

CITY OF WARWICK, RHODE ISLAND

ANNUAL FINANCIAL REPORT
JUNE 30, 2019

CITY OF WARWICK, RHODE ISLAND
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Introductory Section



CITY OF WARWICK, RHODE ISLAND

MAYOR

Joseph J. Solomon

CITY COUNCIL

James Mcelroy
Richard K. Corley
Anthony Sinapi
Timothy J. Howe
Edgar Ladouceur
Stephen P. McAllister
Steve Merolla, Council President
Jeremy Rix
Donna M. Travis

SCHOOL COMMITTEE

Karen A. Bachus, Chairperson
Kyle D. Adams
Judith L. Cobden
Nathaniel L. Cornell
David Testa

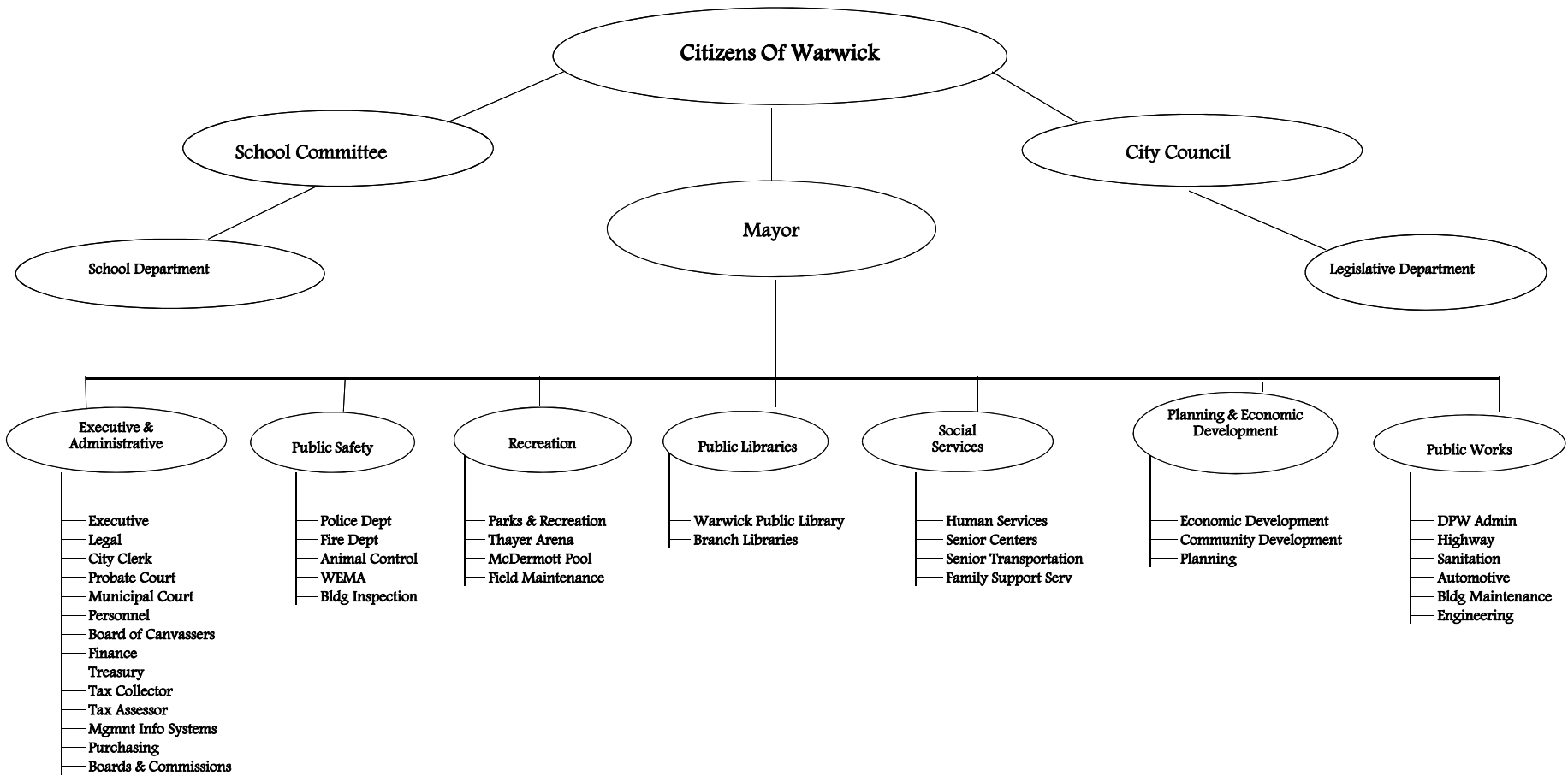
FINANCE DEPARTMENT

Brian M. Silvia, Finance Director
Lynne Y. Prodger, City Treasurer

SCHOOL ADMINISTRATION

Philip Thornton, Superintendent
Anthony Ferrucci, Director of Finance & Operations
Robert Baxter, School Controller

THE CITY OF WARWICK, RHODE ISLAND GOVERNMENT ORGANIZATIONAL CHART





Financial Section

Independent Auditors' Report

To the Honorable Mayor
and Members of the City Council
City of Warwick, 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 City of Warwick, Rhode Island, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Warwick, Rhode Island'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 auditors consider 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 City of Warwick, Rhode Island, as of June 30, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, 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, which 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 City of Warwick, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, the Annual Supplemental Transparency Report and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the Annual Supplemental Transparency Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the Annual Supplemental Transparency Report 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 May 1, 2020 on our consideration of the City of Warwick, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Warwick, 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 the City of Warwick, Rhode Island's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

Cranston, Rhode Island
May 1, 2020

CITY OF WARWICK, RHODE ISLAND MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Warwick, we offer readers of the City of Warwick's financial statements this overview and analysis of the financial activities of the City of Warwick for the fiscal year ended June 30, 2019. We encourage readers to consider this information in conjunction with the additional information that is furnished in the letter of transmittal, which can be found preceding this narrative, and with the City's financial statements which follow.

Included within our discussion will be a series of comparative tables, serving to more clearly illustrate changes in the City's financial position. These tables will reflect governmental activities, business-type activities, and total activities for the 2018 and 2019 fiscal years.

FINANCIAL HIGHLIGHTS

At the close of the fiscal year, the liabilities of the City of Warwick exceeded its assets by \$586,773,151 (*Net Position*).

The City's total net position increased by \$22.5 million during fiscal year 2019. One key factor was a \$31.5 million increase in the City's net pension liability which was offset by a decrease in the net deferred pension inflows of \$33.6 million, and a decrease in the deferred pension outflows which totaled \$11.4 million. The City's long-term debt decreased by \$16.9 million. Additionally, the City's net OPEB liability decreased by \$15.5 million which was offset by an increase in the net deferred OPEB inflows of \$1.3 million, and an increase of deferred OPEB outflows of \$5.8 million, all of which had a positive impact on the City's net position.

At the close of the current fiscal year, the City's governmental funds reported *combined* ending fund balances of \$38,806,374, an increase of \$1,887,499 from the prior year. This was primarily due to the General Fund surplus, which increased the City's net position by \$4.1 million. Additionally, the School Unrestricted Fund reported a deficit of \$1.9 million for the year.

Fiscal 2019 operating results for the general fund reflected a net increase in total fund balance of \$4,168,616 resulting in an ending fund balance of \$31,605,292. The fund's ending unassigned fund balance increased by \$4,420,998 to a total of \$27,092,444 or 8.56% of the total 2019 final budgeted expenditures.

The City's overall investment in capital assets (net of accumulated depreciation) decreased by \$3,097,475 during this year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Warwick's basic financial statements. The City's basic financial statements consist 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 including combining statements for non-major governmental funds, enterprise funds, and other fiduciary funds.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report on the City's *net position* and how it has changed. Net position - the difference between the City's assets and liabilities - is one way to measure the City's financial health.

- Over time, increases or decreases in the City's net position are indicators of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as changes in the City's property tax base and the condition of the City's roads.

The government-wide financial statements of the City are divided into two categories.

- *Governmental activities* - Most of the City's basic services are included here, such as education, public safety, library, recreation, social services, public works and general administration. Property taxes, charges for services and state funding finance most of these activities.
- *Business-Type activities* - The City charges fees to customers to cover the costs of certain services it provides. The City's water and sewer systems are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds - not the City as a whole. 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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. It is important to note that these fund categories use different accounting approaches and should be interpreted differently.

Governmental Funds - Most of the basic services provided by the City are reported in governmental funds, which focus on (1) how money flows into and out of those funds and (2) the balances remaining at year end that are available for spending during the next year. These funds are reported using an accounting method called the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations that helps the reader to determine whether or not there are more or fewer financial resources that can be spent in the near future to finance City programs.

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. To facilitate this comparison, a reconciliation between the governmental funds statements and the government-wide statements has been provided.

The City maintains seventy-eight governmental funds and two are considered major funds for presentation purposes. Each major fund is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The two major governmental funds are the General Fund and the School Unrestricted Fund.

The basic governmental fund financial statements can be found on pages 17-20 of this report.

Proprietary Funds - The City of Warwick maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its sewer and water operations. *Internal Service Funds* are used to accumulate and allocate costs internally among functions. The City uses internal service funds to account for the workers compensation self insurance fund and the healthcare self insurance funds. Because this operation benefits predominantly governmental rather than business activities, the internal service fund has been included within the governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on Exhibits V, VI and VII.

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

The basic fiduciary funds financial statements can be found on Exhibits VIII and IX.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This section includes budgetary comparison schedules, as well as information concerning the City's progress in funding its obligation to provide pension benefits to employees. Required supplementary information follows the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial health. The City's combined net position (government and business-type activities) totaled (\$586,773,151) as of June 30, 2019. The largest portion of the City's net position reflects its investment in capital assets such as land, building, equipment, and infrastructure, less any related outstanding debt. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current assets	\$ 71,971,618	\$ 76,748,043	\$ 44,738,461	\$ 46,788,900	\$ 116,710,079	\$ 123,536,943
Capital assets	122,001,968	124,968,775	185,892,256	186,022,924	307,894,224	310,991,699
Other noncurrent assets			17,882,207	20,992,003	17,882,207	20,992,003
Total assets	<u>193,973,586</u>	<u>201,716,818</u>	<u>248,512,924</u>	<u>253,803,827</u>	<u>442,486,510</u>	<u>455,520,645</u>
Deferred outflows of resources	<u>63,635,014</u>	<u>69,353,013</u>	<u>1,444,568</u>	<u>1,377,292</u>	<u>65,079,582</u>	<u>70,730,305</u>
Current liabilities	30,992,208	31,170,972	14,226,638	13,859,166	45,218,846	45,030,138
Long-term liabilities	906,631,628	902,339,186	87,071,833	97,299,083	993,703,461	999,638,269
Total liabilities	<u>937,623,836</u>	<u>933,510,158</u>	<u>101,298,471</u>	<u>111,158,249</u>	<u>1,038,922,307</u>	<u>1,044,668,407</u>
Deferred inflows of resources	<u>36,417,842</u>	<u>67,947,094</u>	<u>18,999,094</u>	<u>22,934,836</u>	<u>55,416,936</u>	<u>90,881,930</u>
Net Position:						
Invested in capital assets, net of related debt	77,509,445	75,011,932	116,200,229	109,768,380	193,709,674	184,780,312
Restricted	4,060,000	3,552,500	5,612,405	5,516,046	9,672,405	9,068,546
Unrestricted	<u>(798,002,523)</u>	<u>(808,951,853)</u>	<u>7,847,293</u>	<u>5,803,608</u>	<u>(790,155,230)</u>	<u>(803,148,245)</u>
Total Net Position	\$ <u>(716,433,078)</u>	\$ <u>(730,387,421)</u>	\$ <u>129,659,927</u>	\$ <u>121,088,034</u>	\$ <u>(586,773,151)</u>	\$ <u>(609,299,387)</u>

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net position. At the end of the current fiscal year, the City's unrestricted net position total was negative - this was primarily due to the full accrual of the current net pension liabilities for all six city pension plans. This accrual included Warwick's portion of the net pension liability for the state-controlled teacher pension plan.

