
To correct overstated capital asset balances	(1,065,980)	--	--	--	--
To correct receivable balances in nonmajor funds	--	--	--	196,278	--
To reclassify Storms Fund in General Fund	--	--	(115,331)	115,331	--
To correct St. Algiers Fund Balance	--	--	54,446	(54,444)	--
To reclasssify Self Insurance Fund into General Fund	(596)	--	596	--	--
To reclassify Animal Shelter Fund as Enterprise Fund	--	98,733	--	(98,733)	98,733
To correct Government Activities Fund Balance	98,143	--	--	--	--
Restatement due to GASB 75 implementation	<u>(21,516,070)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net position/fund balance as restated at July 1, 2017	<u>\$ 32,908,843</u>	<u>\$ 39,375,556</u>	<u>\$ 14,430,768</u>	<u>\$ 3,429,706</u>	<u>\$ 98,733</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF WESTERLY, RHODE ISLAND

RSI-1

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUE AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Revised Budget	Actual	Variance
Revenues				
General property taxes and payments in lieu of taxes	\$ 71,633,060	\$ 71,633,060	\$ 71,539,944	\$ (93,116)
Intergovernmental and departmental	14,161,659	14,161,659	14,483,629	321,970
Licenses and permits	501,065	501,065	548,296	47,231
Fines and penalties	190,150	190,150	256,321	66,171
Use of property and money	518,822	518,822	691,480	172,658
Other revenue	1,409,117	1,409,117	1,885,484	476,367
Total Revenues	<u>88,413,873</u>	<u>88,413,873</u>	<u>89,405,154</u>	<u>991,281</u>
Expenditures				
Current:				
Legislative, judicial and general administrative	7,110,246	7,064,840	7,640,937	(576,097)
Public works	3,721,719	3,743,504	3,754,592	(11,088)
Public safety	6,538,984	6,543,447	7,265,444	(721,997)
Health and welfare	1,089,766	1,089,766	1,094,120	(4,354)
Conservation and development	29,500	29,500	6,235	23,265
Parks and recreation	1,184,325	1,186,341	1,068,341	118,000
Planning	805,553	807,882	788,251	19,631
Capital improvements/restricted programs	2,091,000	2,108,223	1,278,130	830,093
Debt services	9,935,881	9,935,881	9,320,627	615,254
Total Expenditures	<u>32,506,974</u>	<u>32,509,384</u>	<u>32,216,677</u>	<u>292,707</u>
Excess of Revenues Over Expenditures				
Before Other Financing Sources (Uses)	<u>55,906,899</u>	<u>55,904,489</u>	<u>57,188,477</u>	<u>1,283,988</u>
Other Financing Sources (Uses)				
Appropriation of fund balance	-	-	-	--
Transfers in	88,725	113,863	122,724	8,862
Transfers out - other	(1,152,112)	(1,174,839)	(2,388,612)	(1,213,773)
Transfers out - School unrestricted fund - appropriation	(54,843,512)	(54,843,512)	(54,560,872)	282,640
Net Other Financing Sources (Uses)	<u>(55,906,899)</u>	<u>(55,904,489)</u>	<u>(56,826,760)</u>	<u>(922,271)</u>
Excess of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>\$ 1</u>	<u>\$ 0</u>	361,717	<u>\$ 361,717</u>

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-2

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES (NON-GAAP BUDGETARY BASIS)
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budgeted Revenues	Revised Budgeted Revenues	Actual Revenues	Variance
Property taxes				
Current property taxes	\$ 64,196,610	\$ 64,196,610	\$ 64,706,878	\$ 510,268
Motor vehicle - excise tax	4,821,440	4,821,440	4,672,794	(148,646)
Personal property taxes	1,339,282	1,339,282	1,348,624	9,342
Prior year property taxes	737,728	737,728	271,871	(465,857)
Pilot - housing authority	15,000	15,000	14,495	(505)
Pro-ration	65,000	65,000	43,025	(21,975)
Tax interest, lien fees and other	458,000	458,000	482,257	24,257
Total property taxes	<u>71,633,060</u>	<u>71,633,060</u>	<u>71,539,944</u>	<u>(93,116)</u>
Intergovernmental and departmental				
State motor vehicle - excise tax phase out	216,507	216,507	852,374	635,867
State grant-in-aid - general	2,389,109	2,389,109	2,265,466	(123,643)
State grant-in-aid - library	318,791	318,791	318,791	--
State grant-in-aid - school operation	9,132,701	9,132,701	8,850,061	(282,640)
State grant-in-aid - school housing aid	1,845,051	1,845,051	1,845,054	3
Total intergovernmental and departmental	<u>13,902,159</u>	<u>13,902,159</u>	<u>14,131,746</u>	<u>229,587</u>
Licenses and permits	<u>501,065</u>	<u>501,065</u>	<u>548,296</u>	<u>47,231</u>
Fines and penalties	<u>190,150</u>	<u>190,150</u>	<u>256,321</u>	<u>66,171</u>
Use of property and money	<u>518,822</u>	<u>518,822</u>	<u>691,480</u>	<u>172,658</u>
Other revenues	<u>1,409,117</u>	<u>1,409,117</u>	<u>1,885,484</u>	<u>476,367</u>
Recreation	<u>259,500</u>	<u>259,500</u>	<u>351,884</u>	<u>92,384</u>
Total revenues	<u>88,413,873</u>	<u>88,413,873</u>	<u>89,405,154</u>	<u>991,281</u>
Transfers in	<u>88,725</u>	<u>113,863</u>	<u>122,724</u>	<u>8,862</u>
Total Revenue and Other Financing Sources	<u>88,502,598</u>	<u>88,527,736</u>	<u>89,527,878</u>	<u>1,000,143</u>

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-3

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Legislative, judicial and general administrative:				
Legislative				
Town council	\$ 64,917	\$ 64,917	\$ 82,116	\$ (17,199)
Finance board	2,500	2,500	1,830	670
Judicial				
Legal Services	234,680	234,680	327,286	(92,606)
Probate Court	77,134	77,134	68,988	8,146
Municipal Court	64,674	66,118	53,858	12,260
Administrative				
Board of canvassers	116,633	118,777	123,079	(4,301)
Town clerk	321,843	324,567	321,194	3,372
Town manager	360,124	291,551	212,432	79,120
Finance department	490,845	491,728	1,031,188	(539,461)
Assessment Administration	336,791	341,629	346,812	(5,183)
Management information systems	366,126	375,160	386,919	(11,759)
Human resources	150,753	152,853	188,176	(35,324)
Benefits				
Pension and OPEB	<u>4,523,226</u>	<u>4,523,226</u>	<u>4,497,059</u>	<u>26,167</u>
Total legislative, judicial and general administrative	<u>7,110,246</u>	<u>7,064,840</u>	<u>7,640,937</u>	<u>(576,097)</u>
Public Works:				
Town buildings	794,730	796,706	742,718	53,988
Public works administration	252,700	263,052	288,900	(25,849)
Tree warden	6,000	6,000	4,875	1,125
Highway and drainage	1,581,645	1,582,950	1,612,027	(29,077)
Snow and ice control	211,350	211,350	270,237	(58,887)
Street lighting	400,000	400,000	366,291	33,709
Equipment maintenance	358,750	366,664	376,155	(9,491)
Engineering	<u>116,544</u>	<u>116,782</u>	<u>93,387</u>	<u>23,394</u>
Total public works	<u>3,721,719</u>	<u>3,743,504</u>	<u>3,754,592</u>	<u>(11,088)</u>
Public Safety				
Police department	6,353,096	6,356,275	7,081,509	(725,234)
Technology	185,888	187,172	178,935	8,238
Emergency preparedness	<u>--</u>	<u>--</u>	<u>5,000</u>	<u>(5,000)</u>
Total Public Safety	<u>6,538,984</u>	<u>6,543,447</u>	<u>7,265,444</u>	<u>(721,997)</u>
Health and welfare:				
Subsidies	<u>1,089,766</u>	<u>1,089,766</u>	<u>1,094,120</u>	<u>(4,354)</u>
Conservation and development:				
Conservation commission	19,500	19,500	1,414	18,086
Municipal land trust	<u>10,000</u>	<u>10,000</u>	<u>4,821</u>	<u>5,179</u>
Total conservation and development	<u>29,500</u>	<u>29,500</u>	<u>6,235</u>	<u>23,265</u>

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-3

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (NON-GAAP BUDGETARY BASIS)
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Parks and recreation:				
Recreation and leisure	286,483	288,499	271,081	17,418
Town beach operation	318,460	318,460	340,815	(22,355)
Celebration of public events	9,731	9,731	9,574	157
Maintenance	569,651	569,651	446,872	122,779
Total parks and recreation	1,184,325	1,186,341	1,068,342	117,999
Planning and zoning:				
Planning and zoning/codes/grants	805,553	807,882	788,251	19,631
Capital improvements/restricted programs:				
Restricted programs	1,158,000	1,175,223	819,007	356,216
Capital improvements	933,000	933,000	459,123	473,877
Total capital improvements/restricted programs	2,091,000	2,108,223	1,278,130	830,093
Debt Service				
Town debt service	3,530,492	3,530,492	3,052,422	478,070
School debt service	6,405,389	6,405,389	6,268,206	137,183
Total Debt Service	9,935,881	9,935,881	9,320,628	615,253
Education	54,843,512	54,843,512	54,560,872	282,640
Total Expenditures	87,350,486	87,352,896	86,777,550	575,347
Transfers to Other Funds				
Transfers out	1,152,112	1,174,839	2,388,612	(1,213,773)
Total Expenditures and Other Financing Uses	\$ 88,502,597	\$ 88,527,736	\$ 89,166,162	\$ (638,426)

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-4

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUE AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
 BUDGET AND ACTUAL - SCHOOL UNRESTRICTED FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Revised Budget	Actual	Variance
Revenues				
Local Appropriation	\$ 45,710,811	\$ 45,710,811	\$ 45,710,811	\$ --
Tuition Preschool	67,150	67,150	56,835	(10,315)
Tuition From Other Districts	76,000	76,000	52,180	(23,820)
Transportation Revenue	3,400	3,400	3,133	(267)
Community Service Revenues	240,220	240,220	257,616	17,396
Rental Income	115,604	115,604	120,529	4,925
Miscellaneous	3,396	3,396	9,556	6,160
Fund Balance	--	--	-	-
Insurance proceeds	--	--	94,473	94,473
Unrestricted Grant in Aid	8,851,953	8,851,953	8,850,061	(1,892)
Medicaid Reimbursement	1,172,500	1,172,500	1,476,341	303,841
Total Revenues	<u>56,241,034</u>	<u>56,241,034</u>	<u>56,631,535</u>	<u>390,501</u>
Expenditures				
Salaries & Other Compensation	33,433,377	33,433,377	33,266,291	167,086
Employee Benefits	12,553,970	12,803,970	12,922,484	(118,514)
Purchased Services	7,217,310	7,348,030	7,448,876	(100,846)
Supplies & Materials	2,545,943	2,142,244	2,189,430	(47,186)
Equipment	393,338	450,238	448,878	1,360
Miscellaneous	97,096	63,175	79,008	(15,833)
Total Expenditures	<u>56,241,034</u>	<u>56,241,034</u>	<u>56,354,967</u>	<u>(113,933)</u>
Excess of Expenditures Over Revenues Before Other Financing Sources	<u>--</u>	<u>--</u>	<u>276,568</u>	<u>276,568</u>
Other Financing Sources				
Transfer In	--	--	86,118	86,118
Transfer Out	--	--	(67,482)	(67,482)
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>18,636</u>	<u>18,636</u>
Excess Revenues and Other Sources Over (Under) Expenditures and Other Sources	<u>--</u>	<u>--</u>	<u>295,204</u>	<u>295,204</u>
Excess Revenues and Other Sources Over (Under) Expenditure and Other Sources After Consent Order Transfer from General Fund for Deficit Reduction	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 295,204</u>	<u>\$ 295,204</u>

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-5

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
 EMPLOYEE'S RETIREMENT SYSTEM - TEACHERS
 LAST FOUR FISCAL YEARS

	2018	2017	2016	2015
Employer's proportion of the net pension liability	1.39326970%	1.51113%	1.53100236%	1.59668000%
Employer's proportionate share of the net pension liability	\$ 43,944,932	\$ 45,085,674	\$ 42,148,536	\$ 38,863,318
State's proportionate share of the net pension liability associated with the school district	<u>33,211,810</u>	<u>30,877,067</u>	<u>28,794,557</u>	<u>26,650,367</u>
Total	<u>\$ 77,156,742</u>	<u>\$ 75,962,741</u>	<u>\$ 70,943,093</u>	<u>\$ 65,513,685</u>
Employer's covered employee payroll	\$ 21,166,211	\$ 20,549,149	\$ 19,317,292	\$ 24,523,661
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	207.62%	45.58%	45.83%	63.10%
Plan fiduciary net position as a percentage of the total pension liability	54.00%	61.40%	56.49%	61.40%

Notes:

1.) *The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.*

2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-6

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 EMPLOYEES RETIREMENT SYSTEM - TEACHERS
 LAST FOUR FISCAL YEARS

	2018	2017	2016	2015
Actuarially determined contribution	\$ 3,257,862	\$ 3,020,763	\$ 3,097,654	\$ 3,491,094
Contributions in relation to the actuarially determined contribution	<u>3,257,862</u>	<u>3,020,763</u>	<u>3,097,654</u>	<u>3,491,094</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered-employee payroll	\$ 21,166,211	\$ 22,919,294	\$ 22,561,209	\$ 24,523,661
Contributions as a percentage of covered- employee payroll	15.39%	13.18%	13.73%	14.24%
Contributions as a percentage of covered- federal employee payroll	15.39%	21.44%	22.60%	22.60%

Notes:

1.) *Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.*

2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-7

REQUIRED SUPPLEMENTARY INFORMATION

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN THE TOWN OF WESTERLY'S NET PENSION
LIABILITY AND RELATED RATIOS

	2018	2017	2016	2015
Total pension liability				
Service Cost	\$ --	\$ --	\$ --	\$ --
Interest on the total pension liability	63,046	64,320	60,047	65,369
Changes of benefit terms			(108)	
Difference between expected and actual experience of the total pension liability	34,782	64,388	140,725	--
Changes of assumptions	69,481			5,469
Benefit payments, including refunds of employee contributions	(145,691)	(145,691)	(141,691)	(141,905)
Net change in total pension liability	21,618	(16,983)	58,973	(71,067)
Total pension liability – beginning	913,458	930,441	871,468	942,535
Total pension liability – ending (a)	<u>\$ 935,076</u>	<u>\$ 913,458</u>	<u>\$ 930,441</u>	<u>\$ 871,468</u>
Plan fiduciary net position				
Contributions – employer	\$ 362,522	\$ 181,400	\$ 181,261	\$ 183,142
Contributions – employee				
Net investment income	61,832	2,011	6,300	29,732
Benefit payments, including refunds of employee contributions	(145,691)	(145,691)	(141,691)	(141,905)
Pension plan administrative expense	(584)	(2,400)	(254)	(186)
Other	(2)	--	--	--
Net change in plan fiduciary net position	278,077	35,320	45,616	70,783
Plan fiduciary net position – beginning	304,165	268,845	223,229	152,446
Plan fiduciary net position – ending (b)	<u>\$ 582,242</u>	<u>\$ 304,165</u>	<u>\$ 268,845</u>	<u>\$ 223,229</u>
Net pension liability - ending (a) - (b)	<u>\$ 352,834</u>	<u>\$ 609,293</u>	<u>\$ 661,596</u>	<u>\$ 648,239</u>
Plan fiduciary net position as a percentage of the total pension liability	62.27%	33.30%	28.89%	25.62%

Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

Changes in assumptions - in 2015, amounts reported as changes in assumptions resulted primarily from a change in the salary increases from 4.00% - 14.25% to 3.5% - 14.00%.