Changes in Net Position

During fiscal 2019, the government's total net position increased by \$22,526,236, to a June 30, 2019 year end net position of (\$586,773,151):

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 14,409,055	\$ 16,677,953	\$ 33,213,255	\$ 32,954,249	\$ 47,622,310	\$ 49,632,202
Operating grants and contributions	50,919,487	51,833,022			50,919,487	51,833,022
Capital grants and contributions			892,949	8,880	892,949	8,880
General revenues:						
Property taxes	234,574,090	228,372,805			234,574,090	228,372,805
Interest on property tax	2,089,752	2,087,162			2,089,752	2,087,162
State aid/in lieu of tax	11,576,355	10,015,034			11,576,355	10,015,034
Investment earnings	445,046	335,537	164,623	89,016	609,669	424,553
Tax titles	17,593	35,073			17,593	35,073
Insurance	255,716	157,875			255,716	157,875
Miscellaneous	9,478,664	9,585,432			9,478,664	9,585,432
Total revenues	<u>323,765,758</u>	<u>319,099,893</u>	<u>34,270,827</u>	<u>33,052,145</u>	<u>358,036,585</u>	<u>352,152,038</u>
Expenses:						
Executive and administrative	11,283,129	9,940,222			11,283,129	9,940,222
Public safety	107,634,928	115,089,539			107,634,928	115,089,539
Recreation	3,698,957	3,041,448			3,698,957	3,041,448
Public libraries	6,284,737	5,948,080			6,284,737	5,948,080
Social services	2,529,170	2,406,427			2,529,170	2,406,427
Planning and E/D	3,543,447	3,746,698			3,543,447	3,746,698
Public works	22,186,512	21,010,874			22,186,512	21,010,874
Education	150,995,574	179,337,008			150,995,574	179,337,008
Debt interest	1,193,812	1,393,616			1,193,812	1,393,616
Sewer fund			16,415,412	16,179,771	16,415,412	16,179,771
Water fund			9,744,671	9,866,107	9,744,671	9,866,107
Total expenses	<u>309,350,266</u>	<u>341,913,912</u>	<u>26,160,083</u>	<u>26,045,878</u>	<u>335,510,349</u>	<u>367,959,790</u>
Change in net assets before transfers	14,415,492	(22,814,019)	8,110,744	7,006,267	22,526,236	(15,807,752)
Transfers	(461,149)		461,149		-	-
Increase in Net Position	<u>13,954,343</u>	<u>(22,814,019)</u>	<u>8,571,893</u>	<u>7,006,267</u>	<u>22,526,236</u>	<u>(15,807,752)</u>
Net Position - Beginning of Year	<u>(730,387,421)</u>	<u>(707,573,402)</u>	<u>121,088,034</u>	<u>114,081,767</u>	<u>(609,299,387)</u>	<u>(593,491,635)</u>
Net Assets - End of Year	\$ <u>(716,433,078)</u>	\$ <u>(730,387,421)</u>	\$ <u>129,659,927</u>	\$ <u>121,088,034</u>	\$ <u>(586,773,151)</u>	\$ <u>(609,299,387)</u>

Governmental Activities.

Governmental activities increased the City's net position by \$13.9 million. Key elements are as follows:

1. The City's net position decreased by \$30.7 million due to an increase in the City's accrued net pension liabilities which include six city and school pension plans. Accordingly, the City's net position increased by \$21.4 million following a decrease of net deferred outflows (assets) relating to pension expense amortizations.
2. Per GASB75, the City accrued additional other post-employment benefits which decreased the City's net position by \$15.9 million. Accordingly, the City's net position decreased by \$1.3 million following increases of deferred inflows (liabilities) relating to other post-employment benefit amortizations.
3. General Fund GAAP surplus increased the City's net position by \$4.1 million. Additionally, deficits in the non-major governmental funds decreased the net position by \$379,516.
4. Capital asset additions (net of CIP) totaled \$4.0 million while fiscal 2019 depreciation expense amounted to \$6.8 million resulting in a \$2.8 million decrease to net position.

5. Changes in deferred revenue accruals decreased the City's net position by \$110,813 and decreases in compensated absences increased net position by \$315,853.

Business-type Activities.

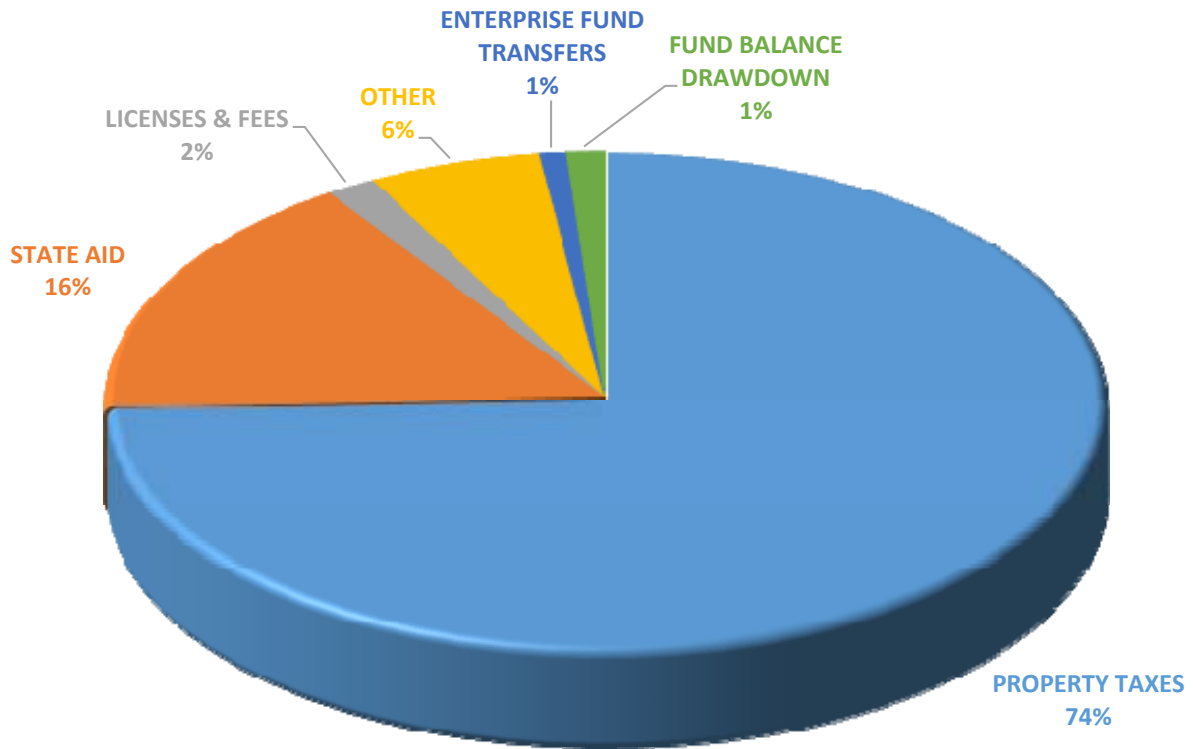
Business-type activities increased the City's net position by \$8.6 million to an overall ending balance amount of \$129.7 million. The key elements are as follows:

1. The Sewer Department reflected an overall increase in net position of \$6.5 million. The ending net position for the Sewer Department was \$111.0 million.
2. The Sewer Assessment Fund's ending net position totaled \$4.5 million, an increase of \$0.05 million from the prior year.
3. The Water Department reflected a net position increase of \$1.4 million to an ending balance of \$7.4 million.
4. The Non-Major Enterprise Funds reflected an overall increase in net position of \$0.6 million, to an ending balance of \$6.9 million.

Financial Analysis of the Government's Funds

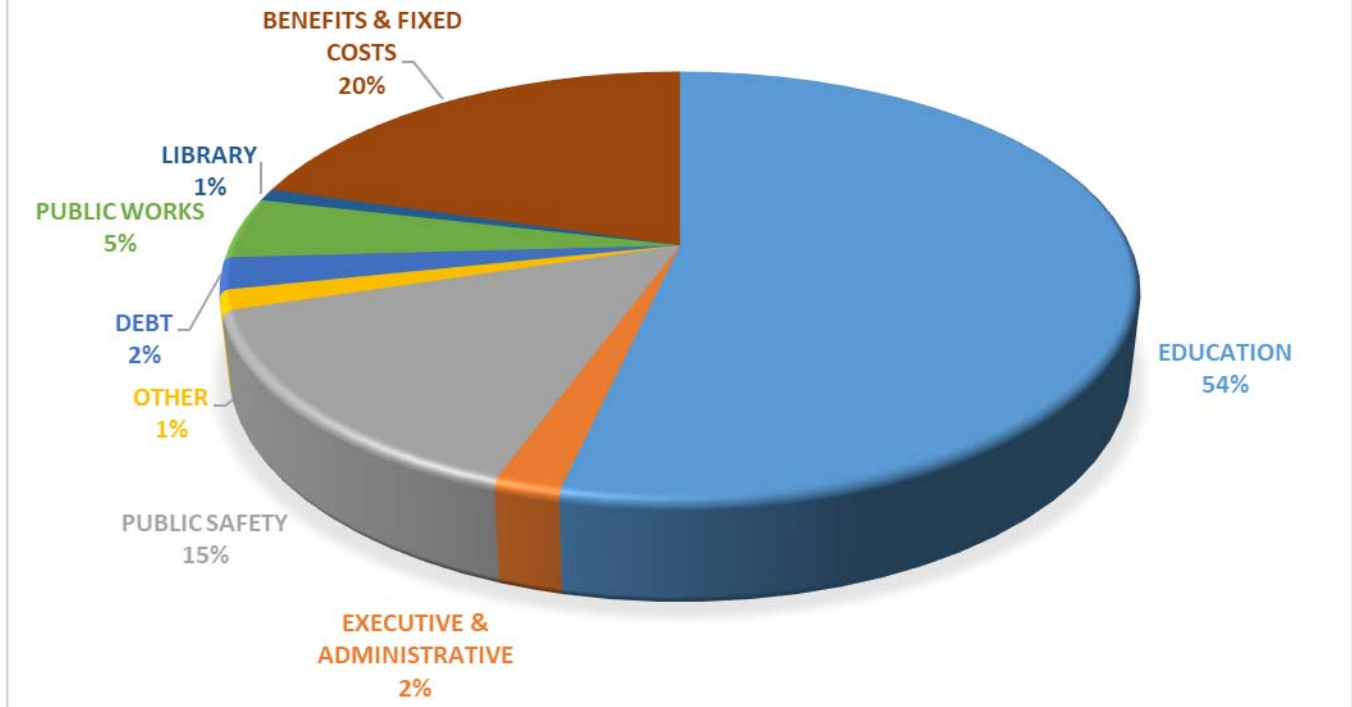
As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$38,806,374, an increase of \$1,887,499 in comparison with the prior year balances. \$24,357,637 or 62.8% of this the total fund balance represents unassigned fund which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is considered nonspendable, or has been restricted, assigned or committed.

GENERAL FUND REVENUE FY 2019



Note: Transfers to and from other funds have been integrated into their respective categories.

GENERAL FUND EXPENDITURES FY 2019



The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$27,092,444. The total fund balance was \$31,605,292. As a measure of the general fund liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The unassigned fund balance represents 8.56% of total general fund budgeted expenditures. During fiscal 2019, the unassigned fund balance of the City's general fund increased by \$4,420,998. This is a 19.5% increase from the prior year unassigned fund balance.

Proprietary Funds:

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

Total net position of the Sewer Department amounted to \$110,954,142. The funds invested in capital assets total \$105,809,163, restricted funds total \$5,612,405, and unrestricted net position totals (\$467,426).

The net position of the Sewer Assessment Fund totaled \$4,489,806. This entire amount is unrestricted.

The net position of the Water Department totaled \$7,362,933. Of this, \$10,342,565 represents the investment in capital assets while the unrestricted portion totals (\$2,979,632). During fiscal 2019, Water's net position increased by \$1,428,096.

The unrestricted net position of the workers compensation internal service fund amounted to \$618,889. Total current liabilities were reduced by \$87,930, due to a reduction in claims payable. The net position of the City's medical healthcare internal service fund totaled \$1,078,611. The fund's net position balance is primarily composed of cash reserves and deposits offset by healthcare claims payable.