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-8

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOWN'S CONTRIBUTIONS
MUNICIPAL EMPLOYEE'S RETIREMENT SYSTEM AGENT PLAN
LAST FOUR FISCAL YEARS

	2018	2017	2016	2015
Actuarially determined contribution	\$ 362,522	\$ 181,400	\$ 182,261	\$ 183,142
Contributions in relation to the actuarially determined contribution	<u>362,522</u>	<u>181,400</u>	<u>182,261</u>	<u>183,142</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Notes:

1.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-9

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WESTERLY, RHODE ISLAND
SCHEDULE OF CHANGES IN THE TOWN OF WESTERLY'S POLICE PENSION
LIABILITY AND RELATED RATIOS

	2018	2017	2016	2015
Total pension liability				
Service Cost	\$ 904,511	\$ 974,655	\$ 917,082	\$ 851,843
Interest on the total pension liability	3,375,546	3,320,232	3,224,788	3,036,062
Changes of benefit terms	--	--	--	--
Difference between expected and actual experience of the total pension liability	(355,566)	(978,160)	47,387	(499,006)
Changes of assumptions	1,399,336	1,264,408	(835,428)	991,037
Benefit payments, including refunds of employee contributions	(2,194,835)	(2,248,159)	(2,029,473)	(1,795,715)
Interest on benefit payments	--	--	--	--
Net change in total pension liability	3,128,992	2,332,976	1,324,356	2,584,221
Total pension liability – beginning	46,752,164	44,419,188	43,094,832	40,510,611
Total pension liability – ending (a)	\$ 49,881,156	\$ 46,752,164	\$ 44,419,188	\$ 43,094,832
Plan fiduciary net position				
Contributions – employer	\$ 1,850,000	\$ 1,720,000	\$ 1,713,800	\$ 1,716,400
Contributions – employee	447,302	388,426	382,932	384,672
Net investment income	2,863,907	3,482,244	129,896	1,255,952
Benefit payments, including refunds of employee contributions	(2,194,835)	(2,248,159)	(2,029,473)	(1,795,715)
Net change in plan fiduciary net position	2,966,374	3,342,511	197,155	1,561,309
Plan fiduciary net position – beginning	32,601,961	29,259,450	29,062,295	27,500,986
Plan fiduciary net position – ending (b)	\$ 35,568,335	\$ 32,601,961	\$ 29,259,450	\$ 29,062,295
Net pension liability - ending (a) - (b)	\$ 14,312,821	\$ 14,150,203	\$ 15,159,738	\$ 14,032,537
Plan fiduciary net position as a percentage of the total pension liability	71.31%	69.73%	65.87%	67.44%
Covered employee payroll	\$ 3,665,217	\$ 4,077,370	\$ 4,077,370	\$ 3,802,837
Net pension liability as a percentage of covered-employee payroll	390.50%	347.04%	371.80%	369.00%

Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-10

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOWN'S CONTRIBUTIONS-POLICE PENSION
TOWN OF WESTERLY, RHODE ISLAND
LAST TEN FISCAL YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 1,610,200	\$ 1,667,700	\$ 1,713,000	\$ 1,716,400	\$ 1,816,000	\$ 1,272,700	\$ 1,225,170	\$ 1,161,510	\$ 1,164,310	\$ 954,660
Contributions in relation to the actuarially determined contribution	<u>1,850,000</u>	<u>1,720,000</u>	<u>1,713,000</u>	<u>1,716,400</u>	<u>1,816,000</u>	<u>1,586,044</u>	<u>1,225,170</u>	<u>1,275,000</u>	<u>1,275,000</u>	<u>1,098,750</u>
Contribution deficiency (excess)	<u>\$ (239,800)</u>	<u>\$ (52,300)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (313,344)</u>	<u>\$ --</u>	<u>\$ (113,490)</u>	<u>\$ (110,690)</u>	<u>\$ (144,090)</u>
Covered-employee payroll	\$ 3,665,217	\$ 4,077,370	\$ 4,077,370	\$ 3,802,837	\$ 3,497,794	\$ 3,039,511	\$ 2,847,036	\$ 2,838,895	\$ 2,854,292	\$ 2,624,354
Contributions as a percentage of covered-employee payroll	50.47%	42.18%	42.01%	45.13%	51.92%	52.18%	43.03%	44.91%	44.67%	41.87%

Notes:

1.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

Notes to Schedule

Valuation date: June 30, 2017
Measurement date: June 30, 2018

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age method
Amortization method	30 year level dollar amortization method (closed)
Asset valuation method	Fair market value of assets on the measurement date adjusted for a five year phase in of gains and losses of plan assets at 20% per year
Inflation	3%
Salary increases	4% to 15%
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Retirement age	Various based on service years, with separate scales for hires before and after July 1, 2010
Mortality	RP2014 Mortality table with separate male and female rates with generational improvements from 2006 using scal MP-2016

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-11

REQUIRED SUPPLEMENTARY INFORMATION

WESTERLY RETIREMENT SYSTEM - POLICE PENSION
SCHEDULE OF INVESTMENT RETURNS

	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expenses	7.49%	11.26%	0.45%	4.46%	12.20%

1.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-12

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE TOWN'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
 TEACHERS' SURVIVORS BENEFIT PLAN
 LAST FOUR FISCAL YEARS

	2018	2017	2016	2015
Town's portion of the net pension asset	4.79335383%	4.90954266%	5.13115531%	5.15362918%
Town's proportionate share of the net pension asset	\$ 3,965,369	\$ 4,888,524	\$ 4,790,221	\$ 6,407,029
Town's covered employee payroll	\$ 24,882,810	\$ 24,036,620	\$ 23,007,389	\$ 24,523,661
Town's proportionate share of the net pension liability as a percentage of its covered employee payroll	15.94%	20.34%	20.82%	26.13%
Plan fiduciary net position as a percentage of the total pension liability	153.30%	153.30%	146.60%	173.30%

Schedule is intended to show information for 10 years - additional years will be displayed as they become available

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-13

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOWN'S CONTRIBUTIONS
TEACHERS' SURVIVORS BENEFIT PLAN
LAST FOUR FISCAL YEARS

	2018	2017	2016	2015
Actuarially determined contribution	\$ 35,305	\$ 29,664	\$ 30,144	\$ 30,983
Contributions in relation to the actuarially determined contribution	<u>35,305</u>	<u>29,664</u>	<u>30,144</u>	<u>30,983</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered-employee payroll	\$ 24,882,810	\$ 24,036,620	\$ 23,007,389	\$ 24,523,661
Contributions as a percentage of covered-employee payroll	0.14%	0.12%	0.13%	0.13%

Notes:

1.) Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-14

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WESTERLY, RHODE ISLAND
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

	2018	2017
Total OPEB Liability:		
Service cost	\$ 341,151	\$ 1,254,229
Interest	1,106,276	1,331,128
Changes in benefit terms	-	(11,013,747)
Differences between expected and actual experience	(2,380,680)	(5,228,968)
Changes of assumptions	(2,185,085)	383,434
Benefit payments	(725,982)	(691,914)
Net change in total OPEB liability	(3,844,320)	(13,965,838)
Total OPEB Liability-beginning	30,748,509	44,714,347
Total OPEB Liability-ending	26,904,189	30,748,509
Plan fiduciary net position:		
Contributions-employer	1,912,794	400,000
Net investment income (loss)	239,784	271,666
Benefit payments	(725,982)	(691,914)
Administrative expense	(37,013)	(22,640)
Net change in plan fiduciary net position	1,389,583	(42,888)
Plan fiduciary net position-beginning	2,800,049	2,842,937
Plan fiduciary net position-ending	4,189,632	2,800,049
Net OPEB Liability	22,714,557	27,948,460
Plan fiduciary net position as a percentage of the total OPEB liability	15.57%	9.11%
Covered-employee payroll	3,778,768	3,668,707
Net OPEB liability as a percentage of covered-employee payroll	601.11%	761.81%

Schedule is intended to show information for 10 years - additional years will be displayed as they become available

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-15

REQUIRED SUPPLEMENTARY INFORMATION

WESTERLY RETIREMENT SYSTEM - OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CITY OF WESTERLY'S CONTRIBUTIONS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 1,501,065	\$ 1,912,794	\$ 2,784,810	\$ 936,800	\$ 966,300	\$ 922,800	\$ 907,830	\$ 464,700	\$ 459,200	\$ 433,200
Contributions in relation to the actuarially determined contribution	<u>1,912,794</u>	<u>400,000</u>	<u>386,000</u>	<u>429,600</u>	<u>429,600</u>	<u>467,920</u>	<u>985,328</u>	<u>425,000</u>	<u>425,000</u>	<u>366,250</u>
Contribution deficiency (excess)	<u>\$ (411,729)</u>	<u>\$ 1,512,794</u>	<u>\$ 2,398,810</u>	<u>\$ 507,200</u>	<u>\$ 536,700</u>	<u>\$ 454,880</u>	<u>\$ (77,498)</u>	<u>\$ 39,700</u>	<u>\$ 34,200</u>	<u>\$ 66,950</u>
Percentage contributed	127%	21%	14%	46%	44%	51%	109%	91%	93%	85%
Employee covered payroll	\$ 3,778,768	\$ 3,668,707	\$ 3,406,417	\$ 3,307,201	\$ 3,384,654	\$ 3,039,511	\$ 2,847,036	\$ 2,838,895	\$ 2,854,292	\$ 2,976,831
Contribution as a % of covered payroll	50.6%	10.9%	11.3%	13.0%	12.7%	15.4%	34.6%	15.0%	14.9%	12.3%

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-16

REQUIRED SUPPLEMENTARY INFORMATION

**WESTERLY OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF INVESTMENT RETURNS**

	2018	2017
Annual money-weighted rate of return, net of investment expenses	4.75%	9.63%

1.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

See notes to required supplementary information

TOWN OF WESTERLY, RHODE ISLAND

RSI-17

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Budget preparation and budgetary basis of accounting:

In accordance with the Town's charter, the Town has formally established budgetary accounting control for its General Fund. It is the responsibility of the Town Manager to submit a proposed General Fund budget to the Town Council and the Board of Finance. The General Fund budget includes the Municipal budget and the School budget. The proposed School budget is approved by the School Committee and presented to the Town Manager. The Board of Finance has the power to recommend revisions to any School budget item and must conduct one public hearing after a tentative School budget is formed. The Board of Finance must also review the proposed municipal budget and make revisions as appropriate and hold one public hearing on the Municipal budget. The Town Council may then revise and adopt a recommended General Fund budget including changes to the School appropriation. At least two public hearings are conducted on the recommended General Fund budget and the final recommended budget is legally enacted through an ordinance by the Town Council prior to the start of the fiscal year.

Budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the School Unrestricted Fund. The Capital Projects Fund is appropriated on a project-length basis. Other special revenue funds and the permanent funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

At any time during the fiscal year, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department, office or agency and, upon written request by the Town Manager, the Council may by ordinance transfer part or all of any unencumbered appropriation balance from one department, office or agency to another.

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Every appropriation, except an appropriation for a capital expenditure or the appropriation for support of public schools, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if three years pass without any disbursement from or encumbrance of the appropriation.

TOWN OF WESTERLY, RHODE ISLAND

RSI-17

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

(a) Budgetary to GAAP Basis Reconciliation

The following reconciliation summarizes the difference for the City's General Fund between budgetary and GAAP basis accounting principles for the fiscal year ended June 30, 2018:

Total Revenues and Other Financing Sources	\$ 89,527,878
--	---------------

Budgetary revenues are different than GAAP revenues because of the following reconciling items:

Capital Lease Issue	1,254,864
Debt Service	(52,766)
Bond proceeds	3,890,000
Bond premium	366,446
Revenues for funds not reported as budgetary revenues, but included for financial reporting purposes:	
Revaluation Fund revenues	96
FSA Fund revenues	11,434
Mentor and Juvenile Fund revenues	-
Miscellaneous Donation Fund revenues	26,016
Athletic Fund revenues	22,061
School Unrestricted Fund revenues	2,070,662
School Unrestricted Fund transfers in	86,117
State of Rhode-Island on behalf of the Town payments to the Employee Retirement System	2,428,738

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - <i>Exhibit IV</i>	<u>\$ 99,631,546</u>
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Total Expenditures and Other Financing Uses	\$ 89,166,162
---	---------------

Budgetary expenditures are different than GAAP expenditures because of the following reconciling items:

Town change in encumbrances	485,167
School change in encumbrances	274,247
Equipment purchased through capital lease	1,254,864
Debt Service	24,294
Payments to refunding bond escrow agent	4,179,386
Expenditures for funds not reported as budgetary expenditures, but are included in GAAP expenditures:	
Self Insurance Fund expenditures	479,472
Mentor and Juvenile Fund expenditures	50
Miscellaneous Donation Fund expenditures	31,355
Children's Crusade expenditures	493
Athletic Fund expenditures	62,896
School Unrestricted Fund expenditures	1,794,099
School Unrestricted Fund transfers out	67,482
State of Rhode-Island on behalf of the Town payments to the Employee Retirement System	2,428,738
Town General Fund transfer out to Self Insurance Fund	(382,142)

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - <i>Exhibit IV</i>	<u>\$ 99,866,563</u>
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TOWN OF WESTERLY, RHODE ISLAND

RSI-17

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Budget compliance:

Appropriations in addition to those contained in the annual operating budget require Town Council approval. Amendments to the operating budget that do not result in additional appropriations may be made within departments by means of transfer. Transfers made within and outside the departmental level require Town Council approval. The level at which the General Fund and School Unrestricted Fund budgeted expenditures may not legally exceed appropriations is at the department level. Unexpended appropriations lapse at fiscal year-end, but unexpended capital and special appropriation have historically been carried forward.

OTHER SUPPLEMENTARY INFORMATION

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

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

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

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

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

Town of Westerly
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2018

Check header	<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection		\$ 69,379,671	\$ -
Last Year's Levy Tax Collection		180,438	-
Prior Years Property Tax Collection		134,458	-
Interest & Penalty		471,067	-
PILOT & Tax Treaty (excluded from levy) Collection		14,495	-
Other Local Property Taxes		1,389,970	-
Licenses and Permits		997,170	-
Fines and Forfeitures		208,980	-
Investment Income		162,928	-
Departmental		573,778	-
Rescue Run Revenue		-	-
Police & Fire Detail		810,836	-
Other Local Non-Property Tax Revenues		11,035	-
Tuition		-	109,015
Impact Aid		-	-
Medicaid		-	1,476,341
Federal Stabilization Funds		-	-
Federal Food Service Reimbursement		-	543,971
CDBG		6,081	-
COPS Grants		-	-
SAFER Grants		-	-
Other Federal Aid Funds		659,110	1,531,146
MV Excise Tax Reimbursement & Phase-out		852,374	-
State PILOT Program		161,199	-
Distressed Community Relief Fund		-	-
Library Resource Aid		318,791	-
Library Construction Aid		-	-
Public Service Corporation Tax		285,934	-
Meals & Beverage Tax / Hotel Tax		1,633,475	-
LEA Aid		-	8,851,947
Group Home		-	-
Housing Aid Capital Projects		61,531	-
Housing Aid Bonded Debt		1,783,523	-
State Food Service Revenue		-	17,081
Incentive Aid		-	-
Property Revaluation Reimbursement		-	-
Other State Revenue		252,457	363,234
Other Revenue		829,746	923,555
Local Appropriation for Education		-	45,710,811
Regional Appropriation for Education		-	-
Supplemental Appropriation for Education		-	-
Regional Supplemental Appropriation for Education		-	-
Other Education Appropriation		-	-
Rounding		-	-
	Total Revenue	<u>\$ 81,179,047</u>	<u>\$ 59,527,101</u>
Financing Sources: Transfer from Capital Funds		\$ -	\$ -
Financing Sources: Transfer from Other Funds		122,724	86,118
Financing Sources: Debt Proceeds		4,256,446	-
Financing Sources: Other		1,102,952	-
Rounding		-	-
	Total Other Financing Sources	<u>\$ 5,482,122</u>	<u>\$ 86,118</u>

Town of Westerly
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2018

Check header	EXPENDITURES								
	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 660,359	\$ 485,118	\$ -	\$ 195,160	\$ 741,341	\$ -	\$ 1,836,240	\$ 386,753	\$ 4,190,656
Compensation - Group B	-	-	-	-	-	-	-	-	469,287
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	-	920	-	-	3,636	-	203,450	4,041	488,553
Overtime - Group B	-	-	-	-	-	-	-	-	33,737
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	610,387
Active Medical Insurance - Group A	83,466	71,304	-	43,507	160,305	-	500,700	23,186	647,458
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	159,115
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	5,769	9,098	-	1,844	6,375	-	29,067	3,811	41,599
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	9,952
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	39,298	58,465	-	14,643	60,434	-	149,966	29,211	147,434
Life Insurance	1,985	1,910	-	909	3,687	-	5,924	302	6,395
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	7,922	313	-	-	608	-	329	3	9,219
Other Benefits- Group B	-	-	-	-	-	-	-	-	263
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	129,182	37,203	-	19,440	25,961	-	-	28,215	1,850,000
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	97,149
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	181,261	-	-	-	-	-	215,854	-	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	596,361	282,916	-	214,890	78,299	-	1,137,403	50,106	5,972
Materials/Supplies	45,420	42,468	-	68,212	12,830	-	160,239	39,630	39,990
Software Licenses	-	-	-	-	-	-	-	935	-
Capital Outlays	1,017,893	-	-	-	43,800	-	619,830	16,720	266,972
Insurance	419,737	-	-	-	-	-	-	-	-
Maintenance	9,185	-	-	-	-	-	47,457	33,093	2,500
Vehicle Operations	15,676	-	-	-	-	-	215,159	-	130,998
Utilities	366,291	-	-	24,788	-	-	57,628	15,160	58,431
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	187,097	-	-
Revaluation	-	47,801	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	43,710	-	-
Trash Removal & Recycling	-	-	-	-	-	-	2,700	-	-
Claims & Settlements	143,920	-	-	-	-	-	-	-	-
Community Support	430,369	-	-	-	-	-	-	-	-
Other Operation Expenditures	79,893	263,780	64,000	13,794	45,640	733,791	105,820	9,651	85,604
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Non-Qualified OPEB Trust Contribution	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 4,233,990	\$ 1,301,296	\$ 64,000	\$ 597,186	\$ 1,182,917	\$ 733,791	\$ 5,518,574	\$ 640,815	\$ 9,351,671

Town of Westerly
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2018

Check header	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
EXPENDITURES								
Compensation- Group A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,495,628	\$ 23,742,755
Compensation - Group B	-	-	-	-	-	-	469,287	2,617,578
Compensation - Group C	-	-	-	-	-	-	-	7,795,905
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	-	-	-	-	700,599	-
Overtime - Group B	-	-	-	-	-	-	33,737	-
Overtime - Group C	-	-	-	-	-	-	-	128,794
Police & Fire Detail	-	-	-	-	-	-	610,387	-
Active Medical Insurance - Group A	-	-	-	-	-	-	1,529,926	3,828,169
Active Medical Insurance- Group B	-	-	-	-	-	-	159,115	332,436
Active Medical Insurance- Group C	-	-	-	-	-	-	-	2,162,254
Active Dental insurance- Group A	-	-	-	-	-	-	97,563	218,412
Active Dental Insurance- Group B	-	-	-	-	-	-	9,952	20,129
Active Dental Insurance- Group C	-	-	-	-	-	-	-	131,573
Payroll Taxes	-	-	-	-	-	-	499,452	1,108,232
Life Insurance	-	-	-	-	-	-	21,112	165,724
State Defined Contribution- Group A	-	-	-	-	-	-	-	633,406
State Defined Contribution - Group B	-	-	-	-	-	-	-	39,043
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	18,395	161,175
Other Benefits- Group B	-	-	-	-	-	-	263	30,009
Other Benefits- Group C	-	-	-	-	-	-	-	74,988
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	2,090,001	6,073
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	97,149	37,361
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	39,071
State Defined Benefit Pension- Group A	-	-	-	-	-	-	397,115	3,103,786
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	298,649
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	944,191
Purchased Services	-	-	5,003	-	-	-	2,370,952	7,381,837
Materials/Supplies	-	-	-	-	-	-	408,789	1,152,191
Software Licenses	-	-	-	-	-	-	935	338,247
Capital Outlays	-	-	-	-	-	-	1,965,216	242,679
Insurance	-	-	-	-	-	-	419,737	223,405
Maintenance	-	-	-	-	-	-	92,235	969,820
Vehicle Operations	-	-	-	-	-	-	361,833	325,180
Utilities	-	-	-	-	-	-	522,298	1,119,232
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	187,097	-
Revaluation	-	-	-	-	-	-	47,801	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	43,710	-
Trash Removal & Recycling	-	-	-	-	-	-	2,700	-
Claims & Settlements	-	-	-	-	-	-	143,920	-
Community Support	-	-	-	-	-	-	430,369	-
Other Operation Expenditures	-	-	-	-	-	-	1,401,972	188,822
Local Appropriation for Education	-	-	-	45,710,811	-	-	45,710,811	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	2,344,383	-	2,344,383	-
Municipal Debt- Interest	-	-	-	-	895,235	-	895,235	-
School Debt- Principal	-	-	-	-	4,254,447	-	4,254,447	-
School Debt- Interest	-	-	-	-	1,937,704	-	1,937,704	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	18,571
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	1,912,794	1,912,794	-
Non-Qualified OPEB Trust Contribution	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ 5,003	\$ 45,710,811	\$ 9,431,770	\$ 1,912,794	\$ 80,684,617	\$ 59,579,698

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	2,006,470	-
Financing Uses: Payment to Bond Escrow Agent	4,179,386	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 6,185,856	\$ -
Net Change in Fund Balance¹	(209,304)	33,521
Fund Balance¹- beginning of year	\$11,449,406	\$3,021,990
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	-
Fund Balance² - beginning of year adjusted	11,449,406	3,021,990
Rounding	-	-
Fund Balance¹ - end of year	\$ 11,240,102	\$ 3,055,511

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

Town of Westerly
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2018

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
General Fund	\$ 89,363,918	\$ 5,309,771	\$ 34,136,264	\$ 60,746,729	\$ (209,304)	\$ 11,509,686	\$ (60,280)	\$ 11,449,406	\$ 11,240,102
CDBG (Program Revenue & Expenses for Administration)	1,620,275	-	1,620,275	-	-	-	-	-	-
Town Special Revenue Fund - Winnapaug Dredging	659,110	172,350	831,460	-	-	-	-	-	-
Totals per audited financial statements	\$ 91,643,303	\$ 5,482,121	\$ 36,587,999	\$ 60,746,729	\$ (209,304)	\$ 11,509,686	\$ (60,280)	\$ 11,449,406	\$ 11,240,102
Reconciliation from financial statements to MTP2									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 45,710,811	\$ (45,710,811)	\$ -	\$ -	\$ -	\$ -	\$ -
Elimination of LEA Aid reported in audit as revenue	-	-	8,850,061	(8,850,061)	-	-	-	-	-
Reduction in Other State Revenue for LEA Aid reported in General Fund	(8,850,061)	-	(8,850,061)	-	-	-	-	-	-
Reduction in CDBG grant to account for offsetting administrative costs reimbursed to General Fund	(1,614,194)	-	(1,614,194)	-	-	-	-	-	-
Rounding	(1)	1	1	(1)	-	-	-	-	-
Totals Per MTP2	\$ 81,179,047	\$ 5,482,122	\$ 80,684,617	\$ 6,185,856	\$ (209,304)	\$ 11,509,686	\$ (60,280)	\$ 11,449,406	\$ 11,240,102

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

Town of Westerly
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2018

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
School Unrestricted Fund	\$ 4,547,477	\$ 54,971,252	\$ 59,476,960	\$ 67,482	\$ (25,713)	\$ 2,981,362	\$ -	\$ 2,981,362	\$ 2,955,649
Enterprise Fund	-	-	-	-	-	-	-	-	-
SBA School Capital Project Fund	-	-	-	-	-	-	-	-	-
School Special Revenue Funds	2,861,180	67,482	2,877,855	-	50,807	40,628	-	40,628	91,435
Totals per audited financial statements	\$ 7,408,657	\$ 55,038,734	\$ 62,354,815	\$ 67,482	\$ 25,094	\$ 3,021,990	\$ -	\$ 3,021,990	\$ 3,047,084

Reconciliation from financial statements to MTP2

Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 54,560,872	\$ (54,560,872)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,428,738)	-	(2,428,738)	-	-	-	-	-	-
GAAP reporting on loan proceeds for HVAC SBA Loan Project & capital outlay as a Other Source but reported as revenue on MTP2	-	(324,262)	(324,262)	-	-	-	-	-	-
For financial statements, indirect cost charges and recovery are reported in federal grant funds and also actual expenditures & reimbursement reported in School Unrestricted Fund.	-	-	(8,427)	-	8,427	-	-	-	8,427
Miscellaneous variances between UCOA & FS	(1)	-	(1)	-	-	-	-	-	-
Title III Consortium revenue/ expenditures not included in UCOA	(13,689)	-	(13,689)	-	-	-	-	-	-
Transfer out to other funds	-	(67,482)	-	(67,482)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	\$ 59,527,101	\$ 86,118	\$ 59,579,698	\$ -	\$ 33,521	\$ 3,021,990	\$ -	\$ 3,021,990	\$ 3,055,511

Reconciliation from MTP2 to UCOA

FY2017 Encumbrances recorded in FS and not UCOA	-	(404,720)
Totals per UCOA Validated Totals Report	\$ 59,527,101	\$ 59,174,978

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

TOWN OF WESTERLY, RHODE ISLAND

A-2

NOTES TO OTHER SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 – BASIS OF PRESENTATION

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

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

NOTE 2 – REPORTABLE GOVERNMENT SERVICES

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

NOTE 3 – ALLOCATIONS

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

NOTE 4 – EMPLOYEE GROUPS

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

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

TOWN OF WESTERLY, RHODE ISLAND

A-2

NOTES TO OTHER SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 – EMPLOYEE GROUPS (CONTINUED)

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

- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
- Fire Department - fire fighters (e.g., uniform personnel - including, leadership positions)
- Centralized Dispatch Department - civilian dispatchers only
- Education Department - professional staff providing direct services to students
- For the remaining departments - all employees' compensation and benefits are reported under Group A

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

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

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

NOTE 5 – EDUCATION REVENUE AND EXPENDITURES

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

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

OTHER SUPPLEMENTARY INFORMATION

TOWN OF WESTERLY, RHODE ISLAND

B-1

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Assets			
Cash and cash equivalents	\$ 650,403	\$ 4,077,829	\$ 4,728,232
Accounts and other receivables	59,402	535,984	595,386
Investments	--	--	--
Due from federal and state governments	982,620	1,933,942	2,916,563
Due from other funds	173,483	--	173,483
Due from RIIB	--	261,942	261,942
Total Assets	<u>\$ 1,865,908</u>	<u>\$ 6,809,697</u>	<u>\$ 8,675,606</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 197,776	\$ 546,069	\$ 743,845
Due to other funds	1,257,234	3,339,185	4,596,419
Unearned Revenue	24,195	102,372	126,567
Total Liabilities	<u>1,479,205</u>	<u>3,987,626</u>	<u>5,466,831</u>
Fund Balance			
Restricted	389,653	93,285	482,938
Committed	9,021	2,732,286	2,741,307
Unassigned	(11,970)	(3,500)	(15,470)
Total Fund Balance	<u>386,704</u>	<u>2,822,071</u>	<u>3,208,775</u>
Total Liabilities and Fund Balance	<u>\$ 1,865,909</u>	<u>\$ 6,809,697</u>	<u>\$ 8,675,606</u>