The Warwick School Department’s medical healthcare internal service fund reflected a net deficit position of \$813,756. This balance represents a combination of \$1,444,200 in escrow cash reserves held by the insurers, less funds accounts payable, accrued expenses and outstanding IBNR claims totaling \$2,257,776.

General Fund Budgetary Highlights

During fiscal 2019, the City’s original budget of \$316,324,397 was increased by \$157,447 to \$316,481,844. The following budgetary adjustments were made during the year:

- A budget transfer in the amount of \$157,447 represented the re-appropriation of the fiscal 2018 school surplus to the School Department. The prior year education reserve funded this transfer.

Capital Assets and Debt Administration

Capital Assets.

The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounted to \$307,894,224 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery & equipment, roads and construction in progress. During this year, the City’s overall investment in capital assets (net of accumulated depreciation) decreased by \$3,097,475.

Major capital asset additions during the current fiscal year included the following:

1. Fire Code Improvements-Variou City Buildings - \$364,705
2. School Consolidation Improvements - \$10,673,235
3. Road Resurfacing - \$2,626,620

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 18,693,825	\$ 18,693,825	\$	\$	\$ 18,693,825	\$ 18,693,825
Land improvements	11,082,066	11,082,066			11,082,066	11,082,066
Buildings	149,181,458	138,317,024	2,900,797	2,900,797	152,082,255	141,217,821
Infrastructure	203,912,785	201,286,165	6,060,102	5,998,893	209,972,887	207,285,058
Equipment	21,329,992	21,312,905	300,374,244	298,746,134	321,704,236	320,059,039
Licensed vehicles	32,334,148	31,882,562			32,334,148	31,882,562
Artwork	62,950	62,950			62,950	62,950
Construction in progress	538,806	10,860,933	7,808,637	3,011,298	8,347,443	13,872,231
	437,136,030	433,498,430	317,143,780	310,657,122	754,279,810	744,155,552
Less accumulated depreciation	(315,134,062)	(308,529,655)	(131,251,524)	(124,634,198)	(446,385,586)	(433,163,853)
Total	\$ 122,001,968	\$ 124,968,775	\$ 185,892,256	\$ 186,022,924	\$ 307,894,224	\$ 310,991,699

Additional information on the City’s capital assets can be found in Note 8 of the notes to the financial statements of this report.

Long-term Debt.

At the end of the fiscal year, the City had total bonds and notes outstanding of \$118,613,617. It is broken down as follows:

▪ General Fund Bonds and Notes Payable	\$ 41,742,335
▪ Water Bonds and Notes Payable	\$ 41,606
▪ Sewer Bonds and Notes Payable	\$ 76,829,676

General obligation bonds are backed by the full faith and credit of the City, including the City's power to levy additional taxes to ensure repayment of the debt. Accordingly, all general obligation debt currently outstanding was approved by a vote of the citizens. During fiscal 2019, the City of Warwick's general fund general obligation debt reflected a net decrease of \$4,170,196. Sewer debt decreased by \$11,124,893, and water debt decreased by \$26,062.

The City's bond ratings are as follows:

Moody'sA1
Standard & Poors.....AA

State statute limits the amount of bonds a governmental entity can issue to 3% of its total assessed valuation. The current debt limitation for the City is \$278,443,634. As of June 30, 2019, the City's current outstanding general fund debt falls under the debt limitation by \$236,701,299.

Additional information on the City's long-term debt can be found in Note 10 of the notes to the financial statements and in the statistical tables.

Economic Factors and Next Year's Budgets and Rates

- Warwick's average unemployment rate is 4.4%.
- Median family income in Warwick was \$88,435.
- Warwick ranks third in population among Rhode Island's 39 cities and towns.

The following factors were considered in preparing the City's operating budget for the 2019-20 fiscal year.

- The School Department budget will increase by \$4.3 million to \$169.8 million.
- The City's health care coverage will be administered by WB Community Health.
- Initially \$2.4 million was drawn from the City's fund balance and designated for the FY2020 operating budget.

Currently, the unassigned fund balance in the general fund totals \$27,436,676. While the City has maintained its commitment toward ensuring a steady growth for the City surplus, it has sometimes been necessary to utilize part of this surplus to ease the burden on its taxpayers. In the final fiscal 2020 budget, the tax rate for residential property was set at \$18.73, the commercial and industrial tax rate at \$28.10, and the tangible personal property rate at \$37.46. Per Rhode Island law, the inventory tax was phased out and the motor vehicle tax rate remained constant at \$34.60.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Controller, City of Warwick Treasurer's Office, 3275 Post Road, Warwick, RI 02886-7145.



Basic Financial Statements

CITY OF WARWICK, RHODE ISLAND
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 16,339,603	\$ 44,970,385	\$ 61,309,988
Restricted cash and cash equivalents	4,060,000	5,612,405	9,672,405
Receivables, net:			
Accrued interest receivable	390,511		390,511
Property tax receivable	6,188,694		6,188,694
Water and sewer use fees		8,304,855	8,304,855
Sewer assessments		4,414,601	4,414,601
Due from federal and state government	10,422,555	7,313,202	17,735,757
Other receivables	6,382,316	6,455	6,388,771
Internal balances	25,976,305	(25,976,305)	-
Other assets	178,300		178,300
Prepays	170,034		170,034
Deposits with agent	1,863,300	92,863	1,956,163
Total current assets	<u>71,971,618</u>	<u>44,738,461</u>	<u>116,710,079</u>
Noncurrent assets:			
Sewer assessments receivable		17,882,207	17,882,207
Capital assets:			
Nondepreciable assets	18,756,775		18,756,775
Construction in progress	538,806	7,808,637	8,347,443
Depreciable capital assets, net	102,706,387	178,083,619	280,790,006
Total noncurrent assets	<u>122,001,968</u>	<u>203,774,463</u>	<u>325,776,431</u>
Total assets	<u>193,973,586</u>	<u>248,512,924</u>	<u>442,486,510</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	71,890	79,826	151,716
Deferred outflows - related to OPEB	5,658,133	205,548	5,863,681
Deferred outflows - related to pensions	57,904,991	1,159,194	59,064,185
Total deferred outflows of resources	<u>63,635,014</u>	<u>1,444,568</u>	<u>65,079,582</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	20,739,058	2,164,705	22,903,763
Accrued interest payable	503,143	666,522	1,169,665
Due to federal and state government	188,510		188,510
Accrued compensated absences	2,394,000		2,394,000
Unearned revenues	1,785,767		1,785,767
Current portion of long-term debt	5,381,730	11,395,411	16,777,141
Total current liabilities	<u>30,992,208</u>	<u>14,226,638</u>	<u>45,218,846</u>
Noncurrent liabilities:			
Other liabilities	109,580		109,580
Accrued compensated absences	9,574,698	425,674	10,000,372
Unearned revenues		107,565	107,565
Retroactive payroll liability	1,090,829		1,090,829
Long-term debt	41,250,487	65,725,320	106,975,807
Total other post-employment benefits liability	375,900,878	14,386,106	390,286,984
Net pension liability	478,705,156	6,427,168	485,132,324
Total noncurrent liabilities	<u>906,631,628</u>	<u>87,071,833</u>	<u>993,703,461</u>
Total liabilities	<u>937,623,836</u>	<u>101,298,471</u>	<u>1,038,922,307</u>
DEFERRED INFLOWS OF RESOURCES			
Advance collections - sewer assessments		574,757	574,757
Unavailable revenue - sewer assessments		17,882,207	17,882,207
Deferred inflows - related to OPEB	15,443,434	535,656	15,979,090
Deferred inflows - related to pensions	20,974,408	6,474	20,980,882
Total deferred inflows of resources	<u>36,417,842</u>	<u>18,999,094</u>	<u>55,416,936</u>
NET POSITION			
Net investment in capital assets	77,509,445	116,200,229	193,709,674
Restricted for:			
Debt service payments	4,060,000	5,612,405	9,672,405
Unrestricted	<u>(798,002,523)</u>	<u>7,847,293</u>	<u>(790,155,230)</u>
Total Net Position	<u>\$ (716,433,078)</u>	<u>\$ 129,659,927</u>	<u>\$ (586,773,151)</u>

The accompanying notes are an integral part of the financial statements

**CITY OF WARWICK, RHODE ISLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Legislative, judicial and general administrative	\$ 11,283,129	\$ 2,659,458	\$ 164,974	\$ -	\$ (8,458,697)	\$ -	\$ (8,458,697)
Public safety	107,634,928	5,741,192	504,292	-	(101,389,444)	-	(101,389,444)
Recreation	3,698,957	904,283	-	-	(2,794,674)	-	(2,794,674)
Public libraries	6,284,737	30,253	874,796	-	(5,379,688)	-	(5,379,688)
Social services	2,529,170	88,008	100,479	-	(2,340,683)	-	(2,340,683)
Planning and economic development	3,543,447	2,205,749	1,846,396	-	508,698	-	508,698
Public works	22,186,512	244,763	-	-	(21,941,749)	-	(21,941,749)
Education	150,995,574	2,535,349	47,428,550	-	(101,031,675)	-	(101,031,675)
Interest on long-term debt	1,193,812	-	-	-	(1,193,812)	-	(1,193,812)
Total governmental activities	309,350,266	14,409,055	50,919,487	-	(244,021,724)	-	(244,021,724)
Business-type activities:							
Sewer	16,415,412	22,059,751	-	892,949	-	6,537,288	6,537,288
Water	9,744,671	11,153,504	-	-	-	1,408,833	1,408,833
Total business-type activities	26,160,083	33,213,255	-	892,949	-	7,946,121	7,946,121
Total	\$ 335,510,349	\$ 47,622,310	\$ 50,919,487	\$ 892,949	(244,021,724)	7,946,121	(236,075,603)
General revenues:							
Property taxes					234,574,090		234,574,090
Interest on property taxes					2,089,752		2,089,752
State aid and in lieu of taxes not restricted for a specific purpose					11,576,355		11,576,355
Unrestricted investment earnings					445,046	164,623	609,669
Tax titles					17,593		17,593
Insurance proceeds					255,716		255,716
Miscellaneous					9,478,664		9,478,664
Transfers					(461,149)	461,149	-
Total general revenues					257,976,067	625,772	258,601,839
Change in net position					13,954,343	8,571,893	22,526,236
Net Position at Beginning of Year					(730,387,421)	121,088,034	(609,299,387)
Net Position at End of Year					<u>(716,433,078)</u>	<u>129,659,927</u>	<u>(586,773,151)</u>

The accompanying notes are an integral part of the financial statements

CITY OF WARWICK, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>General</u>	<u>School Unrestricted Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 12,122,927	\$ 34,119	\$ 3,539,845	\$ 15,696,891
Restricted cash and cash equivalents			4,060,000	4,060,000
Receivables (net):				
Property taxes	6,188,694			6,188,694
Intergovernmental	5,360,407	253,110	4,809,038	10,422,555
Other	2,757,402	334,464	3,260,450	6,352,316
Due from other funds	26,971,241	11,003,859	2,346,374	40,321,474
Prepaid items	170,034			170,034
Other assets			178,300	178,300
Total Assets	<u>\$ 53,570,705</u>	<u>\$ 11,625,552</u>	<u>\$ 18,194,007</u>	<u>\$ 83,390,264</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenditures	\$ 2,906,142	\$ 13,488,662	\$ 1,274,291	\$ 17,669,095
Due to state and federal governments	188,473		37	188,510
Due to other funds	12,758,549		2,966,014	15,724,563
Unearned revenues			1,785,767	1,785,767
Other liabilities	106,037	38,491	3,543	148,071
Total liabilities	<u>15,959,201</u>	<u>13,527,153</u>	<u>6,029,652</u>	<u>35,516,006</u>
Deferred inflows of resources:				
Unavailable revenues - taxes	3,995,489			3,995,489
Unavailable revenues - other	2,010,723		3,061,672	5,072,395
Total deferred inflows of resources	<u>6,006,212</u>	<u>-</u>	<u>3,061,672</u>	<u>9,067,884</u>
Fund balances:				
Nonspendable	170,034			170,034
Restricted			9,935,889	9,935,889
Assigned	4,342,814			4,342,814
Unassigned	27,092,444	(1,901,601)	(833,206)	24,357,637
Total fund balances	<u>31,605,292</u>	<u>(1,901,601)</u>	<u>9,102,683</u>	<u>38,806,374</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 53,570,705</u>	<u>\$ 11,625,552</u>	<u>\$ 18,194,007</u>	<u>\$ 83,390,264</u>

(Continued on next page)

CITY OF WARWICK, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2019

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

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$	38,806,374
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$	437,136,030	
Less accumulated depreciation		<u>(315,134,062)</u>	
Net capital assets			122,001,968

Other long-term assets and deferred outflows are not available to pay for current-period expenditures and, therefore, are deferred in the funds:

Property tax receivables greater than 60 days	3,995,489
Interest receivable on property taxes	390,511
Other departmental revenues	5,072,395
Deferred outflows related to OPEB	5,658,133
Deferred outflows related to pensions	57,904,991
Deferred charges on refunding	71,890

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.