TOWN OF WESTERLY, RHODE ISLAND

B-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Revenues			
Intergovernmental	\$ 1,990,064	\$ 2,419,481	\$ 4,409,545
Charges for services	334,302	--	334,302
Capital grants and contributions	--	425,766	425,766
Investment income	3,002	--	3,002
Total Revenues	<u>2,327,368</u>	<u>2,845,247</u>	<u>5,172,615</u>
Expenditures			
Current:			
Legislative, executive and administrative	21,125	-	21,125
Public safety	99,224	--	99,224
Health and welfare	504,794	--	504,794
Conservation and development	942,536	--	942,536
Education	939,006	--	939,006
Debt service	-	17,594	17,594
Capital outlay	-	4,165,538	4,165,538
Total Expenditures	<u>2,506,685</u>	<u>4,183,132</u>	<u>6,689,817</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures Before Other Financing Sources (Uses)	<u>(179,317)</u>	<u>(1,337,885)</u>	<u>(1,517,202)</u>
Other Financing Sources (Uses)			
Transfers from other funds	241,624	1,059,856	1,301,480
Transfers to other funds	(116,346)	(138,863)	(255,209)
Bond proceeds	--	250,000	250,000
Total Other Financing Sources (Uses)	<u>125,278</u>	<u>1,170,993</u>	<u>1,296,271</u>
Net Change in Fund Balances	<u>(54,039)</u>	<u>(166,892)</u>	<u>(220,931)</u>
Fund Balances - Beginning of Year	<u>440,743</u>	<u>2,988,963</u>	<u>3,429,706</u>
Fund Balances - End of Year	<u>\$ 386,704</u>	<u>\$ 2,822,071</u>	<u>\$ 3,208,775</u>

TOWN OF WESTERLY, RHODE ISLAND

B-3

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2018

	School Lunch Fund	Neuter Surcharge Fund	Town Clerks Fund	Civil Defense Fund	Riverwalk Greenways Fund	Recycling Program	CDBG DR Sandy
Assets							
Cash and cash equivalents	\$ 129,211	\$ 1,873	\$ 55,261	\$ 44,980	\$ 2,770	\$ 1,934	\$ --
Accounts and other receivables	59,402	--	--	--	--	--	--
Due from federal and state governments	47,443	--	--	--	--	--	--
Due from other funds	173,483	--	--	--	--	--	--
Due from RIIB	--	--	--	--	--	--	--
Total Assets	\$ 409,539	\$ 1,873	\$ 55,261	\$ 44,980	\$ 2,770	\$ 1,934	\$ --
Liabilities and Fund Balance							
Liabilities							
Accounts payable	\$ 100,990	\$ --	\$ 7,820	\$ --	\$ --	\$ --	\$ --
Due to other funds	308,549	--	--	--	--	--	--
Deferred revenue	--	--	--	--	--	--	--
Total Liabilities	409,539	--	7,820	--	--	--	--
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	1,873	47,441	44,980	--	--	--
Committed	--	--	--	--	2,770	1,934	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	--	1,873	47,441	44,980	2,770	1,934	--
Total Liabilities and Fund Balance	\$ 409,539	\$ 1,873	\$ 55,261	\$ 44,980	\$ 2,770	\$ 1,934	\$ --

TOWN OF WESTERLY, RHODE ISLAND

B-3

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2018

	CDBG 2014	CDBG 2015	CDBG 2013	CDBG 2012	Storms	Substance Abuse 132	SOR Grant
Assets							
Cash and cash equivalents	\$ 6,897	\$ --	\$ 428	\$ 25,174	\$ --	\$ 7,336	\$ --
Accounts and other receivables	--	--	--	--	--	--	--
Due from federal and state governments	--	1,031	285	--	439,697	--	--
Due from other funds	--	--	--	--	--	--	--
Due from RIIB	--	--	--	--	--	--	--
Total Assets	<u>\$ 6,897</u>	<u>\$ 1,031</u>	<u>\$ 713</u>	<u>\$ 25,174</u>	<u>\$ 439,697</u>	<u>\$ 7,336</u>	<u>\$ --</u>
Liabilities and Fund Balance							
Liabilities							
Accounts payable	\$ 6,897	\$ --	\$ 713	\$ 1,634	\$ --	\$ --	\$ --
Due to other funds	--	1,031	--	--	348,206	--	--
Deferred revenue	--	--	--	23,540	--	--	--
Total Liabilities	<u>6,897</u>	<u>1,031</u>	<u>713</u>	<u>25,174</u>	<u>348,206</u>	<u>--</u>	<u>--</u>
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	--	--	--	91,491	7,336	--
Committed	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>91,491</u>	<u>7,336</u>	<u>--</u>
Total Liabilities and Fund Balance	<u>\$ 6,897</u>	<u>\$ 1,031</u>	<u>\$ 713</u>	<u>\$ 25,174</u>	<u>\$ 439,697</u>	<u>\$ 7,336</u>	<u>\$ --</u>

	Byrne Grant	Federal Forfeiture	Juvenile Justice	Underage Drinking	Seatbelt Grants	Town 100 Year Anniversary	Town Beautification
Assets							
Cash and cash equivalents	\$ --	\$ 356,293	\$ --	\$ --	\$ --	\$ 958	\$ 3,359
Accounts and other receivables	--	--	--	--	--	--	--
Due from federal and state governments	14,095	29,190	--	--	--	--	--
Due from other funds	--	--	--	--	--	--	--
Due from RIIB	--	--	--	--	--	--	--
Total Assets	<u>\$ 14,095</u>	<u>\$ 385,483</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 958</u>	<u>\$ 3,359</u>
Liabilities and Fund Balance							
Liabilities							
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	11,107	225,689	--	--	--	--	--
Deferred revenue	--	--	--	--	--	--	--
Total Liabilities	<u>11,107</u>	<u>225,689</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	2,988	159,794	--	--	--	--	--
Committed	--	--	--	--	--	958	3,359
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	<u>2,988</u>	<u>159,794</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>958</u>	<u>3,359</u>
Total Liabilities and Fund Balance	<u>\$ 14,095</u>	<u>\$ 385,483</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 958</u>	<u>\$ 3,359</u>

TOWN OF WESTERLY, RHODE ISLAND

B-3

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2018

	HMGP 4027 Property Elevation	Brandywine Village Fund	Highway Safety Grant	EPA Brownfields Fund	Substance Abuse Grant	CERT Fund	RIEMA Project A Storm Readiness
Assets							
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Accounts and other receivables	--	--	--	--	--	--	--
Due from federal and state governments	293,134	--	839	25,903	40,548	2,982	--
Due from other funds	--	--	--	--	--	--	--
Due from RIIB	--	--	--	--	--	--	--
Total Assets	<u>\$ 293,134</u>	<u>\$ --</u>	<u>\$ 839</u>	<u>\$ 25,903</u>	<u>\$ 40,548</u>	<u>\$ 2,982</u>	<u>\$ --</u>
Liabilities and Fund Balance							
Liabilities							
Accounts payable	\$ 47,242	\$ --	\$ --	\$ 20,884	\$ 8,115	\$ --	\$ --
Due to other funds	245,842	--	839	1,182	28,463	14,337	--
Deferred revenue	--	--	--	--	--	--	--
Total Liabilities	<u>293,084</u>	<u>--</u>	<u>839</u>	<u>22,066</u>	<u>36,578</u>	<u>14,337</u>	<u>--</u>
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	50	--	--	3,837	3,970	--	--
Committed	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	(11,355)	--
Total Fund Balance	<u>50</u>	<u>--</u>	<u>--</u>	<u>3,837</u>	<u>3,970</u>	<u>(11,355)</u>	<u>--</u>
Total Liabilities and Fund Balance	<u>\$ 293,134</u>	<u>\$ --</u>	<u>\$ 839</u>	<u>\$ 25,903</u>	<u>\$ 40,548</u>	<u>\$ 2,982</u>	<u>\$ --</u>

TOWN OF WESTERLY, RHODE ISLAND

B-3

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2018

	NEIWPCC Grant	Pride Grant	Working Cities Grant	Pumpout Boat	REIMA HMPG	Winnapaug Dredging	CDBG 2017
Assets							
Cash and cash equivalents	\$ --	\$ 175	\$ 10,962	\$ 881	\$ --	\$ --	\$ --
Accounts and other receivables	--	--	--	--	--	--	--
Due from federal and state governments	12,283	--	--	14,791	19,649	35,425	--
Due from other funds	--	--	--	--	--	--	--
Due from RIIB	--	--	--	--	--	--	--
Total Assets	<u>\$ 12,283</u>	<u>\$ 175</u>	<u>\$ 10,962</u>	<u>\$ 15,672</u>	<u>\$ 19,649</u>	<u>\$ 35,425</u>	<u>\$ --</u>
Liabilities and Fund Balance							
Liabilities							
Accounts payable	\$ 150	\$ --	\$ --	\$ 2,017	\$ --	\$ --	\$ --
Due to other funds	12,748	--	--	--	19,649	35,425	--
Deferred revenue	--	--	--	--	--	--	--
Total Liabilities	<u>12,898</u>	<u>--</u>	<u>--</u>	<u>2,017</u>	<u>19,649</u>	<u>35,425</u>	<u>--</u>
Fund Balance							
Non-spendable	-	--	--	--	--	--	--
Restricted	--	175	10,962	13,655	--	--	--
Committed	--	--	--	--	--	--	--
Unassigned	(615)	--	--	--	--	--	--
Total Fund Balance	<u>(615)</u>	<u>175</u>	<u>10,962</u>	<u>13,655</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balance	<u>\$ 12,283</u>	<u>\$ 175</u>	<u>\$ 10,962</u>	<u>\$ 15,672</u>	<u>\$ 19,649</u>	<u>\$ 35,425</u>	<u>\$ --</u>

TOWN OF WESTERLY, RHODE ISLAND

B-3

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2018

	Miscellaneous Grants	EMA Grant	Police Misc Grants	Total Special Revenue Funds
Assets				
Cash and cash equivalents	\$ 1,135	\$ --	\$ 776	\$ 650,403
Accounts and other receivables	--	--	--	59,402
Due from federal and state governments	--	5,000	325	982,620
Due from other funds	--	--	--	173,483
Due from RIIIB	--	--	--	--
Total Assets	<u>\$ 1,135</u>	<u>\$ 5,000</u>	<u>\$ 1,101</u>	<u>\$ 1,865,908</u>
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 480	\$ 833	\$ --	197,775
Due to other funds	--	4,167	--	1,257,234
Deferred revenue	655	--	--	24,195
Total Liabilities	<u>1,135</u>	<u>5,000</u>	<u>--</u>	<u>1,479,204</u>
Fund Balance				
Non-spendable	--	--	--	--
Restricted	--	--	1,101	389,653
Committed	--	--	--	9,021
Unassigned	--	--	--	(11,970)
Total Fund Balance	<u>--</u>	<u>--</u>	<u>1,101</u>	<u>386,704</u>
Total Liabilities and Fund Balance	<u>\$ 1,135</u>	<u>\$ 5,000</u>	<u>\$ 1,101</u>	<u>\$ 1,865,908</u>

TOWN OF WESTERLY, RHODE ISLAND

B-4

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	School Lunch Fund	Neuter Surcharge Fund	Town Clerks Fund	Civil Defense Fund	Riverwalk Greenways Fund	Recycling Program	CDBG DR Sandy
Revenues							
Intergovernmental	\$ 570,303	\$ -	\$ -	\$ 3,606	\$ -	\$ -	\$ 77,324
Charges for services	302,363	604	31,335	-	-	-	-
Investment Income	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-
Total Revenues	872,666	604	31,335	3,606	-	-	77,324
Expenditures							
Current:							
Legislative, executive and administrative	-	-	15,645	-	-	-	-
Public works	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	95	-	-	-	-	77,324
Conservation and development	-	-	-	-	-	-	-
Education	939,006	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total Expenditures	939,006	95	15,645	-	-	-	77,324
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	(66,340)	509	15,690	3,606	-	-	-
Other Financing Sources (Uses)							
Transfers from other funds	66,340	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	66,340	-	-	-	-	-	-
Net Change in Fund Balances	-	509	15,690	3,606	-	-	-
Fund Balances - Beginning of Year	-	1,364	31,751	41,374	2,770	1,934	-
Fund Balances - End of Year	\$ -	\$ 1,873	\$ 47,441	\$ 44,980	\$ 2,770	\$ 1,934	\$ -

TOWN OF WESTERLY, RHODE ISLAND

B-4

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	CDBG 2014	CDBG 2015	CDBG 2013	CDBG 2012	Storms	Substance Abuse 132	SOR Grant
Revenues							
Intergovernmental	\$ 53,412	\$ 839	\$ 109	\$ 26,304	\$ --	\$ --	\$ --
Charges for services	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-
Total Revenues	<u>53,412</u>	<u>839</u>	<u>109</u>	<u>26,304</u>	<u>--</u>	<u>--</u>	<u>--</u>
Expenditures							
Current:							
Legislative, executive and administrative	--	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--
Health and welfare	53,412	839	109	26,304	--	3,504	--
Conservation and development	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--
Debt service	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Total Expenditures	<u>53,412</u>	<u>839</u>	<u>109</u>	<u>26,304</u>	<u>--</u>	<u>3,504</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	--	--	--	--	--	(3,504)	--
Other Financing Sources (Uses)							
Transfers from other funds	--	--	--	--	--	--	901
Transfers to other funds	--	--	--	--	(86,118)	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(86,118)</u>	<u>--</u>	<u>901</u>
Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(86,118)</u>	<u>(3,504)</u>	<u>901</u>
Fund Balances - Beginning of Year	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>177,609</u>	<u>10,840</u>	<u>(901)</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 91,491</u>	<u>\$ 7,336</u>	<u>\$ (0)</u>

TOWN OF WESTERLY, RHODE ISLAND

B-4

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Byrne Grant	Federal Forfeiture	Juvenile Justice	Underage Drinking	Seatbelt Grants	Town 100 Year Anniversary	Town Beautification
Revenues							
Intergovernmental	\$ 11,885	\$ 41,067	\$ --	\$ --	\$ --	\$ --	\$ --
Charges for services	--	--	--	--	--	--	--
Investment Income	--	3,002	--	--	--	--	--
Operating grants and contributions	--	--	--	--	--	--	--
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	11,885	44,069	--	--	--	--	--
Expenditures							
Current:							
Legislative, executive and administrative	--	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--
Public safety	15,891	14,580	--	--	--	--	--
Health and welfare	--	--	--	--	--	--	--
Conservation and development	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--
Debt service	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Total Expenditures	15,891	14,580	--	--	--	--	--
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	(4,006)	29,489	--	--	--	--	--
Other Financing Sources (Uses)							
Transfers from other funds	--	--	177	429	--	--	--
Transfers to other funds	--	--	--	--	(10,228)	--	--
Total Other Financing Sources (Uses)	--	--	177	429	(10,228)	--	--
Net Change in Fund Balances	(4,006)	29,489	177	429	(10,228)	--	--
Fund Balances - Beginning of Year	6,994	130,305	(177)	(429)	10,228	958	3,359
Fund Balances - End of Year	\$ 2,988	\$ 159,794	\$ --	\$ --	\$ --	\$ 958	\$ 3,359

TOWN OF WESTERLY, RHODE ISLAND

B-4

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	HMGP 4027 Property Elevatio	Brandywine Village Fund	Highway Safety Grant	EPA Brownfields Fund	Substance Abuse Grant	CERT Fund	RIEMA Project A Storm Readiness
Revenues							
Intergovernmental	\$ 211,122	\$ --	\$ 18,279	\$ 25,903	\$ 113,389	\$ 5,963	\$ 1,717
Charges for services	--	--	--	--	--	--	--
Investment Income	--	--	--	--	--	--	--
Operating grants and contributions	--	--	--	--	--	--	--
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	<u>211,122</u>	<u>--</u>	<u>18,279</u>	<u>25,903</u>	<u>113,389</u>	<u>5,963</u>	<u>1,717</u>
Expenditures							
Current:							
Legislative, executive and administrative	--	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--
Public safety	--	--	18,280	--	--	5,963	1,717
Health and welfare	211,122	--	--	--	113,391	--	--
Conservation and development	--	--	--	20,884	--	--	--
Education	--	--	--	--	--	--	--
Debt service	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Total Expenditures	<u>211,122</u>	<u>--</u>	<u>18,280</u>	<u>20,884</u>	<u>113,391</u>	<u>5,963</u>	<u>1,717</u>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	--	--	(1)	5,019	(2)	--	--
Other Financing Sources (Uses)							
Transfers from other funds	--	60	1,367	--	--	--	--
Transfers to other funds	--	--	--	(20,000)	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>60</u>	<u>1,367</u>	<u>(20,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>--</u>	<u>60</u>	<u>1,366</u>	<u>(14,981)</u>	<u>(2)</u>	<u>--</u>	<u>--</u>
Fund Balances - Beginning of Year	<u>50</u>	<u>(60)</u>	<u>(1,366)</u>	<u>18,818</u>	<u>3,972</u>	<u>(11,355)</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 50</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 3,837</u>	<u>\$ 3,970</u>	<u>\$ (11,355)</u>	<u>\$ --</u>

TOWN OF WESTERLY, RHODE ISLAND

B-4

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	NEIWPCC Grant	Pride Grant	Working Cities Grant	Pumpout Boat	REIMA HMPG	Winnapaug Dredging	CDBG 2017
Revenues							
Intergovernmental	\$ 55,801	\$ -	\$ -	\$ 55,963	\$ 4,206	\$ 659,110	\$ 38,587
Charges for services	--	--	--	--	--	--	--
Investment Income	--	--	--	--	--	--	--
Operating grants and contributions	--	--	--	--	--	--	--
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	55,801	--	--	55,963	4,206	659,110	38,587
Expenditures							
Current:							
Legislative, executive and administrative	--	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--
Public safety	--	--	--	--	4,206	--	38,587
Health and welfare	--	10,100	--	--	--	--	--
Conservation and development	45,782	--	--	44,410	--	831,460	--
Education	--	--	--	--	--	--	--
Debt service	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Total Expenditures	45,782	10,100	--	44,410	4,206	831,460	38,587
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	10,019	(10,100)	--	11,553	--	(172,350)	--
Other Financing Sources (Uses)							
Transfers from other funds	--	--	--	--	--	172,350	--
Transfers to other funds	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	172,350	--
Net Change in Fund Balances	10,019	(10,100)	--	11,553	--	--	--
Fund Balances - Beginning of Year	(10,634)	10,275	10,962	2,102	--	--	--
Fund Balances - End of Year	\$ (615)	\$ 175	\$ 10,962	\$ 13,655	\$ --	\$ --	\$ --

TOWN OF WESTERLY, RHODE ISLAND

B-4

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Miscellaneous Grants	EMA Grant	Police Misc Grants	Total Special Revenue Funds
Revenues				
Intergovernmental	\$ 480	\$ 5,000	\$ 9,695	1,990,064
Charges for services	--	--	--	334,302
Investment Income	--	--	--	3,002
Operating grants and contributions	--	--	--	--
Capital grants and contributions	--	--	--	--
Total Revenues	<u>480</u>	<u>5,000</u>	<u>9,695</u>	<u>2,327,368</u>
Expenditures				
Current:				
Legislative, executive and administrative	480	5,000	--	21,125
Public works	--	--	--	--
Public safety	--	--	--	99,224
Health and welfare	--	--	8,594	504,794
Conservation and development	--	--	--	942,536
Education	--	--	--	939,006
Debt service	--	--	--	--
Capital outlay	--	--	--	--
Total Expenditures	<u>480</u>	<u>5,000</u>	<u>8,594</u>	<u>2,506,685</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures Before Other Financing Sources (Uses)	--	--	1,101	(179,317)
Other Financing Sources (Uses)				
Transfers from other funds	--	--	--	241,624
Transfers to other funds	--	--	--	(116,346)
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>125,278</u>
Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>1,101</u>	<u>(54,039)</u>
Fund Balances - Beginning of Year	<u>--</u>	<u>--</u>	<u>--</u>	<u>440,743</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,101</u>	<u>\$ 386,704</u>

TOWN OF WESTERLY, RHODE ISLAND

B-5

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEETS
 JUNE 30, 2018

	Capital Projects Fund	Capital Projects Energy Efficiency	Land Acquisition Fund	GIS System	Canal Street Acquisition	DEM Riverfront Park	Chapman Pond
Assets							
Cash and cash equivalents	\$ 2,550,439	\$ 1,285,933	\$ 175,570	\$ 20,087	\$ --	\$ 45,800	\$ --
Accounts receivable	--	337,019	--	--	--	--	--
Intergovernmental receivables	--	--	--	--	278,466	--	12,081
Due from other Funds	--	--	--	--	--	--	--
Due from RIIB	--	261,942	--	--	--	--	--
Total Assets	\$ 2,550,439	\$ 1,884,894	\$ 175,570	\$ 20,087	\$ 278,466	\$ 45,800	\$ 12,081
Liabilities and Fund Balance							
Liabilities							
Accounts payable	\$ 104,832	\$ 213,443	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	1,430,572	--	--	278,466	--	15,581
Deferred revenue	--	--	102,372	--	--	--	--
Total Liabilities	104,832	1,644,015	102,372	--	278,466	--	15,581
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	--	73,198	20,087	--	--	--
Committed	2,445,607	240,879	--	--	--	45,800	--
Assigned	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	(3,500)
Total Fund Balance	2,445,607	240,879	73,198	20,087	--	45,800	(3,500)
Total Liabilities and Fund Balance	\$ 2,550,439	\$ 1,884,894	\$ 175,570	\$ 20,087	\$ 278,466	\$ 45,800	\$ 12,081

TOWN OF WESTERLY, RHODE ISLAND

B-5

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEETS
 JUNE 30, 2018

	Generator Grant	Main St. Streetscape Grant	Bike Path Loops	Bay St Enhancement	Downtown Culvert	Cross St Enhancement	DPW Solar Panels	Capital Projects Funds Totals
Assets								
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 4,077,829
Accounts receivable	--	140,210	--	--	--	--	58,755	535,984
Intergovernmental receivables	15,000	--	4,297	7,981	1,107,796	508,321	--	1,933,942
Due from other Funds	--	--	--	--	--	--	--	--
Due from RIIB	--	--	--	--	--	--	--	261,942
Total Assets	\$ 15,000	\$ 140,210	\$ 4,297	\$ 7,981	\$ 1,107,796	\$ 508,321	\$ 58,755	\$ 6,809,697
Liabilities and Fund Balance								
Liabilities								
Accounts payable	\$ --	\$ --	\$ 1,050	\$ --	\$ 226,744	\$ --	\$ --	\$ 546,069
Due to other funds	15,000	140,210	3,247	7,981	881,052	508,321	58,755	3,339,185
Deferred revenue	--	--	--	--	--	--	--	102,372
Total Liabilities	15,000	140,210	4,297	7,981	1,107,796	508,321	58,755	3,987,626
Fund Balance								
Non-spendable	--	--	--	--	--	--	--	--
Restricted	--	--	--	--	--	--	--	93,285
Committed	--	--	--	--	--	--	--	2,732,286
Assigned	--	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--	(3,500)
Total Fund Balance	--	--	--	--	--	--	--	2,822,071
Total Liabilities and Fund Balance	\$ 15,000	\$ 140,210	\$ 4,297	\$ 7,981	\$ 1,107,796	\$ 508,321	\$ 58,755	\$ 6,809,697

TOWN OF WESTERLY, RHODE ISLAND

B-6

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Capital Projects Fund	Capital Projects Energy Efficiency	Land Acquisition Fund	GIS System	Canal Street Acquisition	DEM Riverfront Park	Chapman Pond
Revenues							
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ 22,160	\$ --	\$ 239,058
Charges for services	--	--	--	--	--	--	--
Investment Income	--	--	--	--	--	--	--
Operating grants and contributions	--	--	--	--	--	--	--
Capital grants and contributions	22	337,019	88,725	--	--	--	--
Total Revenues	<u>22</u>	<u>337,019</u>	<u>88,725</u>	<u>--</u>	<u>22,160</u>	<u>--</u>	<u>239,058</u>
Expenditures							
Legislative, executive and administrative	--	--	--	--	--	--	--
Administrative	--	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--	--
Conservation and development	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--
Debt service	--	17,594	--	--	--	--	--
Capital outlay	469,508	1,288,049	--	--	22,160	--	242,558
Total Expenditures	<u>469,508</u>	<u>1,305,643</u>	<u>--</u>	<u>--</u>	<u>22,160</u>	<u>--</u>	<u>242,558</u>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	(469,486)	(968,624)	88,725	--	--	--	(3,500)
Other Financing Sources (Uses)							
Transfers from other funds	887,286	--	--	--	118,126	--	54,444
Transfers to other funds	(35,138)	--	(88,725)	--	--	--	--
Bond proceeds	--	250,000	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>852,148</u>	<u>250,000</u>	<u>(88,725)</u>	<u>--</u>	<u>118,126</u>	<u>--</u>	<u>54,444</u>
Net Change in Fund Balances	<u>382,662</u>	<u>(718,624)</u>	<u>--</u>	<u>--</u>	<u>118,126</u>	<u>--</u>	<u>50,944</u>
Fund Balances - Beginning of Year	<u>2,062,945</u>	<u>959,503</u>	<u>73,198</u>	<u>20,087</u>	<u>(118,126)</u>	<u>45,800</u>	<u>(54,444)</u>
Fund Balances - End of Year	<u>\$ 2,445,607</u>	<u>\$ 240,879</u>	<u>\$ 73,198</u>	<u>\$ 20,087</u>	<u>\$ --</u>	<u>\$ 45,800</u>	<u>\$ (3,500)</u>

TOWN OF WESTERLY, RHODE ISLAND

B-6

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Generator Grant	Main St. Streetscape Grant	Bike Path Loops	Bay St Enhancement	Downtown Culvert	Cross St Enhancement	DPW Solar Panels	Capital Projects Funds Totals
Revenues								
Intergovernmental	\$ 15,000	\$ 140,210	\$ 4,297	\$ 7,981	\$ 1,423,699	\$ 508,321	\$ 58,755	\$ 2,419,481
Charges for services	--	--	--	--	--	--	--	--
Investment Income	--	--	--	--	--	--	--	--
Operating grants and contributions	--	--	--	--	--	--	--	--
Capital grants and contributions	--	--	--	--	--	--	--	425,766
Total Revenues	<u>15,000</u>	<u>140,210</u>	<u>4,297</u>	<u>7,981</u>	<u>1,423,699</u>	<u>508,321</u>	<u>58,755</u>	<u>2,845,247</u>
Expenditures								
Legislative, executive and administrative								--
Administrative	--	--	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--	--	--
Conservation and development	--	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--	--
Debt service	--	--	--	--	--	--	--	17,594
Capital outlay	--	140,210	4,297	7,981	1,423,699	508,321	58,755	4,165,538
Total Expenditures	<u>--</u>	<u>140,210</u>	<u>4,297</u>	<u>7,981</u>	<u>1,423,699</u>	<u>508,321</u>	<u>58,755</u>	<u>4,183,132</u>
Excess (Deficiency) of Revenues Over (Under)								
Expenditures Before Other Financing Sources (15,000	--	--	--	--	--	--	(1,337,885)
Other Financing Sources (Uses)								
Transfers from other funds	--	--	--	--	--	--	--	1,059,856
Transfers to other funds	(15,000)	--	--	--	--	--	--	(138,863)
Bond proceeds	--	--	--	--	--	--	--	250,000
Total Other Financing Sources (Uses)	<u>(15,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,170,993</u>
Net Change in Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(166,892)</u>
Fund Balances - Beginning of Year	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,988,963</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,822,071</u>

TOWN OF WESTERLY, RHODE ISLAND

1 of 2

C-1

FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2018

	Permanent Neighbor Committee	Honor Roll Fund	Lois B. Stillment Fund	Richmond Brewer Fund	Irene Vose Fund	Martha C. Babcock Memorial	Class of 1886	Premio L. Russo Memorial
Assets								
Cash and cash equivalents	\$ 1,694	\$ 883	\$ --	\$ --	\$ --	\$ --	\$ 5	\$ --
Investments	--	--	12,377	44,290	62,648	3,850	1,418	1,964
Notes receivable	--	800	--	--	--	--	--	--
Total Assets	<u>\$ 1,694</u>	<u>\$ 1,683</u>	<u>\$ 12,377</u>	<u>\$ 44,290</u>	<u>\$ 62,648</u>	<u>\$ 3,850</u>	<u>\$ 1,423</u>	<u>\$ 1,964</u>
Liabilities and Net Position								
Liabilities								
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	224	790	8,993	791	2,591	47	--	315
Total Liabilities	<u>224</u>	<u>790</u>	<u>8,993</u>	<u>791</u>	<u>2,591</u>	<u>47</u>	<u>--</u>	<u>315</u>
Net Position								
Net position held in trust	1,470	893	3,384	43,499	60,057	3,803	1,423	1,649
Net Position	<u>1,470</u>	<u>893</u>	<u>3,384</u>	<u>43,499</u>	<u>60,057</u>	<u>3,803</u>	<u>1,423</u>	<u>1,649</u>
Total Liabilities and Net Position	<u>\$ 1,694</u>	<u>\$ 1,683</u>	<u>\$ 12,377</u>	<u>\$ 44,290</u>	<u>\$ 62,648</u>	<u>\$ 3,850</u>	<u>\$ 1,423</u>	<u>\$ 1,964</u>