883,934

Long-term liabilities, including bonds payable and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(41,742,335)
Unamortized bond issue premium	(1,511,100)
Capital lease	(3,378,782)
Compensated absences	(11,968,698)
Retroactive payroll due in more than one year	(1,090,829)
Interest payable on bonds and loans	(503,143)
Net pension liability	(478,705,156)
Deferred inflows related to pensions	(20,974,408)
Net OPEB obligation	(375,900,878)
Deferred inflows related to OPEB	<u>(15,443,434)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u><u>(716,433,078)</u></u>
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The accompanying notes are an integral part of the financial statements

**CITY OF WARWICK, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	School Unrestricted Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
General property taxes	\$ 235,139,528	\$	\$	\$ 235,139,528
Interest on taxes	2,089,752			2,089,752
Intergovernmental revenue	10,346,867	37,903,014	9,420,420	57,670,301
Medicaid		1,429,692		1,429,692
State contribution to pension plan		7,946,000		7,946,000
Charges for services	8,555,643	1,332,146	2,011,015	11,898,804
Investment income	401,624	40,462	2,124	444,210
Contributions and private grants			377,582	377,582
Other revenues	14,878,338	20,175	381,978	15,280,491
Total revenues	<u>271,411,752</u>	<u>48,671,489</u>	<u>12,193,119</u>	<u>332,276,360</u>
Expenditures:				
Executive and administrative	6,095,609		235,647	6,331,256
Public safety	45,718,196		1,101,818	46,820,014
Recreation	1,921,951			1,921,951
Public libraries	2,884,425		120,054	3,004,479
Social services	1,176,817		23,692	1,200,509
Planning and economic development	1,482,281		1,165,772	2,648,053
Public works	14,094,382		43,066	14,137,448
Employee benefits, fixed costs and capital	62,828,806			62,828,806
Education		166,307,853	9,812,152	176,120,005
State contribution to pension plan		7,946,000		7,946,000
Debt service:				
Principal			5,000,000	5,000,000
Interest and other costs			1,969,191	1,969,191
Total expenditures	<u>136,202,467</u>	<u>174,253,853</u>	<u>19,471,392</u>	<u>329,927,712</u>
Excess (Deficiency) of Revenues over Expenditures	<u>135,209,285</u>	<u>(125,582,364)</u>	<u>(7,278,273)</u>	<u>2,348,648</u>
Other Financing Sources (Uses):				
Transfers in	573,151	124,139,911	7,944,089	132,657,151
Transfers out	(131,613,820)	(459,148)	(1,045,332)	(133,118,300)
Total other financing sources (uses)	<u>(131,040,669)</u>	<u>123,680,763</u>	<u>6,898,757</u>	<u>(461,149)</u>
Net Change in Fund Balances	4,168,616	(1,901,601)	(379,516)	1,887,499
Fund Balances at Beginning of Year	<u>27,436,676</u>	<u>-</u>	<u>9,482,199</u>	<u>36,918,875</u>
Fund Balances at End of Year	<u>\$ 31,605,292</u>	<u>\$ (1,901,601)</u>	<u>\$ 9,102,683</u>	<u>\$ 38,806,374</u>

(Continued on next page)

**CITY OF WARWICK, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

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

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because of the following:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 1,887,499
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	3,955,682
Depreciation expense	(6,832,492)
Loss on asset disposal	(89,997)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes collected after 60 days	(576,683)
Property interest and lien revenue - accrual basis change	11,245
Other departmental revenues	704,542
Deferred outflows related to OPEB	5,658,133
Deferred outflows related to pensions	(11,359,837)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond payments	4,170,196
Capital lease payments	1,414,817
Accrued interest	9,191

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Deferred inflows related to pensions	32,800,537
Deferred inflows related to OPEB	(1,323,190)
Amortization of bond premiums	197,470
Deferred charges on refunding	(16,295)
Change in compensated absences	315,853
Change in retroactive payroll	81,736
Change in net pension liability	(30,789,276)
Change in net OPEB liability	15,933,972

The net expense of the internal service funds is reported with governmental activities.	<u>(2,198,760)</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 13,954,343</u>
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The accompanying notes are an integral part of the financial statements

CITY OF WARWICK, RHODE ISLAND
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities - Enterprise Funds					Governmental
	Major Funds					Activities
	Sewer Fund	Sewer Assessment Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets:						
Current assets:						
Cash and cash equivalents	\$ 22,287,461	\$ 8,912,667	\$ 13,684,222	\$ 86,035	\$ 44,970,385	\$ 642,712
Restricted cash and cash equivalents	5,612,405				5,612,405	
Accounts receivable, net:						
Water and sewer use fees	5,197,346		3,107,509		8,304,855	
Sewer assessments		4,414,601			4,414,601	
Due from federal and state government	7,313,202				7,313,202	
Other receivables				6,455	6,455	30,000
Due from other funds	2,266,112		102,577	7,114,198	9,482,887	1,379,394
Inventory			92,863		92,863	
Total current assets	<u>42,676,526</u>	<u>13,327,268</u>	<u>16,987,171</u>	<u>7,206,688</u>	<u>80,197,653</u>	<u>2,052,106</u>
Noncurrent assets:						
Sewer assessments receivable		17,882,207			17,882,207	
Construction in progress	7,760,136			48,501	7,808,637	
Depreciable capital assets, net	167,696,718		10,386,901		178,083,619	
Deposits with agent					-	1,863,300
Total noncurrent assets	<u>175,456,854</u>	<u>17,882,207</u>	<u>10,386,901</u>	<u>48,501</u>	<u>203,774,463</u>	<u>1,863,300</u>
Total assets	<u>218,133,380</u>	<u>31,209,475</u>	<u>27,374,072</u>	<u>7,255,189</u>	<u>283,972,116</u>	<u>3,915,406</u>
Deferred outflows of resources:						
Deferred charge on refunding	77,744		2,082		79,826	
Deferred outflows - related to OPEB	102,774		102,774		205,548	
Deferred outflows - related to pensions	579,597		579,597		1,159,194	
Total deferred outflows of resources	<u>760,115</u>	<u>-</u>	<u>684,453</u>	<u>-</u>	<u>1,444,568</u>	<u>-</u>
Liabilities:						
Current liabilities:						
Accounts payable and accrued expenses	1,196,960		955,282	12,463	2,164,705	
Accrued interest payable	660,920		5,602		666,522	
Due to other funds	18,019,669	8,262,705	8,787,138	389,680	35,459,192	
Accrued claims - IBNR					-	1,972,363
Current portion of long-term debt	11,367,552		27,859		11,395,411	
Total current liabilities	<u>31,245,101</u>	<u>8,262,705</u>	<u>9,775,881</u>	<u>402,143</u>	<u>49,685,830</u>	<u>1,972,363</u>
Noncurrent liabilities:						
Accrued compensated absences	202,224		223,450		425,674	
Unearned revenue	107,565				107,565	
Total other post-employment benefits liability	7,193,053		7,193,053		14,386,106	
Net pension liability	3,213,584		3,213,584		6,427,168	
Bonds and loans payable	65,706,761		18,559		65,725,320	
Total noncurrent liabilities	<u>76,423,187</u>	<u>-</u>	<u>10,648,646</u>	<u>-</u>	<u>87,071,833</u>	<u>-</u>
Total liabilities	<u>107,668,288</u>	<u>8,262,705</u>	<u>20,424,527</u>	<u>402,143</u>	<u>136,757,663</u>	<u>1,972,363</u>
Deferred inflows of resources:						
Advanced collections		574,757			574,757	
Deferred inflows - sewer assessments		17,882,207			17,882,207	
Deferred inflows - related to OPEB	267,828		267,828		535,656	
Deferred inflows - related to pension	3,237		3,237		6,474	
Total deferred inflows of resources	<u>271,065</u>	<u>18,456,964</u>	<u>271,065</u>	<u>-</u>	<u>18,999,094</u>	<u>-</u>
Net Position:						
Net investment in capital assets	105,809,163		10,342,565	48,501	116,200,229	
Restricted for debt service payments	5,612,405				5,612,405	
Unrestricted	(467,426)	4,489,806	(2,979,632)	6,804,545	7,847,293	883,934
Total Net Position	<u>\$ 110,954,142</u>	<u>\$ 4,489,806</u>	<u>\$ 7,362,933</u>	<u>\$ 6,853,046</u>	<u>\$ 129,659,927</u>	<u>\$ 883,934</u>

The accompanying notes are an integral part of the financial statements

CITY OF WARWICK, RHODE ISLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds					Governmental
	Major Funds					Activities
	Sewer Fund	Sewer Assessment Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Fund
Operating Revenues:						
Assessments and user fees	\$ 15,932,442	\$ 4,677,346	\$ 10,934,724	\$ 787,073	\$ 32,331,585	\$
Other revenues	553,737	109,153	218,780		881,670	45,855,520
Total operating revenues	<u>16,486,179</u>	<u>4,786,499</u>	<u>11,153,504</u>	<u>787,073</u>	<u>33,213,255</u>	<u>45,855,520</u>
Operating Expenses:						
Contract services	227,949		221,296		449,245	48,014,151
Salaries and benefits	3,498,797		3,505,079		7,003,876	
Materials and supplies	935,742		12,705	358,778	1,307,225	
Depreciation and amortization	6,497,693		628,319		7,126,012	
Operations	2,913,707		5,369,192		8,282,899	
Worker's compensation claims					-	41,477
Total operating expenses	<u>14,073,888</u>	<u>-</u>	<u>9,736,591</u>	<u>358,778</u>	<u>24,169,257</u>	<u>48,055,628</u>
Operating Income (Loss)	<u>2,412,291</u>	<u>4,786,499</u>	<u>1,416,913</u>	<u>428,295</u>	<u>9,043,998</u>	<u>(2,200,108)</u>
Nonoperating Revenues (Expenses):						
Intergovernmental				892,949	892,949	
Interest income	130,547	12,852	19,263	1,961	164,623	1,348
Interest expense	(1,960,859)		(8,080)		(1,968,939)	
Loss on disposal of assets	(21,887)				(21,887)	
Total nonoperating revenues (expenses)	<u>(1,852,199)</u>	<u>12,852</u>	<u>11,183</u>	<u>894,910</u>	<u>(933,254)</u>	<u>1,348</u>
Income (Loss) Before Transfers	<u>560,092</u>	<u>4,799,351</u>	<u>1,428,096</u>	<u>1,323,205</u>	<u>8,110,744</u>	<u>(2,198,760)</u>
Transfers In	15,728,103		37,734		15,765,837	
Transfers Out	(9,839,149)	(4,743,095)	(37,734)	(684,710)	(15,304,688)	
Total transfers	<u>5,888,954</u>	<u>(4,743,095)</u>	<u>-</u>	<u>(684,710)</u>	<u>461,149</u>	<u>-</u>
Change in Net Position	6,449,046	56,256	1,428,096	638,495	8,571,893	(2,198,760)
Net Position at Beginning of Year	<u>104,505,096</u>	<u>4,433,550</u>	<u>5,934,837</u>	<u>6,214,551</u>	<u>121,088,034</u>	<u>3,082,694</u>
Net Position at End of Year	<u>\$ 110,954,142</u>	<u>\$ 4,489,806</u>	<u>\$ 7,362,933</u>	<u>\$ 6,853,046</u>	<u>\$ 129,659,927</u>	<u>\$ 883,934</u>