TOWN OF WESTERLY, RHODE ISLAND

2 of 2

C-1

FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2018

	Otis P. Chapman Fund	Francis Pat Coyle Memorial	Betty Zerbarini Fund	Berardinelli Trust Fund	John J. & Mary C. Smith Scholarship	Robert F. Serra Fund	Interfund Eliminations	Private-Purpose Trust Funds Totals
Assets								
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ 8	\$ --	\$ --	\$ --	\$ 2,590
Investments	2,438	1,324	1,424	24,246	15,817	2,262	--	174,058
Notes receivable	--	--	--	--	--	--	--	800
Total Assets	<u>\$ 2,438</u>	<u>\$ 1,324</u>	<u>\$ 1,424</u>	<u>\$ 24,254</u>	<u>\$ 15,817</u>	<u>\$ 2,262</u>	<u>\$ --</u>	<u>\$ 177,448</u>
Liabilities and Net Position								
Liabilities								
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	102	900	325	--	744	424	--	16,246
Total Liabilities	<u>102</u>	<u>900</u>	<u>325</u>	<u>--</u>	<u>744</u>	<u>424</u>	<u>--</u>	<u>16,246</u>
Net Position								
Net position held in trust	2,336	424	1,099	24,254	15,073	1,838	--	161,202
Net Position	<u>2,336</u>	<u>424</u>	<u>1,099</u>	<u>24,254</u>	<u>15,073</u>	<u>1,838</u>	<u>--</u>	<u>161,202</u>
Total Liabilities and Net Position	<u>\$ 2,438</u>	<u>\$ 1,324</u>	<u>\$ 1,424</u>	<u>\$ 24,254</u>	<u>\$ 15,817</u>	<u>\$ 2,262</u>	<u>\$ --</u>	<u>\$ 177,448</u>

TOWN OF WESTERLY, RHODE ISLAND

1 of 2

C-2

FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Permanent Neighbor Committee	Honor Roll Fund	Lois B. Stillment Fund	Richmond Brewer Fund	Irene Vose Fund	Martha C. Babcock Memorial	Class of 1886	Premio L. Russo Memorial
Revenues								
Operating grants & contributions	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Investment income	17	9	516	1,846	5,631	160	59	82
Total Revenues	<u>17</u>	<u>9</u>	<u>516</u>	<u>1,846</u>	<u>5,631</u>	<u>160</u>	<u>59</u>	<u>82</u>
Expenditures								
Miscellaneous	--	--	1,000	--	--	--	--	35
Total Expenditures	<u>--</u>	<u>--</u>	<u>1,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>35</u>
Excess (Deficiency) of Revenues Over (Under)								
Expenditures Before Other Financing Sources (Uses)	17	9	(484)	1,846	5,631	160	59	47
Other Financing Sources (Uses)								
Transfers from other funds	--	--	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Net Position	<u>17</u>	<u>9</u>	<u>(484)</u>	<u>1,846</u>	<u>5,631</u>	<u>160</u>	<u>59</u>	<u>47</u>
Net Position - Beginning of Year	<u>1,453</u>	<u>884</u>	<u>3,868</u>	<u>41,653</u>	<u>54,426</u>	<u>3,643</u>	<u>1,364</u>	<u>1,602</u>
Net Position - End of year	<u>\$ 1,470</u>	<u>\$ 893</u>	<u>\$ 3,384</u>	<u>\$ 43,499</u>	<u>\$ 60,057</u>	<u>\$ 3,803</u>	<u>\$ 1,423</u>	<u>\$ 1,649</u>

TOWN OF WESTERLY, RHODE ISLAND

2 of 2

C-2

FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Otis P. Chapman Fund	Francis Pat Coyle Memorial	Betty Zerbarini Fund	Berardinelli Trust Fund	John J. & Mary C. Smith Scholarship	Robert F. Serra Fund	Interfund Eliminations	Private-Purpose Trust Funds Totals
Revenues								
Operating grants & contributions	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Investment income	102	55	59	1,011	660	95	--	10,302
Total Revenues	<u>102</u>	<u>55</u>	<u>59</u>	<u>1,011</u>	<u>660</u>	<u>95</u>	<u>--</u>	<u>10,302</u>
Expenditures								
Miscellaneous	50	150	25	--	125	100	--	1,485
Total Expenditures	<u>50</u>	<u>150</u>	<u>25</u>	<u>--</u>	<u>125</u>	<u>100</u>	<u>--</u>	<u>1,485</u>
Excess (Deficiency) of Revenues Over (Under)								
Expenditures Before Other Financing Sources (Uses)	<u>52</u>	<u>(95)</u>	<u>34</u>	<u>1,011</u>	<u>535</u>	<u>(5)</u>	<u>--</u>	<u>8,817</u>
Other Financing Sources (Uses)								
Transfers from other funds	--	--	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Net Position	<u>52</u>	<u>(95)</u>	<u>34</u>	<u>1,011</u>	<u>535</u>	<u>(5)</u>	<u>--</u>	<u>8,817</u>
Net Position - Beginning of Year	<u>2,284</u>	<u>519</u>	<u>1,065</u>	<u>23,243</u>	<u>14,538</u>	<u>1,843</u>	<u>--</u>	<u>152,385</u>
Net Position - End of year	<u>\$ 2,336</u>	<u>\$ 424</u>	<u>\$ 1,099</u>	<u>\$ 24,254</u>	<u>\$ 15,073</u>	<u>\$ 1,838</u>	<u>\$ --</u>	<u>\$ 161,202</u>

TOWN OF WESTERLY, RHODE ISLAND

D-1

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Beginning Balance July 1, 2017	Additions	Deductions	Ending Balance June 30, 2018
<u>TITLE II -P.W.E.A.</u>				
Assets				
Cash	\$ 1	\$ -	\$ -	\$ 1
Investments	3,325	209	64	3,470
Total Assets	<u>\$ 3,326</u>	<u>\$ 209</u>	<u>\$ 64</u>	<u>\$ 3,471</u>
Liabilities				
Deposits held in custody for others	\$ 3,326	\$ 209	\$ 64	\$ 3,471
<u>BABCOCK MIDDLE SCHOOL STUDENT ACTIVITY FUND</u>				
Assets				
Cash	\$ 26,774	\$ 30,795	\$ 35,837	\$ 21,732
Liabilities				
Deposits held in custody for others	\$ 26,774	\$ 30,795	\$ 35,837	\$ 21,732
<u>WESTERLY HIGH SCHOOL STUDENT ACTIVITY FUND</u>				
Assets				
Cash	\$ 232,089	\$ 417,525	\$ 388,407	\$ 261,207
Liabilities				
Deposits held in custody for others	\$ 232,089	\$ 417,525	\$ 388,407	\$ 261,207
<u>CONSTRUCTION ESCROW DEPOSITS</u>				
Assets				
Cash	\$ 90,760	\$ --	\$ 50,983	\$ 39,777
Liabilities				
Deposits held in custody for others	\$ 90,760	\$ --	\$ 50,983	\$ 39,777

TOWN OF WESTERLY, RHODE ISLAND

D-1

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Beginning Balance <u>July 1, 2017</u>	Additions	Deductions	Ending Balance <u>June 30, 2018</u>
<u>PROBATE ESCROW</u>				
Assets				
Cash	\$ 28,151	\$ 51	\$ --	\$ 28,202
Liabilities				
Deposits held in custody for others	\$ 28,151	\$ 51	\$ --	\$ 28,202
 <u>TOTAL ALL AGENCY FUNDS</u>				
Assets				
Cash	\$ 377,775	\$ 448,371	\$ 475,227	\$ 350,919
Investments	3,325	209	64	3,470
Total Assets	\$ 381,100	\$ 448,580	\$ 475,291	\$ 354,389
Liabilities				
Deposits held in custody for others	\$ 381,100	\$ 448,580	\$ 475,291	\$ 354,389
Total Liabilities				

STATISTICAL SECTION

TABLE 1

TOWN OF WESTERLY, RHODE ISLAND
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net investment in capital assets	\$ 68,746,769	\$ 70,358,546	\$ 70,008,175	\$ 71,011,628	\$ 72,528,400	\$ 82,591,557	\$ 83,443,820	\$ 86,169,198	\$ 91,221,136	\$ 91,523,267
Restricted	609,887	4,271,819	5,596,748	4,289,962	2,542,513	6,519,002	7,790,677	7,601,874	6,453,686	6,744,578
Unrestricted	10,806,705	9,195,972	9,272,111	10,051,174	14,787,475	(37,643,132)	(35,741,526)	(42,181,757)	(42,281,476)	(61,560,900)
Total Governmental Activities net position	80,163,361	83,826,337	84,877,034	85,352,764	89,858,388	51,467,427	55,492,971	51,589,315	55,393,346	36,706,945
Business-Type Activities										
Net investment in capital assets	27,988,005	28,158,294	28,728,337	30,194,723	30,714,945	29,236,676	29,485,916	30,030,849	31,019,004	31,789,291
Unrestricted	7,514,990	7,014,809	6,219,520	5,376,027	5,751,583	7,163,504	8,059,250	8,357,137	8,257,819	10,831,669
Total Business-Type Activities net position	35,502,995	35,173,103	34,947,857	35,570,750	36,466,528	36,400,180	37,545,166	38,387,986	39,276,823	42,620,960
Total										
Net investment in capital assets	96,734,774	98,516,840	98,736,512	101,206,351	103,243,345	111,828,233	112,929,736	116,200,047	122,240,140	123,312,558
Restricted	609,887	4,271,819	5,596,748	4,289,962	2,542,513	6,519,002	7,790,677	7,601,874	6,453,686	6,744,578
Unrestricted	18,321,695	16,210,781	15,491,631	15,427,201	20,539,058	(30,479,628)	(27,682,276)	(33,824,620)	(34,023,657)	(50,729,231)
Total Net Position	\$ 115,666,356	\$ 118,999,440	\$ 119,824,891	\$ 120,923,514	\$ 126,324,916	\$ 87,867,607	\$ 93,038,137	\$ 89,977,301	\$ 94,670,169	\$ 79,327,905

Source: Town of Westerly Annual Financial Statements

TOWN OF WESTERLY, RHODE ISLAND

TABLE 2

CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
GOVERNMENTAL ACTIVITIES
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
Legislative, judicial & general administrative	\$ 3,129,637	\$ 3,466,233	\$ 2,781,707	\$ 3,112,646	\$ 4,331,225	\$ 5,047,531	\$ 4,708,957	\$ 4,707,273	\$ 6,148,593	\$ 20,376,569
Public works	7,424,188	7,507,487	9,985,135	7,954,858	8,421,798	7,634,376	7,891,734	8,030,694	6,962,464	5,313,151
Public safety	7,761,483	7,799,497	8,240,563	8,214,392	7,641,412	8,569,273	10,097,782	11,395,743	9,023,890	6,300,762
Health and welfare	1,647,960	1,237,875	802,416	944,618	2,648,904	1,193,857	932,767	1,625,117	1,444,325	1,598,964
Conservation and development	83,398	63,593	61,603	66,841	13,723	8,058	24,852	18,168	44,730	948,771
Parks and recreation	671,243	715,016	851,085	855,819	835,358	1,162,690	1,400,753	1,295,865	1,309,351	1,266,933
Planning and zoning	315,979	311,526	317,731	328,874	659,533	762,142	743,772	782,652	198,784	800,231
Public education	55,623,925	53,346,773	56,373,765	59,863,127	60,152,421	61,614,560	60,242,455	62,732,292	62,428,690	68,507,646
Other										
Capital improvements/restricted programs										
Interest	2,921,665	2,834,606	3,001,369	4,161,148	3,417,931	2,131,894	4,597,122	3,898,458	3,435,937	1,857,957
Total Governmental Activities	79,579,478	77,282,606	82,415,374	85,502,323	88,122,305	88,124,381	90,640,194	94,486,262	90,996,764	106,970,984
Business-type activities:										
Water	4,427,003	4,999,866	5,107,553	4,126,250	4,040,375	4,255,925	4,087,550	4,274,095	4,239,920	4,185,008
Sewer	3,524,297	3,224,296	3,390,936	3,549,839	3,428,731	3,437,290	3,577,374	3,758,100	3,719,113	3,508,531
Transfer station	--	--	--	--	--	--	--	--	--	1,953,345
Other nonmajor	--	--	--	--	--	--	--	--	--	368,562
Beach	271,973	255,673	263,071	275,930	279,307	--	--	--	--	--
Total Business-Type Activities	8,223,273	8,479,835	8,761,560	7,952,019	7,748,413	7,693,215	7,664,924	8,032,195	7,959,033	10,015,446
Total Expenses	87,802,751	85,762,441	91,176,934	93,454,342	95,870,718	95,817,596	98,305,118	102,518,457	98,955,797	116,986,430
Program Revenues										
Governmental activities:										
Charges for services:										
Legislative, judicial & general administrative	\$ 940,220	\$ 986,339	\$ 1,088,315	\$ 1,072,310	\$ 2,064,851	\$ 1,170,950	\$ 1,004,773	\$ 1,211,251	\$ 1,164,508	\$ 11,654,047
Public works	2,554,611	2,040,910	2,107,314	2,230,461	2,539,006	2,451,873	2,369,581	2,561,957	2,901,374	31,471
Public safety	338,429	360,359	409,070	236,944	331,011	261,017	384,141	361,958	507,607	980,614
Health and welfare					46,226	51,367	49,498	38,606	95,320	12,489
Conservation and development		5,250	23,451	22,512	18,914	34,504	11,876	16,759	7,577	--
Parks and recreation	143,383	163,233	163,476	176,045	132,186	223,944	226,461	300,888	239,660	351,884
Planning and zoning	63,457	76,959	74,779	62,967	68,532	75,703	67,330	65,508	52,239	557,855
Public education	1,424,345	1,266,433	1,499,327	1,561,476	885,397	794,130	825,349	822,436	836,314	2,165,528
Other activities										475,878
Operating grants and contributions	11,992,674	12,546,972	12,570,266	14,632,146	19,613,142	17,480,083	18,292,668	15,552,575	16,052,500	14,577,457
Capital grants and contributions	498,774	--	735,857	577,744	--	129,017	482,120	91,443	147,507	2,845,247
Total Governmental Activities Program Revenues	17,955,893	17,446,455	18,671,855	20,572,605	25,699,265	22,672,588	23,713,797	21,023,381	22,004,606	33,652,470
Business-type activities:										
Charges for services:										
Water	3,950,767	3,814,045	4,383,473	4,151,082	4,263,283	4,724,623	4,481,837	4,856,600	4,867,342	4,134,104
Sewer	3,152,629	3,483,850	3,398,737	3,283,137	3,707,640	3,750,359	3,738,352	3,757,947	3,661,087	3,390,651
Transfer station	--	--	--	--	--	--	--	--	--	1,964,107
Other non major funds	--	--	--	--	--	--	--	--	--	91,104
Beach	84,533	118,388	104,898	124,256	66,577	--	--	--	--	--
Operating grants and contributions	25,000	75,133	1,568	--	--	--	--	--	--	--
Capital grants and contributions	--	--	--	385,000	--	--	--	--	--	--
Total Business-Type Activities	7,212,929	7,491,416	7,888,676	7,943,475	8,037,500	8,474,982	8,220,189	8,614,547	8,528,429	9,579,966
Total Program Revenues	25,168,822	24,937,871	26,560,531	28,516,080	33,736,765	31,147,570	31,933,986	29,637,928	30,533,035	43,232,436