The accompanying notes are an integral part of the financial statements

CITY OF WARWICK, RHODE ISLAND
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds					Governmental
	Major Funds					Activities
	Sewer Fund	Sewer Assessment Fund	Water Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash Flows from Operating Activities:						
Receipts from customers and users	\$ 15,985,863	\$ 4,452,474	\$ 11,102,484	\$ 787,073	\$ 32,327,894	\$
Payments to suppliers	(3,605,883)		(5,775,718)	(429,815)	(9,811,416)	
Payments to employees	(3,320,264)		(3,315,145)		(6,635,409)	
Receipts from insurance charges					-	48,037,908
Receipts from other operating services	553,737	109,153	218,780		881,670	129,407
Payments for claims					-	(47,457,264)
Net cash provided by (used in) operating activities	<u>9,613,453</u>	<u>4,561,627</u>	<u>2,230,401</u>	<u>357,258</u>	<u>16,762,739</u>	<u>710,051</u>
Cash Flows from Noncapital Financing Activities:						
Deposits with agent					-	(419,100)
Interfund borrowings (payments)	7,984,889	5,519,494	1,452,929	(6,239,777)	8,717,535	(290,951)
Transfers in from other funds	15,728,103		37,734		15,765,837	
Transfers to other funds	(9,839,149)	(4,743,095)	(37,734)	(684,710)	(15,304,688)	
Net cash provided by (used in) noncapital financing activities	<u>13,873,843</u>	<u>776,399</u>	<u>1,452,929</u>	<u>(6,924,487)</u>	<u>9,178,684</u>	<u>(710,051)</u>
Cash Flows from Capital and Related Financing Activities:						
Additions to property, plant and equipment	(6,710,024)		(307,207)		(7,017,231)	
Capital grants				5,468,556	5,468,556	
Principal paid on bonds, loans and leases	(11,170,561)		(27,987)		(11,198,548)	
Interest paid on bonds, loans and leases	(2,049,242)		(5,295)		(2,054,537)	
Other nonoperating	4,623,132				4,623,132	
Net cash provided by (used in) capital and related financing activities	<u>(15,306,695)</u>	<u>-</u>	<u>(340,489)</u>	<u>5,468,556</u>	<u>(10,178,628)</u>	<u>-</u>
Cash Flows from Investing Activities:						
Interest on investments	<u>130,547</u>	<u>12,852</u>	<u>19,263</u>	<u>1,961</u>	<u>164,623</u>	<u>1,348</u>
Net Increase (Decrease) in Cash and Cash Equivalents	8,311,148	5,350,878	3,362,104	(1,096,712)	15,927,418	1,348
Cash and Cash Equivalents at Beginning of Year	19,588,718	3,561,789	10,322,118	1,182,747	34,655,372	641,364
Cash and Cash Equivalents at End of Year	\$ 27,899,866	\$ 8,912,667	\$ 13,684,222	\$ 86,035	\$ 50,582,790	\$ 642,712
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Operating income (loss)	\$ 2,412,291	\$ 4,786,499	\$ 1,416,913	\$ 428,295	\$ 9,043,998	\$ (2,200,108)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation and amortization	6,497,693		628,319		7,126,012	
Change in assets and liabilities:						
(Increase) decrease in accounts receivable	53,421	2,943,832	167,760		3,165,013	1,252,686
(Increase) decrease in inventory			6,366		6,366	
(Increase) decrease in deferred outflows - related to pensions and OPEB	(40,125)		(40,125)		(80,250)	
Increase (decrease) in accounts payable and accrued expenses	471,515		(178,891)	(71,037)	221,587	1,059,109
Increase (decrease) in advanced collections		(58,908)			(58,908)	
Increase (decrease) in accrued compensated absences	6,452		17,853		24,305	
Increase (decrease) in net other post-employment benefits liability	195,685		195,685		391,370	
Increase (decrease) in net pension liability	400,040		400,040		800,080	
Increase (decrease) in deferred inflows - revenue		(3,109,796)			(3,109,796)	
Increase (decrease) in deferred inflows - related to pension and OPEB	(383,519)		(383,519)		(767,038)	598,364
Total adjustments	<u>7,201,162</u>	<u>(224,872)</u>	<u>813,488</u>	<u>(71,037)</u>	<u>7,718,741</u>	<u>2,910,159</u>
Net Cash Provided by (Used in) Operating Activities	\$ 9,613,453	\$ 4,561,627	\$ 2,230,401	\$ 357,258	\$ 16,762,739	\$ 710,051

The accompanying notes are an integral part of the financial statements

CITY OF WARWICK, RHODE ISLAND
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2019

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
Assets			
Cash	\$ 3,674,575	\$ 134,699	\$ 1,714,449
Investments, at fair value:			
Mutual funds	333,553,019		
Equity investments	65,537,321		
Index funds	82,394,005		
Fixed income securities	63,213,083		
Group annuity contracts	3,956,954		
Accrued interest receivable	5,834		
Other receivable		22,775	12,702
Total assets	<u>552,334,791</u>	<u>157,474</u>	<u>1,727,151</u>
Liabilities:			
Accounts payable and accrued expenses	341,961		236,671
Due to federal and state governments			204,215
Deposits held in custody for others			1,286,265
Total liabilities	<u>341,961</u>	<u>-</u>	<u>1,727,151</u>
Net Position:			
Restricted for Pension Benefits and Trust Purposes	<u>\$ 551,992,830</u>	<u>\$ 157,474</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

**CITY OF WARWICK, RHODE ISLAND
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Pension Trust Funds	Private Purpose Trust Funds
Additions		
Contributions:		
Employer	\$ 35,572,086	\$ 22,835
Plan members	6,669,095	
Other income - transfers/miscellaneous	55,057	13,133
Total contributions	<u>42,296,238</u>	<u>35,968</u>
Investment income:		
Investment earnings	20,080,308	223
Less investment expense	(1,477,132)	
Net investment income	<u>18,603,176</u>	<u>223</u>
Total additions	<u>60,899,414</u>	<u>36,191</u>
Deductions:		
Benefits	49,175,956	
Administrative expense	252,897	34,722
Total deductions	<u>49,428,853</u>	<u>34,722</u>
Change in Net Position	11,470,561	1,469
Net Position at Beginning of Year	<u>540,522,269</u>	<u>156,005</u>
Net Position at End of Year	<u>\$ 551,992,830</u>	<u>\$ 157,474</u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Warwick, Rhode Island (the City) have been prepared in conformity with principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government and financial reporting principles. The following notes to the basic financial statements are an integral part of the City's Financial Report.

A. Reporting Entity

The City was established in 1642 and incorporated in 1931. In some matters, including the issuance of short- and long-term debt, the City is governed by the general laws of the State of Rhode Island. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police, fire and inspections), public works (sanitation, highways and streets, engineering and building maintenance), education, parks and recreation, social services and general administrative services.

The City complies with generally accepted accounting principles (GAAP). GAAP include all relevant Government Accounting Standards Boards (GASB) pronouncements. In the government-wide statement of net assets and statement of activities, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Enterprise funds also apply the same principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

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

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

The following entity was considered for classification as a component unit:

- Warwick School Department

Although Warwick School Department met certain criteria of the tests listed above, it is not deemed to have separate legal status apart from the City. As a result, the financial data of the Warwick School Department has been included as a major special revenue fund within the City's financial statements.

B. Basis of Presentation

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

The funds of the financial reporting entity are described below:

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

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

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

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

**CITY OF WARWICK, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019**

The *Proprietary Funds* are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Operating revenues of the proprietary funds consist of customer/taxpayer charges for uses and services and certain other miscellaneous revenue. Operating expenses for the enterprise funds include costs of providing services, including administration and depreciation on capital assets. All other expense items not meeting the above criteria are reported as nonoperating expenses. The City has three internal service funds which are used to pay insurance expenses relating to workers and employee fringe benefits claims.

The *Agency Funds* account for assets held by the City in a purely custodial capacity for various student groups, funds held in probate and funds held in escrow for other parties.

The *Pension Trust Funds* account for the funding and payment of pension benefits provided to police officers, fire fighters and municipal and school employees.

The *Private Purpose Trust Funds* account for resources legally in trust held by the City under various trust arrangements for the benefit of certain individuals and groups.

Major Funds

The City reports the following major funds:

Fund	Brief Description
Governmental	
General Fund:	See above description
School Unrestricted Fund:	The fund is used to report all financial transactions of the City of Warwick's School Department, which are not legally required to be accounted for separately.
Proprietary	
Sewer Fund:	Accounts for sewer use fees and the expenses associated with providing sewer services to City residents.
Sewer Assessment Fund:	Accounts for special assessments related to the construction of the City's sewer system, which are payable over 20 years.
Water Fund:	Accounts for water use fees and the expenses associated with water services to City residents.

Measurement Focus

On the government-wide statement of net position and the statement of activities both governmental and business-like activities are presented using the economic resources management focus as defined in item (b) below and the accrual basis of accounting. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

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

Basis of Accounting

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

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

All proprietary funds, private purpose trust funds, police, fire & city and school employees’ pension trust funds, and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded as when the liability is incurred, or the economic asset is used.

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

**CITY OF WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

C. Cash

Cash and cash equivalents are carried at cost. Cash equivalents include amounts invested in certificate of deposits as management believes that these certificates can be accessed at any point in time. Substantially, all of the City's cash and cash equivalents are held in public deposit institutions. Pursuant to Section 35-10-1 of the Rhode Island General Laws, as of October 1, 1991, public institutions are required to insure accounts which hold public funds in excess of the \$250,000 which is guaranteed by the Federal Deposit Insurance Corporation (FDIC). At times, the City pools cash resources of its various funds to facilitate the management of cash and maximize investment returns.

D. Investments

Investments are reported at fair value. Investments are disclosed in accordance with GASB Statement No. 40, *Deposits and Investments Risk Disclosures*.

E. Accounts and Taxes Receivable

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, other receivables and intergovernmental receivable. Business-type activities report service fees as its major receivables.

Accounts receivable and taxes receivable are shown net of an allowance for uncollectible accounts. The allowances are calculated based on the age of the individual receivables. In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes collected within 60 days of year end, grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions earned/measurable but not yet available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Proprietary fund material receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivables are based upon historical trends and the periodic aging of accounts receivable.

F. Unbilled Services Receivable

Sewer and water revenue is recorded when earned. Customers are billed quarterly. The estimated value of services provided but unbilled at year end has been included in the accompanying financial statements.

G. Property Taxes

Real and personal property taxes are based on values assessed as of each December 31 (lien date) and attach as an enforceable lien on property as of July 1 (levy date). Taxes are due in equal quarterly installments on July 15, October 15, January 15 and April 15 annually. Taxes due and unpaid after the respective due dates are subject to interest rate at the 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 levy. Property tax revenues are recorded in accordance with the modified accrual basis of accounting in the fund financial statements.

H. Inventory

Inventory is maintained on a periodic system and is stated at cost (first in, first out method of inventory valuation). Inventory consists primarily of materials and supplies. Inventory maintained in governmental funds are recorded as expenditures when at the time of purchase.

I. Capital Assets

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

The government-wide financial statements include all infrastructure assets in accordance with GASB Statement No. 34.

Depreciation of all exhausted 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:

<u>Description</u>	<u>Useful Life</u>
Land improvements	20 years
Buildings	50 years
Roads and resurfacing	20 years
Bridges	50 years
Traffic signals	10 years
Main extensions	75 years
Pumping stations and hydrants	50 years
Wastewater collection system	50-75 years
Meters	20-40 years
Distribution lines	65 years
Machinery, equipment and furniture	5-30 years
Vehicles	5-8 years

Government-Wide Financial Statements

All capital assets are value at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are being recorded at their estimated fair value at the date of donation. Capital assets that are not being depreciated are placed in service using the replacement method of cost for any new assets and the expense is charged to depreciation.

Fund Financial Statements

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

J. 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 separate financial statement element, deferred outflows of resources, 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 City reports a deferred charge on refunding and deferred outflows related to pensions and OPEB 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 and OPEB 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 separate financial statement element, deferred inflows of resources, 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 that time. The City reports deferred inflows of resources related to unearned sewer assessments in the business-type activities and the enterprise funds statement of net position. The City also reports deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB 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, for governmental funds, the City 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 City 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.