(Continued on next page)

TABLE 2

TOWN OF WESTERLY, RHODE ISLAND
 CHANGES IN NET POSITION, LAST TEN FISCAL YEARS (CONTINUED)
 GOVERNMENTAL ACTIVITIES
 (Accrual Basis of Accounting)

	FISCAL YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (expenses) revenues:										
Governmental activities	(61,623,585)	(59,836,151)	(63,743,519)	(64,929,718)	(62,423,040)	(65,451,793)	(66,926,397)	(73,462,881)	(68,992,158)	(73,318,514)
Business-type activities	(1,010,344)	(988,419)	(872,884)	(8,544)	289,087	781,767	555,265	582,352	569,396	(435,480)
Total Net Expense	(62,633,929)	(60,824,570)	(64,616,403)	(64,938,262)	(62,133,953)	(64,670,026)	(66,371,132)	(72,880,529)	(68,422,762)	(73,753,994)
General Revenues and other Changes in Net Position										
Governmental activities										
Property taxes	\$ 59,323,341	\$ 59,555,979	\$ 63,296,907	\$ 64,031,797	\$ 65,108,718	\$ 65,605,977	\$ 68,528,551	\$ 68,367,279	\$ 70,244,120	\$ 71,442,426
On-behalf pension contributions	--	--	--	--	--	--	--	--	--	5,141,470
State aid and in lieu of taxes not restricted	4,614,007	3,965,697	1,801,556	1,841,526	1,927,032	2,400,544	2,519,706	2,737,650	2,735,220	1,393,019
Unrestricted investment earnings	510,798	212,778	157,636	33,906	55,779	30,786	32,886	50,854	71,802	165,931
Miscellaneous	277,017	414,437	129,642	127,607	84,964	133,290	247,693	146,118	31,120	2,494,828
Residual equity on transfer	(695,931)	(649,764)	(640,824)	(629,388)	(604,580)	850,232	(376,895)	(369,522)	(316,002)	(817,699)
Transfers	--	--	--	--	--	--	--	--	--	(2,125,451)
Loss on disposal of capital assets	--	--	--	--	--	--	--	--	--	--
Total Governmental Activities	64,029,232	63,499,127	64,744,917	65,405,448	66,571,913	69,020,829	70,951,941	70,932,379	72,766,260	77,694,524
Business-type activities:										
Unrestricted investment earnings	62,955	8,763	6,814	2,049	2,111	2,121	6,826	3,434	3,439	3,457
Miscellaneous	--	--	--	--	--	--	--	--	--	734,277
Residual equity on transfer	--	--	--	--	--	--	--	--	--	2,125,451
Transfers	695,931	649,764	640,824	629,388	604,580	(850,232)	376,895	369,522	316,002	817,699
Total Business-Type Activities	758,886	658,527	647,638	631,437	606,691	(848,111)	383,721	372,956	319,441	3,680,884
Total	64,788,118	64,157,654	65,392,555	66,036,885	67,178,604	68,172,718	71,335,662	71,305,335	73,085,701	81,375,408
Change in Net Position										
Governmental activities	2,405,647	3,662,976	1,001,398	475,730	4,148,873	3,569,036	4,025,544	(2,530,502)	3,774,102	4,376,010
Business-type activities	(251,458)	(329,892)	(225,246)	622,893	895,778	(66,344)	938,986	955,308	888,837	3,245,404
Total	\$ 2,154,189	\$ 3,333,084	\$ 776,152	\$ 1,098,623	\$ 5,044,651	\$ 3,502,692	\$ 4,964,530	\$ (1,575,194)	\$ 4,662,939	\$ 7,621,414

TOWN OF WESTERLY, RHODE ISLAND

TABLE 3

FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved										
Unreserved	9,020,357	9,157,164								
Nonspendable			203,645	1,424,796	2,443,435	840,328	3,727,798	2,481,536	1,964,480	65,142
Restricted			5,073,701	3,812,873	2,410,035	2,651,915	899,551	2,016,389	2,962,109	2,553,308
Committed			53,184	222,802	188,496	187,137	631,100	1,023,198	999,360	1,428,760
Assigned			160,000	785,000	642,000	500,000	275,000	475,000		--
Unassigned			8,895,223	7,811,214	7,542,061	8,606,291	5,873,316	5,498,327	8,565,108	10,148,541
Total General Fund	<u>9,020,357</u>	<u>9,157,164</u>	<u>14,385,753</u>	<u>14,056,685</u>	<u>13,226,027</u>	<u>12,785,671</u>	<u>11,406,765</u>	<u>11,494,450</u>	<u>14,491,057</u>	<u>14,195,751</u>
All Other Governmental Funds										
Reserved	358,515									
Unreserved, reported in:										
Special revenue funds	3,827,266									
Capital project funds	7,446,534									
Nonspendable		30,500								
Restricted		2,580,224	1,523,075	4,250,044	4,250,044	4,350,125	6,891,126	5,585,485	3,491,577	2,459,251
Committed		3,200,511	2,791,812	2,718,537	2,718,537	2,829,358	1,993,649	2,052,305	3,176,002	2,741,307
Unassigned		(7,024,340)	(2,293,989)	(34,313)	(34,313)	(644,817)	(56,941)	(86,125)	(296,685)	(15,470)
Total All Other Governmental Funds	<u>11,632,315</u>	<u>(1,213,105)</u>	<u>2,020,898</u>	<u>6,934,268</u>	<u>6,934,268</u>	<u>6,534,666</u>	<u>8,827,834</u>	<u>7,551,665</u>	<u>6,370,894</u>	<u>5,185,088</u>

Notes
 1. In 2011 the Town implemented GASB No. 54, reserved and unreserved fund balance are no longer used
 Fund balances are now reported as nonspendable, restricted, committed, assigned and unassigned
 * As restated

Source: Town of Westerly Annual Financial Statements

TOWN OF WESTERLY, RHODE ISLAND

TABLE 4

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	For the Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
General property taxes	\$ 58,903,866	\$ 59,229,983	\$ 63,167,374	\$ 62,722,274	\$ 65,284,340	\$ 67,111,282	\$ 67,701,397	\$ 68,353,018	\$ 71,006,084	\$ 71,539,943
Intergovernmental revenue	20,896,628	19,659,330	17,990,858	20,545,204	23,610,581	21,714,929	23,507,224	23,605,520	23,674,677	22,850,796
Capital grants and contributions										425,766
Licenses and permits	520,627	470,593	405,455	433,773	987,140	924,890	892,998	1,004,702	957,454	2,219,786
Fines and penalties	190,165	174,040	199,297	165,168	170,433	164,292	189,849	248,243	257,925	816,678
Interest on investments	509,652	212,743	157,553	33,906	52,418	27,407	29,172	49,446	70,392	165,931
On behalf pension contribution										2,428,738
Other revenues	2,042,198	1,666,900	1,416,235	1,482,937	2,848,970	2,341,541	2,246,949	1,703,633	2,183,082	624,886
Total Revenues	83,063,136	81,413,589	83,336,772	85,383,262	92,953,882	92,284,341	94,567,589	94,964,562	98,149,614	101,072,524
Expenditures										
Current:										
Legislative, judicial and general administrativ	6,236,470	7,007,720	6,352,555	6,525,866	4,246,621	4,210,763	4,071,190	3,632,451	5,315,071	8,373,194
Public works	6,762,533	6,049,632	7,065,978	4,911,750	8,007,654	6,622,126	6,410,305	6,380,205	6,192,932	3,991,546
Public safety	4,539,777	4,533,085	4,611,459	4,550,663	7,419,524	8,087,246	8,797,203	8,475,679	6,859,372	7,265,723
Health and welfare	1,603,577	1,198,722	757,683	906,923	2,633,209	3,189,709	1,509,542	1,572,619	1,436,949	1,598,964
Conservation and development	44,213	46,096	45,776	51,311	20,724	8,058	28,591	16,756	43,642	948,771
Parks and recreation	593,784	549,637	680,016	722,607	853,703	988,760	1,169,251	1,431,213	1,130,853	1,084,395
Planning and zoning	236,329	237,589	236,902	226,453	680,536	784,507	749,471	771,227	654,428	788,633
Public education	54,605,925	53,152,473	53,275,364	56,474,037	57,657,340	58,575,405	59,794,583	59,884,514	60,841,322	59,568,409
On behalf pension contribution										2,428,738
Other										
Capital improvement/restricted programs	2,049,818	1,154,114	21,401,103	14,246,132	4,880,804	4,005,779	7,468,346	3,875,406	5,879,811	7,918,267
Debt service:										
Principal	4,505,271	4,940,981	5,010,180	5,426,586	5,874,438	5,874,438	5,874,438	5,874,438	5,874,438	9,449,364
Interest	2,466,811	2,423,780	2,743,101	4,092,441	3,894,578	4,004,773	4,557,382	5,269,860	4,178,583	--
Total Expenditures	83,644,508	81,293,829	102,180,117	98,134,769	96,169,131	96,351,564	100,430,302	97,184,368	98,407,401	103,416,004
Excess of revenues over (under) expenditures	(581,372)	119,760	(18,843,345)	(12,751,507)	(3,215,249)	(4,067,223)	(5,862,713)	(2,219,806)	(257,787)	(2,343,480)
Other Financing Sources (Uses)										
Bond and loan proceeds		3,855,000	11,496,000	14,645,000	6,500,000				1,350,000	
Lease proceeds	1,259,784	396,970	258,003	761,413	1,208,876	2,347,516	778,992	1,194,433	1,039,625	1,254,864
Premium on debt			179,036	200,395	1,933,872	2,136,371	145,374			366,446
Issuance of refunding bonds					20,073,678	15,890,000	6,000,000			4,140,000
Payment to refunding bond escrow agent					(21,813,976)	(16,489,170)				(4,179,386)
Transfers from other funds	48,349,039	47,183,318	818,987	424,566	1,210,145	1,264,685	1,174,147	1,248,986	1,137,099	1,511,463
Transfers to other funds	(49,044,970)	(47,893,082)	(1,474,811)	(1,068,954)	(1,814,725)	(1,922,137)	(1,321,542)	(1,273,508)	(1,453,101)	(2,329,162)
Total other financing sources	563,853	3,542,206	11,277,215	14,962,420	7,297,870	3,227,265	6,776,971	1,169,911	2,073,623	764,225
Net Change in Fund Balances	\$ (17,519)	\$ 3,661,966	\$ (7,566,130)	\$ 2,210,913	\$ 4,082,621	\$ (839,958)	\$ 914,258	\$ (1,049,895)	\$ 1,815,836	\$ (1,579,255)
Debt Service as a Percentage										
of Noncapital Expenditures	8.54%	9.19%	9.60%	11.35%	10.70%	10.70%	11.22%	11.94%	10.86%	9.89%

Source: Town of Westerly Annual Financial Statements

TOWN OF WESTERLY, RHODE ISLAND

TABLE 5

Assessed Value and Actual Value of Taxable Property
Last Ten Years
(unaudited)

Fiscal Year	Real Property	Tangible Property	Motor Vehicles	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate Real	Total Direct Tax Rate MV
2018	\$ 5,718,629,930	\$ 125,509,234	\$ 189,482,508	\$ 101,133,577	\$ 5,932,488,094	11.88	29.67
2017	\$ 5,668,135,260	\$ 119,592,185	\$ 220,615,299	\$ 100,261,288	\$ 5,908,081,456	11.59	29.67
2016	\$ 5,618,394,130	\$ 121,142,653	\$ 218,935,856	\$ 102,135,031	\$ 5,856,336,030	11.36	29.67
2015	\$ 5,767,432,015	\$ 115,459,093	\$ 215,176,591	\$ 108,693,817	\$ 5,989,385,500	10.82	29.67
2014	\$ 5,720,353,700	\$ 117,617,714	\$ 208,705,482	\$ 109,796,164	\$ 5,936,880,732	10.64	29.67
2013	\$ 5,681,316,650	\$ 113,754,910	\$ 206,850,868	\$ 187,685,148	\$ 5,887,246,189	10.53	29.67
2012	\$ 6,029,044,940	\$ 111,092,881	\$ 207,200,816	\$ 123,833,594	\$ 6,223,505,043	9.74	29.67
2011	\$ 6,003,921,400	\$ 109,834,014	\$ 199,010,668	\$ 125,761,643	\$ 6,187,004,439	9.74	29.67
2010	\$ 5,968,175,200	\$ 103,394,190	\$ 196,704,453	\$ 123,264,095	\$ 6,145,009,748	9.62	29.67
2009	\$ 6,409,080,500	\$ 103,052,933	\$ 165,920,358	\$ 187,658,148	\$ 6,490,395,643	8.87	29.67

TOWN OF WESTERLY, RHODE ISLAND

TABLE 6

Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Fiscal Years
(Unaudited)

Levy Year	Real Estate and Personal Property	Motor Vehicle
2009	8.87	29.67
2010	9.62	29.67
2011	9.74	29.67
2012	9.74	29.67
2013	10.53	29.67
2014	10.64	29.67
2015	10.82	29.67
2016	11.36	29.67
2017	11.59	29.67
2018	11.88	29.67

Source: Finance Department, Westerly, Rhode Island

TOWN OF WESTERLY, RHODE ISLAND

TABLE 7

Principal Property Taxpayers
Current Year and Ten Years Ago
(Unaudited)

2018				2009			
Name	Assessed Value	Rank	% Net Taxable Grand List	Name	Assessed Value	Rank	% Net Taxable Grand List
National Grid	\$ 35,192,583	1	0.59%	Bluff Avenue, LLC	\$ 41,016,000	1	0.632%
Ocean House Hotel Partners, LLC	\$ 24,339,500	2	0.41%	Washington Trust Company	\$ 25,289,868	2	0.390%
Washington Trust Company	\$ 22,425,017	3	0.38%	Franklin Plaza, LLC	\$ 20,990,880	3	0.323%
Westerly Ventures, LLC	\$ 21,886,700	4	0.37%	Narragansett Electric Company	\$ 19,700,605	4	0.304%
Misquamicut Club	\$ 18,266,450	5	0.31%	Royce, Charles M.	\$ 19,117,600	5	0.295%
Westerly Associates, LLC	\$ 18,037,079	6	0.30%	Misquamicut Club	\$ 18,420,997	6	0.284%
Shelter Harbor Golf Club	\$ 14,229,828	7	0.24%	Shelter Harbor Golf Club	\$ 18,072,169	7	0.278%
Harbor Land Strategic Realty, LLC	\$ 13,258,600	8	0.22%	Kahuna Rhode Island, LLC	\$ 17,634,900	8	0.272%
Home Depot USA, Inc.	\$ 12,494,230	9	0.21%	Home Depot USA, Inc.	\$ 15,766,100	9	0.243%
Lamm, Peter & Deborah S.	\$ 12,492,600	10	0.21%	Holmgren, John J. & Antoinette	\$ 13,580,200	10	0.209%