K. Inter-fund Transactions

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

Reciprocal Inter-Fund Activities

Inter-fund loans are reported as inter-fund receivables in the lending fund and inter-fund payables in borrower funds.

Inter-fund services are reported as revenues in the seller fund and as expenditures on expenses in the purchasing fund.

Nonreciprocal Inter-Fund Activities

Inter-fund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

Inter-fund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.

Inter-fund transactions are accounted for as expenditures/expenses when they constitute reimbursements from one fund to another. These transactions are accounted for as expenditures/expenses in the reimbursing fund and are recorded as reductions of expenditures/expenses in the fund receiving the reimbursement. All other inter-fund transactions are reported as transfers.

L. Advance Collections

Advance collections pertains to property taxes and sewer assessment not due until after June 30, 2019 but paid prior to June 30, 2019. These advance payments could not be recognized as revenue in fiscal year 2019 and instead were reported as deferred inflows at June 30, 2019.

M. Self-Insurance

The City's self-insurance costs for health and general liabilities are accounted for in the City's internal service funds. Claims incurred but not paid, including those which have not been reported, are accounted for as expenses and accrued claims in those funds when incurred.

N. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. Open encumbrances at year end are reported as restricted, committed or assigned, and should not result in separate display of the encumbered amount within those classifications. Encumbrances do not constitute expenditures or liabilities under generally accepted accounting principles.

O. Net Position/Fund Balance Classifications

Government-Wide Statements

Net position is classified as net assets and displayed in three components:

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

Fund Financial Statements

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

- Nonspendable - Includes the amount of fund balances that cannot be spent because it is either not in spendable form or legally or contractually required to be maintained intact.
- Restricted - Includes amounts that are restricted to specific purposes. Fund balance is reported as restricted when constraints placed in the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed Fund Balance - Includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The City Council is the highest level of decision-making authority and utilizes City Ordinances as a formal procedure to commit fund balance. In addition, the passage of the budget by the taxpayers at the annual financial City meeting is considered the commitment of funds for the line items included in the fiscal budget.
- Assigned Fund Balance - Includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The intent should be expressed by the governing-body itself or a body (a budget or finance committee) or official to which the governing-body has delegated the authority to assign amounts to be used for specific purposes. The Mayor through the City Council has the authority to assign fund balance. Fund balance assigned by the Finance Director is documented through issuance of a memorandum.
- Unassigned Fund Balance - Is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The unassigned fund balance may also include negative balances for any governmental funds if the expenditures exceed amounts restricted, committed or assigned for specific purposes.

Application of Funds

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

- Provide sufficient cash flow for daily financial needs
- Provide funds for unforeseen expenditures related to emergencies
- Offset significant economic downturns or revenue shortfalls
- Maintain investment grade bond ratings

The City maintains a spending policy in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This policy states when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, it shall be the policy of the City to consider restricted amounts to have been used first. When expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the City that committed funds would be spent first, followed by assigned amounts and then unassigned amounts.

Proprietary fund equity is classified the same as in the government-wide statements.

P. Judgments and Claims

Liabilities for legal cases and other claims against governmental funds are recorded when the ultimate liability can be estimated, and such cases are expected to be liquidated with expendable available financial resources. Proprietary fund types record these liabilities using the accrual basis of accounting.

Q. Compensated Absences

Under the terms of various contracts and agreements, City employees are granted vacation, sick and personal leave in varying amounts based on length of service and bargaining unit. Unused vacation leave is paid upon an employee's termination. Up to one-half of unused sick leave is paid upon termination, retirement or death depending on bargaining unit. Severance pay and personal days are also paid to terminating employees depending on bargaining unit. The liability is calculated at the rate of pay in effect at June 30, 2019. The City estimates the long-term versus short-term amount of earned but unpaid vacation and sick leave relating to governmental fund employees and records it in the applicable section of the liabilities in the government-wide financial statements.

R. Pensions

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

S. Total Other Postemployment Benefits other than Pensions (OPEB) Liability

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

T. Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Data and Budgetary Compliance

In accordance with the Warwick City charter, the City has formally established budgetary accounting control for the General Fund and the School Unrestricted Fund, which is a Special Revenue Fund. The General Fund is subject to an annual operating budget submitted and recommended by the City Mayor and adopted by the City Council. The City Council must hold a public hearing on the budget prior to adoption and may make changes to the budget. The General Fund Budget must be adopted no later than June 15. Should the City Council take no formal action on or prior to such day, the budget as submitted by the Mayor, shall be deemed to have been finally adopted by the City Council. The School Unrestricted Fund is subject to an annual operating budget provisionally approved by the School Committee, forwarded to the Mayor, for his review and possible amendment, with final adoption by the City Council. The annual operating budgets; appropriation amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. The City's General Fund and School Unrestricted Fund annual operating budgets are in conformance with the legally enacted budgetary basis, which is not in conformance with accounting principles generally accepted in the United States of America. The accompanying budgetary comparison schedules are reflected on the budgetary basis. The difference between the budgetary basis and the accounting principles generally accepted in the United States of America basis is explained below.

The City of Warwick makes use of an encumbrance system. Encumbrances are commitments related to unperformed contracts for goods and services. When a purchase order or commitment is placed, the City reduces the amount of the budgetary authority remaining in a budget category and records an encumbrance. When goods or services are received, the encumbrance balance is reduced and an expenditure and liability is recorded. The City's outstanding encumbrances at year-end are carried forward as a component of committed fund balance.

Appropriations in addition to those contained in the annual operating budgets, except for the purpose of meeting a public emergency, are made upon the recommendation of the City Mayor and by a resolution adopted by the favorable votes of at least five members of the council. Amendments to the operating budgets that do not result in additional appropriations may be made within departments by means of a transfer. The Director of Finance, subject to approval of the Mayor, may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department or agency. At the request of the Mayor and within the last three months of

**CITY OF WARWICK, RHODE ISLAND
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the fiscal year, the Council may by resolution transfer any unencumbered appropriation balance or portion thereof from one office, department or agency to another. The level at which General Fund expenditures may not legally exceed appropriations is at the department level. The Schools Unrestricted Fund, a Special Revenue Fund, does not have a legal level of control over expenditures, except that total expenditures may not exceed available revenues. Appropriations which are not expended or encumbered lapse at year end.

B. Excess of Expenditures over Appropriations

For the year ended June 30,2019, expenditures exceeded appropriations in the following categories:

Fire department	\$ 1,188,947
Organized crime/drug enforcement task force	4,575
Alcohol and highway safety enforcement	13,037
Emergency management	19,192
Board of public safety	202
Planning department	173,981
Sanitation division	82,232
Engineering division	53,688
Insurance	153,796
Pension	22,970

C. Fund Deficits

At June 30, 2019, the City reported deficit fund balances for the following funds:

School Unrestricted Fund	\$ (1,901,601)
Nonmajor Governmental Funds:	
Special Detail Fund	(103,983)
Fresh Fruit/Veg Program	(3,997)
Learning Champions	(1,076)
Champlin Winman	(977)
Feinstein Holliman	(525)
Capital Leases	(724,150)

The Warwick School Department's School Unrestricted Fund had a cumulative deficit totaling \$1,901,601 at June 30, 2019. The City and School Department's plan to eliminate the deficit is to request a one-time supplemental appropriation, by the City Council, of fund balance available within the City's general fund in an amount sufficient to eliminate the School Unrestricted fund deficit at June 30, 2019. This amount has been included as a component of assigned fund balance within the City's general fund at June 30, 2019 consistent with the intent of management. Resolution of the deficit in the School unrestricted fund is also subject to the approval of the State Auditor General as required by RI General Law 45-12.22.3.

The other fund deficits will be eliminated by future borrowings, grant funding, private contributions and fund transfers.

3. CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Deposits

Substantially, all of the City'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 FDIC. At times, the City pools cash resources of its various funds to facilitate the management of cash and maximize investment returns.

B. Deposit Custodial Credit Risk

Custodial credit risk in the case of deposits is the risk that in the event of a bank failure, the City'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 City does not have a formal deposit policy for custodial credit risk but is governed by State laws as described above.

As of June 30, 2019, the City's entire bank balance of \$66,778,766 was covered by either FDIC insurance or collateral held in the City's name.

C. 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, 2019, cash equivalents amounted to \$13,935,690. The cash equivalents consisted of money market type mutual funds held at banking institutions and were not rated.

4. INVESTMENTS

The City invests in various types of investments, which are stated at fair value, except for nonparticipating interest earning investment contracts, which are recorded at amortized cost. By Charter the Finance Director and Treasurer have the authority to make investments subject to rules and regulations that the City Council may prescribe by ordinance. The Finance Director shall have the authority to purchase and invest prudently in the following investments for funds other than pension funds:

- Obligations of the United States government, and its agencies and instrumentalities.
- Certificates of deposit and other evidence of deposit at banks, credit unions, and savings and loan associations with offices in the State.
- Bankers' acceptance of banks with offices in the State.
- Commercial paper of banks with offices in the State.
- Repurchase agreements whose underlying collateral consists of U.S. government agency securities and U.S. government sponsored corporations, plus the above, and which are offered by banks with offices in the State.
- Money market funds whose portfolios consist of the above instruments, and any other investments specifically approved by the City council.
- No-load open-end diversified management investment companies incorporated under Rhode Island General Laws designed exclusively for all State government entities, agencies and instrumentalities.

**CITY OF WARWICK, RHODE ISLAND
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Interest Rate Risk

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City has no investments that are subject to interest rate risk.

Credit Risk

Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The City has no formal investment policy that limits investment choices for its pension funds.

Concentration of Credit Risk

The City does not have a formal investment policy that limits the amount that can be invested with one issuer. Currently, the City has no investments, to which this requirement applies, in any one issuer that represents more than 5% of the total investments.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of financial institution failure, the City’s deposits and/or investments may not be returned. The City does not believe that it has significant custodial credit risk as substantially all investments securities are registered and held in the name of the City. Additionally, the City places deposits in financial institutions that are FDIC insured up to \$250,000, rated “well capitalized” on its most recent audited financial statement/SEC filings if deposits exceed engage an outside rating agency to determine status of the institution. The City also ensures that all uninsured deposits greater than \$250,000 are collateralized.

The following is a schedule of the City’s Investments by classification:

	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
		<u>Less than 1</u>	<u>1-10</u>	<u>More than 10</u>
Interest-bearing investments at fair value:				
Fixed income securities	\$ 63,213,083	\$ -	\$ 63,213,083	\$ -
Equity investments	65,537,321			
Mutual funds	333,553,019			
Index funds	82,394,005			
Group annuity contracts	<u>3,956,954</u>			
Total Investments	<u>\$ 548,654,382</u>			

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Presented below is the ratings of the City's fixed income securities:

<u>Average Rating</u>	<u>Fixed Income Securities</u>
AAA	\$ 5,329,857
AA	3,602,160
A	7,852,175
BBB	15,433,265
B	404,604
Unrated	<u>30,591,022</u>
	<u><u>\$ 63,213,083</u></u>

The City 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 City has the following recurring fair value measurements as of June 30, 2019:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Fixed income securities	\$ 63,213,083	\$	\$ 63,213,083	\$
Equity investments	65,537,321	65,537,321		
Mutual funds	333,553,019	333,553,019		
Index funds	82,394,005	82,394,005		
Group annuity contracts	<u>3,956,954</u>			<u>3,956,954</u>
Total Investments by Fair Value	<u><u>\$ 548,654,382</u></u>	<u><u>\$ 481,484,345</u></u>	<u><u>\$ 63,213,083</u></u>	<u><u>\$ 3,956,954</u></u>

5. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Legal Debt Margin

The City's legal debt margin as set forth by the State Statute is limited to 3% of total taxable assessed value, which approximates \$278,443,634. As of June 30, 2019, the City's debt applicable to the debt limitation is under the debt limit by \$236,701,229. All other City debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

6. PROPERTY TAXES

The City is responsible for assessing, collecting and distributing property taxes in accordance with enabling state legislation.

Net property taxes levied for the fiscal year 2019 were based on a gross assessed value of approximately \$9,638,089,295 less exemptions of \$356,634,828 for a net assessed valuation of \$9,281,454,467 at December 31, 2017 and amounted to a levy of \$235,772,202. After abatements and adjustments, the net levy amounted to \$235,670,678. Collections through June 30, 2019 amounted to \$230,092,411, which represents approximately 97.6% of the adjusted tax levy.

The City recognizes property tax revenues in accordance with Section P70, "Property Taxes" of the Codification of Governmental Accounting and Financial Reporting Standards on the fund statements. Unpaid property taxes as of June 30, 2019 amount to \$19,607,854 and are recorded as a receivable, net of an allowance for uncollectible property taxes of \$13,419,160.

Those net property taxes receivable, which were not collected within the 60 days immediately following June 30, 2019 are recorded as deferred and amounted to \$3,995,489. Property taxes recognized as revenue on the fund statements for the fiscal year ended June 30, 2019 (due to their collection within the 60 days immediately following June 30, 2019) amounted to \$2,193,205. Taxes are due in equal quarterly installments on July 15, October 15, January 15 and April 15 during fiscal year.

7. RECEIVABLES

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

	<u>General</u>	<u>School Restricted Fund</u>	<u>Sewer Fund</u>	<u>Sewer Assessment Fund</u>	<u>Water Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:							
Property taxes	\$ 19,607,854	\$	\$	\$	\$	\$	\$ 19,607,854
Water and sewer use fees			5,507,637		3,381,283		8,888,920
Sewer assessment				22,296,808			22,296,808
Intergovernmental	5,360,407	253,110	7,313,202			4,809,038	17,735,757
Other receivable	2,757,402	334,464				3,338,216	6,430,082
Gross receivables	<u>27,725,663</u>	<u>587,574</u>	<u>12,820,839</u>	<u>22,296,808</u>	<u>3,381,283</u>	<u>8,147,254</u>	<u>74,959,421</u>
Less allowance for uncollectibles	<u>(13,419,160)</u>		<u>(310,291)</u>		<u>(273,774)</u>		<u>(14,003,225)</u>
Net Total Receivables	<u>\$ 14,306,503</u>	<u>\$ 587,574</u>	<u>\$ 12,510,548</u>	<u>\$ 22,296,808</u>	<u>\$ 3,107,509</u>	<u>\$ 8,147,254</u>	<u>\$ 60,956,196</u>

**CITY OF WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

8. CAPITAL ASSETS

Capital asset activity for governmental funds for the fiscal year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Nondepreciable assets:					
Land	\$ 18,693,825	\$	\$	\$	\$ 18,693,825
Construction in progress	10,860,933	499,377		(10,821,504)	538,806
Artwork	62,950				62,950
Total nondepreciable assets	<u>29,617,708</u>	<u>499,377</u>	<u>-</u>	<u>(10,821,504)</u>	<u>19,295,581</u>
Depreciable assets:					
Land improvements	11,082,066				11,082,066
Buildings	138,317,024	42,930		10,821,504	149,181,458
Infrastructure	201,286,165	2,626,620			203,912,785
Machinery and equipment	21,312,905	17,087			21,329,992
Motor vehicles	31,882,562	769,668	318,082		32,334,148
Total depreciable assets	<u>403,880,722</u>	<u>3,456,305</u>	<u>318,082</u>	<u>10,821,504</u>	<u>417,840,449</u>
Less accumulated depreciation for:					
Land improvements	9,712,475	236,666			9,949,141
Buildings	70,553,496	3,175,957			73,729,453
Infrastructure	183,332,887	1,317,362			184,650,249
Machinery and equipment	20,007,901	386,975			20,394,876
Motor vehicles	24,922,896	1,715,532	228,085		26,410,343
Total accumulated depreciation	<u>308,529,655</u>	<u>6,832,492</u>	<u>228,085</u>	<u>-</u>	<u>315,134,062</u>
Depreciable capital assets, net	<u>95,351,067</u>	<u>(3,376,187)</u>	<u>89,997</u>	<u>10,821,504</u>	<u>102,706,387</u>
Governmental Activities Capital Assets, Net	<u>\$ 124,968,775</u>	<u>\$ (2,876,810)</u>	<u>\$ 89,997</u>	<u>\$ -</u>	<u>\$ 122,001,968</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Nondepreciable assets:					
Construction in progress	\$ 3,011,298	\$ 5,177,275	\$	\$ (379,936)	\$ 7,808,637
Total nondepreciable assets	<u>3,011,298</u>	<u>5,177,275</u>	<u>-</u>	<u>(379,936)</u>	<u>7,808,637</u>
Depreciable assets:					
Buildings	2,900,797				2,900,797
Machinery, equipment and furniture	5,998,893	146,654	85,445		6,060,102
Water distribution system and wastewater collection system	298,746,134	1,693,302	445,128	379,936	300,374,244
Total depreciable assets	<u>307,645,824</u>	<u>1,839,956</u>	<u>530,573</u>	<u>379,936</u>	<u>309,335,143</u>
Less accumulated depreciation for:					
Buildings	1,177,757	44,517			1,222,274
Machinery, equipment and furniture	4,285,151	394,421	85,445		4,594,127
Water distribution system and wastewater collection system	119,171,290	6,687,074	423,241		125,435,123
Total accumulated depreciation	<u>124,634,198</u>	<u>7,126,012</u>	<u>508,686</u>	<u>-</u>	<u>131,251,524</u>
Depreciable capital assets, net	<u>183,011,626</u>	<u>(5,286,056)</u>	<u>21,887</u>	<u>379,936</u>	<u>178,083,619</u>
Business-Type Activities Capital Assets, Net	<u>\$ 186,022,924</u>	<u>\$ (108,781)</u>	<u>\$ 21,887</u>	<u>\$ -</u>	<u>\$ 185,892,256</u>

**CITY OF WARWICK, RHODE ISLAND
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Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Executive and administration	\$ 59,533
Public safety	1,476,658
Recreation	350,379
Public libraries	217,795
Social services	63,742
Planning and economic development	88,626
Public works	2,324,644
Education	<u>2,251,115</u>
 Total Governmental Activities and Depreciation Expense	 \$ <u>6,832,492</u>
Business-type activities:	
Water	\$ 628,319
Sewer	<u>6,497,693</u>
 Total Business-Type Activities Depreciation Expense	 \$ <u>7,126,012</u>

9. LONG-TERM LIABILITIES

A. Long-Term Liabilities

Long-term liability activity for the governmental activities for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Long-term debt:					
Bonds and notes payable	\$ 45,912,531	\$	\$ 4,170,196	\$ 41,742,335	\$ 4,303,700
Capital lease payable	4,793,599		1,414,817	3,378,782	1,078,030
Plus amortized premium bonds	<u>1,708,570</u>		<u>197,470</u>	<u>1,511,100</u>	
Total long-term debt	<u>52,414,700</u>	<u>-</u>	<u>5,782,483</u>	<u>46,632,217</u>	<u>5,381,730</u>
Other long-term liabilities:					
Compensated absences	12,284,551		315,853	11,968,698	2,394,000
Accrued retroactive payroll	1,172,565		81,736	1,090,829	
Net pension liability	447,915,880	30,789,276		478,705,156	
Total OPEB liability	<u>391,834,850</u>	<u>10,429,152</u>	<u>26,363,124</u>	<u>375,900,878</u>	
Total other long-term liabilities	<u>853,207,846</u>	<u>41,218,428</u>	<u>26,760,713</u>	<u>867,665,561</u>	<u>2,394,000</u>
 Governmental Activities Long-Term Liabilities	 <u>\$ 905,622,546</u>	 <u>\$ 41,218,428</u>	 <u>\$ 32,543,196</u>	 <u>\$ 914,297,778</u>	 <u>\$ 7,775,730</u>

**CITY OF WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities:					
Long-term debt:					
Bonds and notes payable	\$ 88,022,237		\$ 11,150,955	\$ 76,871,282	\$ 11,395,411
Amortized premium on bond	297,042		47,593	249,449	
Net pension liability	5,627,088	800,080		6,427,168	
Total OPEB liability	<u>13,994,736</u>	<u>391,370</u>		<u>14,386,106</u>	
Total long-term debt	<u>107,941,103</u>	<u>1,191,450</u>	<u>11,198,548</u>	<u>97,934,005</u>	<u>11,395,411</u>
Other long-term liabilities:					
Compensated absences	<u>401,369</u>	<u>24,305</u>		<u>425,674</u>	
Business-Type Activities Long-Term Liabilities					
	<u>\$ 108,342,472</u>	<u>\$ 1,215,755</u>	<u>\$ 11,198,548</u>	<u>\$ 98,359,679</u>	<u>\$ 11,395,411</u>

Payments on the bonds and capital leases payable that pertain to the City's Governmental Activities are made by the Debt Service Fund. The compensated absences liability attributable to the Governmental Activities will be liquidated by the City's General Fund and School Unrestricted Fund. The net pension obligation and net other post-employment benefits obligation attributable to the Governmental Activities will be liquidated by the City's General Fund and School Unrestricted Fund. The accrued retroactive payroll will be paid by the School Unrestricted Fund.

B. Schedule of Bonds and Notes Payable

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Authorized and Issued</u>	<u>Outstanding Principal July 1, 2018</u>	<u>Less Maturities During Year</u>	<u>Outstanding Principal June 30, 2019</u>
Governmental Funds							
Bonds and notes payable:							
Public offerings:							
School	5/26/2011	3.0/5.0	1/15/2022	\$ 8,713,480	\$ 3,785,379	\$ 1,045,637	\$ 2,739,742
School - refunding	8/12/2015	1.5/4.0	8/1/2025	7,140,621	5,337,035	714,722	4,622,313
Highway/drainage - refunding	8/12/2015	1.5/4.0	8/1/2025	1,125,836	841,422	112,665	728,757
Open space - refunding	5/26/2011	3.0/5.0	1/15/2022	2,085,827	951,222	249,163	702,059
City buildings	5/26/2011	3.0/5.0	1/15/2022	1,266,653	610,471	150,478	459,993
City buildings	8/12/2015	2.0/4.5	8/1/2035	3,455,000	3,203,901	133,496	3,070,405
Recreation - refunding	5/26/2011	3.0/5.0	1/15/2022	1,830,556	694,444	222,222	472,222
Recreation - refunding	8/12/2015	1.5/4.0	8/1/2025	1,509,106	1,127,474	150,840	976,634
Public safety	8/12/2015	1.5/4.0	8/1/2025	3,928,436	2,936,603	393,395	2,543,208
Fire station	8/12/2015	2.0/4.5	8/1/2035	1,980,000	1,836,099	76,504	1,759,595
Total public offerings				<u>33,035,515</u>	<u>21,324,050</u>	<u>3,249,122</u>	<u>18,074,928</u>
Direct borrowings and placements:							
School - RIHEBC	6/15/2010	5.75%	4/1/2027	3,908,000	3,908,000		3,908,000
School - RIHEBC	11/15/2010	6.29%	4/1/2027	4,212,000	4,212,000		4,212,000
School - RIHEBC	6/15/2013	3.52%	5/15/2033	4,295,000	3,220,000	215,000	3,005,000
School - RIHEBC	8/6/2014	3.63%	5/5/2034	3,370,000	2,825,000	140,000	2,685,000
School - RIHEBC	8/17/2016	3.72%	5/15/2036	4,755,000	4,450,000	180,000	4,270,000
School - RIHEBC	10/16/2017	3.72%	4/16/2032	4,460,000	4,340,000	245,000	4,095,000
Animal shelter - refunding	5/26/2011	3.0/5.0	1/15/2022	610,184	231,481	74,074	157,407
Municipal road and bridge loan	7/17/2014	.76/3.3	9/1/2034	1,600,000	1,402,000	67,000	1,335,000
Total direct borrowings and placements				<u>27,210,184</u>	<u>24,588,481</u>	<u>921,074</u>	<u>23,667,407</u>
Total Governmental Funds							
Bonds and Notes Payable				<u>\$ 60,245,699</u>	<u>\$ 45,912,531</u>	<u>\$ 4,170,196</u>	<u>\$ 41,742,335</u>