NET ASSESSED VALUE AS OF 12/31/17: \$5,718,629,930

NET ASSESSED VALUE AS OF 12/31/08: \$209,589,319

TOWN OF WESTERLY, RHODE ISLAND

TABLE 8

Property Tax Levies and Collections
Last Ten Years
(Unaudited)

Fiscal Year	Taxes Levied (Net Abatements)	Collected within the Fiscal Year Amount	% of Levy	Collected in Subsequent Years	Total Collections Amount	Balance Remaining	% of Levy
2009	\$ 58,934,410	\$ 57,978,492	\$ 1	\$ 902,982	\$ 58,881,474	\$ 52,936	99.91%
2010	\$ 59,188,131	\$ 58,104,182	\$ 1	\$ 1,036,905	\$ 59,141,087	\$ 47,044	99.92%
2011	\$ 62,941,885	\$ 61,760,687	\$ 1	\$ 1,026,021	\$ 62,786,708	\$ 155,177	99.75%
2012	\$ 63,528,578	\$ 61,369,984	N	\$ 1,985,806	\$ 63,355,790	\$ 172,788	99.73%
2013	\$ 65,309,604	\$ 63,930,910	\$ 1	\$ 1,180,704	\$ 65,111,614	\$ 197,990	99.70%
2014	\$ 67,067,280	\$ 64,645,348	\$ 1	\$ 2,228,636	\$ 66,873,984	\$ 193,296	99.71%
2015	\$ 67,067,280	\$ 66,274,258	\$ 1	\$ 580,023	\$ 66,854,281	\$ 212,999	99.68%
2016	\$ 69,019,265	\$ 67,949,144	\$ 1	\$ 860,557	\$ 68,809,701	\$ 209,564	99.70%
2017	\$ 70,419,912	\$ 70,062,864	\$ 1	\$ 188,554	\$ 70,251,418	\$ 357,048	99.47%
2018	\$ 71,870,646	\$ 71,490,180	\$ 1	\$ --	\$ 71,490,180	\$ 380,466	99.47%

TOWN OF WESTERLY, RHODE ISLAND

TABLE 9

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Year	Governmental Activities			Business Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Notes and Loan Payable	Capital Leases	General Obligation Bonds	Loans Payable	Capital Leases			
2018	\$ 43,840,000	\$ 23,456,000	\$ 2,121,462	\$ --	\$ 3,863,915	\$ 2,692,776	\$ 75,974,153	8.99%	\$ 3,358
2017	\$ 48,160,000	\$ 24,541,000	\$ 2,190,137	\$ --	\$ 2,760,519	\$ 2,459,388	\$ 80,111,045	9.48%	\$ 3,541
2016	\$ 51,145,000	\$ 22,703,812	\$ 2,342,516	\$ --	\$ 3,307,808	\$ 2,491,760	\$ 81,990,896	10.25%	\$ 3,620
2015	\$ 59,347,000	\$ 20,476,250	\$ 2,503,007	\$ --	\$ 3,944,878	\$ 2,594,000	\$ 88,865,135	10.98%	\$ 3,918
2014	\$ 52,955,000	\$ 26,052,688	\$ 2,844,049	\$ --	\$ 4,569,370	\$ 20,000	\$ 86,441,107	10.74%	\$ 3,803
2013	\$ 56,233,678	\$ 27,732,124	\$ 1,379,633	\$ 1,671,322	\$ 5,181,638	\$ 12,507	\$ 92,210,902	11.99%	\$ 4,059
2012	\$ 53,710,000	\$ 29,411,562	\$ 860,400	\$ 1,790,000	\$ 5,782,025	\$ 23,840	\$ 91,577,827	11.93%	\$ 3,988
2011	\$ 57,875,000	\$ 15,351,000	\$ 776,135	\$ 1,935,000	\$ 6,370,864	\$ --	\$ 82,307,999	10.84%	\$ 3,614
2010	\$ 62,015,000	\$ 3,855,000	\$ 1,388,312	\$ 2,080,000	\$ 6,948,482	\$ --	\$ 76,286,794	10.47%	\$ 3,348
2009	\$ 65,815,000	\$ --	\$ 2,132,323	\$ 2,225,000	\$ 7,515,192	\$ --	\$ 77,687,515	10.40%	\$ 3,306

TOWN OF WESTERLY, RHODE ISLAND

TABLE 10

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Bonds	Notes and Loan Payable	Total	(a) Percentage of Actual Taxable Value of Property	Per Capita
2018	\$ 43,840,000	\$ 23,456,000	\$ 67,296,000	1.13%	\$ 2,974
2017	\$ 48,160,000	\$ 24,541,000	\$ 72,701,000	1.23%	\$ 3,213
2016	\$ 51,145,000	\$ 22,703,812	\$ 73,848,812	1.25%	\$ 3,260
2015	\$ 59,347,000	\$ 20,476,250	\$ 79,823,250	1.36%	\$ 3,519
2014	\$ 52,955,000	\$ 26,052,688	\$ 79,007,688	1.32%	\$ 3,476
2013	\$ 56,233,678	\$ 27,732,124	\$ 83,965,802	1.41%	\$ 3,696
2012	\$ 53,710,000	\$ 29,411,562	\$ 83,121,562	1.34%	\$ 3,619
2011	\$ 57,875,000	\$ 15,351,000	\$ 73,226,000	1.18%	\$ 3,215
2010	\$ 62,015,000	\$ 3,855,000	\$ 65,870,000	1.07%	\$ 2,891
2009	\$ 65,815,000	\$ --	\$ 65,815,000	1.01%	\$ 2,801

Source: Finance Department , Westerly, Rhode Island

(a) Total taxable assessed value

TOWN OF WESTERLY, RHODE ISLAND

TABLE 11

Legal Debt Margin Information
Last Ten Years
(Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total assessed value	\$ 6,421,889,238	\$ 6,490,395,643	\$ 6,145,009,748	\$ 6,223,505,043	\$ 5,887,264,189	\$ 5,936,880,732	\$ 5,989,385,500	\$ 5,856,336,030	\$ 5,908,081,456	\$ 5,932,488,094
Debt Limit (1)	192,656,677	194,711,869	184,350,292	186,705,151	176,617,926	178,106,421	179,681,565	175,690,081	177,242,444	177,974,643
Amount of Debt Subject to Limit	32,537,459	34,785,328	57,013,711	34,592,621	32,446,768	29,787,516	28,597,811	27,962,833	28,834,874	28,825,852
Legal Debt Margin	\$ 160,119,218	\$ 159,926,541	\$ 127,336,581	\$ 152,112,530	\$ 144,171,158	\$ 148,318,905	\$ 151,083,754	\$ 147,727,248	\$ 148,407,570	\$ 149,148,791
Legal Debt Margin as a Percentage of the Debt Limit	83.11%	82.13%	69.07%	81.47%	81.63%	83.28%	84.08%	84.08%	83.73%	83.80%

Source: Finance Department, Westerly, Rhode Island

(1) The Town's legal debt margin as set forth by Rhode Island State Statute is limited to three percent of total taxable assessed value

TOWN OF WESTERLY, RHODE ISLAND

TABLE 12

**Demographic and Employment Statistics
Current and Historic Comparison**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Population	22,626	22,626	22,651	22,683	22,727	22,720	22,787	22,858	22,949	23,418
Median Age	N/A	45.7 years	45.6 years	45.1 years	44.5 years	44.1 years	44.2 years	42.7 years	42.0 years	44.3 years
High School Graduate Attainment (ages 18+)	N/A	90.0%	89.5%	89.8%	88.8%	87.1%	86.9%	86.7%	85.9%	85.0%
Bachelor's Degree Attainment (ages 25+)	N/A	32.4%	31.6%	31.6%	31.9%	30.4%	29.4%	29.6%	30.0%	29.7%
Median Household Income (past 12 months)	N/A	\$63,507	\$60,800	\$61,500	\$62,381	\$60,532	\$59,008	\$60,432	\$57,462	\$55,662
Per Capita Income (past 12 months)	N/A	\$37,358	\$35,304	\$35,694	\$35,420	\$33,854	\$33,698	\$33,210	\$31,756	\$31,895

Source: United States Census Bureau (including American Community Survey)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public School Enrollment	2,775	2,851	3,007	2,997	2,996	3,037	3,021	3,079	3,021	3,180

Source: Westerly Public Schools

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Unemployment Rate	5.1%	5.1%	6.1%	7.2%	9.2%	10.6%	11.6%	11.7%	11.3%	9.0%

Source: Rhode Island Department of Labor and Training

TOWN OF WESTERLY, RHODE ISLAND

TABLE 13

Full-Time Equivalent Town Government Employees by Function/Program
(Unaudited)

	For the Fiscal Year Ended June 30, 2017									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Town Manager	2	2	2	2	2	2	2	2	2	2
Town Solicitor	-	-	-	-	-	-	-	-	1	2
Finance	6	7	9	9	9	9	9	9	10	10
Town Clerk	7	7	7	7	7	5	5	5	5	5
Development Services	9.5	9.5	4	4	4	4	4	4	4	4
Assessment	5	5	5	5	5	5	5	5	5	6
Other	-	-	16	16	16	16	16	16	16	16
Human Resources	3.5	3.5	-	-	-	-	-	-	-	-
Information Technology	3	3	-	-	-	-	-	-	-	-
Animal Shelter	3	3	-	-	-	-	-	-	-	-
Tax Collections	4	4	-	-	-	-	-	-	-	-
Purchasing	1	0.5	-	-	-	-	-	-	-	-
Public Safety										
Sworn Officers	50	50	45	50	50	48	50	50	50	50
Support	12	11	11	11	11	12	12	12	12	12
Public Health										
Public Works	46	45	45	45	45	43	43	43	44	44
Water & Sewer	27	28	28	28	29	29	29	29	30	30
Public Welfare										
Recreation	1.5	1.5	2	2	2	1	1	1	1	1
Public Education										
Teachers	286	297	302	302	310	307	304	302	300	312
Pupil Support	236	230	234	234	233	235	208	208	191	207
Administration	36	39	38	38	34	38	37	37	37	37

TOWN OF WESTERLY, RHODE ISLAND

TABLE 14

Operating Indicators by Function/Program
(Unaudited)

	For the Fiscal Year Ended June 30, 2018									
	2018	2017	2016	2015	2014	2013 (Revised)	2012	2011	2010	2009
General Government										
Marriage Licenses Issued	188	219	195	185	212	212	178	185	196	183
Death Certificates Recorded	309	313	357	368	287	325	310	304	334	341
Land Records Recorded	5,594	5,907	5,764	5,450	6,302	7,162	6,559	5,237	6,670	6,959
Registered Voters	18,296	18,014	17,728	17,224	17,729	17,422	16,724	16,528	16,381	16,440
Elections & Referenda's	2	2	2	2	1	2	1	1	1	1
Planning & Development										
Building Permits Issued	2,310	2,230	2,399	1,984	2,482	976	693	779	762	750
Cost of Construction	55,964,294	54,592,394	69,905,961	47,232,404	52,404,978	40,874,909	32,886,917	41,182,654	42,232,171	40,464,863
Police										
Arrest	953	1,316	1,099	1,198	1,061	972	997	1,015	1,037	1,236
Parking Violations	1,918	626	1,754	1,860	1,196	1,223	1,232	1500+/-	n/a	n/a
Calls for Service	46,882	42,793	34,704	30,948	28,825	30,139	27,355	28,000+/-	n/a	n/a
Public Works										
Street Resurfacing (miles)	3	1	9	6	7	7	7	n/a	n/a	n/a
Transfer station refuse (tons)	10,674	9,760	10,077	12,692	13,383	11,881	18,251	16,324	18,182	17,581
Transfer station recyclables (tons)	4,401	5,093	4,410	4,343	4,159	3,739	3,528	3,200	3,632	3,590
Parks & Recreation										
Programs Offered	101	70	68	63	61	61	63	59	n/a	n/a
Beach Passes Issued	2,972	2,756	2,591	2,552	2,454	2,061	2,206	2,042	1,941	1,849
Education										
Number of Students	2,775	2,851	3,007	2,997	2,996	3,037	3,021	3,079	3,021	3,180
Water										
New Connections	65	59	69	76	86	46	49	53	64	60
Water Main Breaks	18	22	22	38	18	17	25	22	17	28
Avg daily consumption (thousands of gallons)	3,965	3,477	3,559	3,287	3,440	3,321	3,297	3,427	3,298	3,867
Sewer										
Average daily treatment (thousands of gallons)	2,634	2,167	2,195	2,060	2,227	2,120	2,020	2,250	2,520	2,670
Sewer treatment capacity (thousands of gallons)	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300

TOWN OF WESTERLY, RHODE ISLAND

TABLE 15

Capital Asset Statistics by Function/Program
(Unaudited)

Function/Program	For the Fiscal Year Ended June 30, 2018									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	60	55	52	47	46	46	46	43	43	41
Fire										
Fire Prevention is covered by five separate self-taxing Fire Districts										
Public Works										
Streets (miles)	156	156	156	156	145	145	145	145	143	143
Street Lights	3,028	3,028	3,153	3,152	3,150	3,150	3,150	3,150	3,150	3,148
Register Vehicles	113	115	103	107	103	103	103	99	95	93
Parks & Recreation										
Acreage	85	85	85	85	85	85	85	85	85	85
Parks & Playing Fields	6	6	6	6	6	6	6	6	6	6
Beaches	2	2	2	2	2	2	2	2	2	2
Community Centers	1	1	1	1	1	1	1	1	1	-
Senior Centers	1	1	1	1	1	1	1	1	1	1
Marina	1	1	1	1	1	1	1	1	1	1
Town Forest 54 Acres	1	1	1	1	1	1	1	1	1	1
Public Libraries										
Libraries	1	1	1	1	1	1	1	1	1	1
Schools										
Elementary Schools	4	4	4	4	4	4	4	4	4	4
Middle Schools	1	1	1	1	1	1	1	1	1	1
High Schools	1	1	1	1	1	1	1	1	1	1
School Buses	54	47	48	48	43	49	49	49	49	46
Water										
Water Mains (miles)	207	207	207	207	207	207	207	207	206	206
Fire Hydrants	1,092	1,092	1,091	1,091	1,091	1,085	1,085	1,085	1,064	1,047
Sewer										
Sanitary Sewers (miles)	61	61	61	61	61	61	61	61	61	61
Storm sewers (miles)	65	65	65	65	65	65	65	65	65	65
Treatment capacity (thousand gallons)	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300

Source: Town capital asset records and various Town Departments