**CITY OF WARWICK, RHODE ISLAND
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JUNE 30, 2019**

	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Authorized and Issued</u>	<u>Outstanding Principal July 1, 2018</u>	<u>Maturities During Year</u>	<u>Outstanding Principal June 30, 2019</u>
Enterprise Funds							
Water:							
Bonds and notes payable:							
Public offerings:							
Water - refunding	5/26/2011	3.0/5.0	1/15/2022	\$ 319,171	\$ 161,045	\$ 37,734	\$ 123,311
Water - refunding	8/12/2015	1.5/4.0	8/1/2025	(128,393)	(93,377)	(11,672)	(81,705)
Total public offerings				<u>190,778</u>	<u>67,668</u>	<u>26,062</u>	<u>41,606</u>
Sewer:							
Bonds and notes payable:							
Public offerings:							
Sewer - refunding	5/26/2011	3.0/5.0	1/15/2022	2,164,129	900,958	260,692	640,266
Sewer - refunding	8/12/2015	1.5/4.0	8/1/2025	10,234,394	7,650,843	1,025,051	6,625,792
Total public offerings				<u>12,398,523</u>	<u>8,551,801</u>	<u>1,285,743</u>	<u>7,266,058</u>
Direct borrowings and placements:							
Sewer - RIIB Loan	6/26/1998	2.57	9/1/2019	10,200,000	1,273,722	627,200	646,522
Sewer - RIIB Loan	8/25/1999	2.84	9/1/2019	14,750,000	2,028,583	1,000,110	1,028,473
Sewer - RIIB Loan	12/19/2000	2.90	9/1/2020	20,232,323	3,818,990	1,236,765	2,582,225
Sewer - RIIB Loan	4/25/2002	1.25	9/1/2022	12,000,000	3,692,051	695,527	2,996,524
Sewer - RIIB Loan	10/24/2002	1.00	9/1/2022	20,000,000	6,205,459	1,180,428	5,025,031
Sewer - RIIB Loan	11/13/2003	1.34	9/1/2024	20,000,000	7,870,000	1,056,000	6,814,000
Sewer - RIIB Loan	12/30/2004	1.40	9/1/2025	20,000,000	8,873,000	1,035,000	7,838,000
Sewer - RIIB Loan	12/15/2005	1.41	9/1/2026	5,000,000	2,250,000	250,000	2,000,000
Sewer - RIIB Loan	12/21/2006	1.27	9/1/2027	9,500,000	4,750,000	475,000	4,275,000
Sewer - RIIB Loan	12/12/2007	1.69/2.15	9/1/2026	6,942,000	3,819,000	347,000	3,472,000
Sewer - RIIB Loan	10/6/2009	1.26/3.35	9/1/2029	1,169,026	704,063	58,120	645,943
Sewer - RIIB Loan	3/6/2014	2.71	9/1/2034	7,000,000	6,148,000	290,000	5,858,000
Sewer - RIIB Loan	7/30/2015	.69/2.89	9/1/2034	10,574,900	9,654,900	468,000	9,186,900
Sewer - RIIB Loan	6/2/2016	.37/2.41	9/1/2035	8,000,000	7,644,000	360,000	7,284,000
Sewer - RIIB Loan	4/13/2017	.71/2.57	9/1/2036	3,730,000	3,730,000	161,000	3,569,000
Sewer RIIB conduit	4/30/2008	4.85	3/1/2028	4,000,000	2,455,000	200,000	2,255,000
Sewer RIIB conduit	6/26/2012	3.29	9/1/2022	2,400,000	1,294,000	243,000	1,051,000
Sewer RIIB conduit	3/31/2015	1.95	9/1/2034	3,500,000	3,192,000	156,000	3,036,000
Total direct borrowings and placements:				<u>178,998,249</u>	<u>79,402,768</u>	<u>9,839,150</u>	<u>69,563,618</u>
Total Enterprise Funds							
Bonds and Notes Payable				\$ 191,587,550	\$ 88,022,237	\$ 11,150,955	\$ 76,871,282

C. Debt Maturity

Debt service requirements at June 30, 2019 were as follows:

Year Ending June 30,	Public Offerings				Direct Borrowings and Placements			
	Governmental Activities		Business-Type Activities		Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 3,363,231	\$ 513,910	\$ 1,349,300	\$ 194,486	\$ 940,469	\$ 607,967	\$ 10,046,111	\$ 1,611,013
2021	3,463,403	423,687	1,381,659	163,383	959,938	583,166	8,543,796	1,399,396
2022	2,523,415	342,405	1,216,585	132,514	896,000	558,609	7,378,378	1,229,951
2023	1,763,551	273,648	1,131,449	94,746	928,000	526,781	7,529,974	1,076,166
2024	1,386,213	221,437	843,787	60,157	949,000	492,556	5,261,120	937,459
2025-2029	3,220,115	638,502	1,384,884	39,854	13,269,000	1,837,564	17,794,602	3,091,904
2030-2034	1,620,000	287,462			4,961,000	640,526	9,855,737	1,292,797
2035-2039	735,000	26,916			764,000	31,550	3,153,900	87,001
2040-2041								
	<u>\$ 18,074,928</u>	<u>\$ 2,727,967</u>	<u>\$ 7,307,664</u>	<u>\$ 685,140</u>	<u>\$ 23,667,407</u>	<u>\$ 5,278,719</u>	<u>\$ 69,563,618</u>	<u>\$ 10,725,687</u>

Note - does not include voluntary payments to School RIHEBC bond sinking fund

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The City has entered into numerous loan agreements with the Rhode Island Infrastructure Bank, formerly known as Rhode Island Clean Water Finance Agency. The loan proceeds are to be used by the City for the extension and upgrade of the City’s sewer system. The Bank advances loan proceeds to the City periodically to reimburse the City for capital costs incurred on the projects.

The loan proceeds are to be used by the City for the extension and upgrade of the sewer system. The Bank pays project invoices certified by the City directly to the contractors or reimburses the City for costs incurred on the projects. As of June 30, 2019, loans payable of \$69,563,618 are reflected in the Sewer Fund. A due from the Rhode Island Infrastructure Bank of \$7,313,202 is shown for that portion of the loans, which has not been advanced as of June 30, 2019. The City is responsible to draw down and to repay the full amount of the loan.

School RIHEBC Bonds

The proceeds from the bonds were used to finance the acquisition, construction, furnishing and equipping of schools and school facilities, including but not limited to various school renovation projects, and to pay the costs of issuance. The \$3,908,000 bond and \$4,212,000 bond require sinking fund deposits to be held on deposit by the trustee and will be paid to the bondholders in full May 2027 for both bonds. While these sinking fund deposits do not allow the City to present these payments as retirements of the respective debt, the City has effectively accumulated \$4,060,000 to retire the debts in 2027. These restricted funds are shown as restricted fund balance within the debt service fund.

The future sinking fund deposit required to amortize the 2010 Revenue Bonds of \$3,908,000 and \$4,212,000 are as follows:

<u>\$3,908,000 Revenue Bond</u>			<u>\$4,212,000 Revenue Bond</u>		
<u>Year Ended June 30,</u>	<u>Required Sinking Fund Deposits Principal</u>	<u>Actual Sinking Fund Deposits</u>	<u>Year Ended June 30,</u>	<u>Required Sinking Fund Deposits Principal</u>	<u>Actual Sinking Fund Deposits</u>
2012	\$ 244,250	\$ 244,250	2012	\$ 263,250	\$ 263,250
2013	244,250	244,250	2013	263,250	263,250
2014	244,250	244,250	2014	263,250	263,250
2015	244,250	244,250	2015	263,250	263,250
2016	244,250	244,250	2016	263,250	263,250
2017	244,250	244,250	2017	263,250	263,250
2018	244,250	244,250	2018	263,250	263,250
2019	244,250	244,250	2019	263,250	263,250
2020	244,250		2020	263,250	
2021	244,250		2021	263,250	
2022	244,250		2022	263,250	
2023	244,250		2023	263,250	
2024	244,250		2024	263,250	
2025	244,250		2025	263,250	
2026	244,250		2026	263,250	
2027	244,250		2027	263,250	
Total	\$ 3,908,000	\$ 1,954,000	Total	\$ 4,212,000	\$ 2,106,000

**CITY OF WARWICK, RHODE ISLAND
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D. Bonds Authorized but Unissued

The following table sets forth amounts, purposes and statutorily authorized, but unissued general obligation debt of the City.

<u>Purpose</u>	<u>Statutory Authorization</u>	<u>Authorized But Unissued Debt</u>
Incinerator purposes	P.L. Ch. 33-1966	\$ 1,900,000 *
Energy conservation	P.L. Ch. 65-1980	600,000
Sewer improvements	P.L. Ch. 223-1994	417,677
Open space	P.L. Ch. 77-2000	175,000
Open space	P.L. Ch. 125/479-2006	2,000,000
Recreation	P.L. Ch. 77-2000	500,000
Parks and recreation	P.L. Ch. 74/147-2006	3,500,000
Drainage	P.L. Ch. 78-2002	3,000,000
Building repairs	P.L. Ch. 426/527-2006	5,500,000
Mickey Stevens Sports Complex	P.L. Ch. 385-2006	7,000,000
School renovations	P.L. Ch. 142/7962 & 142/2677	<u>34,555,000</u>
		<u>\$ 59,147,677</u>

* The City does not plan to issue the \$1,900,000 authority for incinerator purposes.

Authorized but unissued debt relative to School Renovations has been reduced by \$5,445,000 of revenue bonds issued in September of 2019.

E. Capital Lease Commitments

The City's capital lease program consists of two leases for the purchase of various vehicles and equipment valued at \$6,101,121. Depreciation expense for the year on those assets was \$758,148. The City may purchase leased vehicles and equipment as set forth in the lease agreements. Leases are renewed annually based on the City's appropriation of funds sufficient to pay the obligations under the lease agreements.

**CITY OF WARWICK, RHODE ISLAND
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Obligations of Governmental Activities under capital leases at June 30, 2019 were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Lease Payment Required</u>
2020	\$ 1,151,129
2021	766,516
2022	429,100
2023	366,485
2024	295,062
2025-2026	<u>590,124</u>
Future minimum rental commitments	3,598,416
Interest portion of payments	<u>219,634</u>
Principal Portion of Payments	<u>\$ 3,378,782</u>

10. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances represent short-term 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 or may simply be the result of pooling financial resources to maximize income. The composition of interfund balances at June 30, 2019 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General fund	\$ 26,971,241	\$ 12,758,549
School unrestricted fund	11,003,859	
Nonmajor governmental funds	2,346,374	2,966,014
Sewer fund	2,266,112	18,019,669
Sewer assessment fund		8,262,705
Water fund	102,577	8,787,138
Nonmajor business-type activities	7,114,198	389,680
Internal service fund	<u>1,379,394</u>	
	<u>\$ 51,183,755</u>	<u>\$ 51,183,755</u>

**CITY OF WARWICK, RHODE ISLAND
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11. FUND BALANCES

As stated in Note 1, fund balance may be classified as one of five categories: nonspendable, restricted, committed, assigned or unassigned. See Note 1 of these financial statements for definitions of these five fund balance categories. The detail of the composition of nonspendable, restricted, committed and assigned fund balance is as follows:

	<u>General</u>	<u>School Unrestricted Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances:				
Nonspendable for:				
Prepaid expenses	\$ 170,034			\$ 170,034
Restricted for:				
CDBG programs			558,955	558,955
Drug-related property seizure			107,461	107,461
Open space acquisition			329,722	329,722
Library operations			158,828	158,828
Pilgrim Senior Center			31,461	31,461
Sewer connections assistance			27,515	27,515
Tourism			147,449	147,449
Emergency operations FEMA			128,657	128,657
Waterfront safety			245,478	245,478
Maintenance of historical records			811,804	811,804
Education			1,260,755	1,260,755
Open Space acquisition			348,695	348,695
School capital improvements			384,131	384,131
Road and bridge improvements			316,047	316,047
Municipal building improvements			1,018,931	1,018,931
Debt service			4,060,000	4,060,000
Assigned for:				
Subsequent year's budget	2,441,213			2,441,213
Education	1,901,601			1,901,601
Unassigned	<u>27,092,444</u>	<u>(1,901,601)</u>	<u>(833,206)</u>	<u>24,357,637</u>
Total Fund Balances	<u>\$ 31,605,292</u>	<u>\$ (1,901,601)</u>	<u>\$ 9,102,683</u>	<u>\$ 38,806,374</u>

**CITY OF WARWICK, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
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12. INTER-FUND TRANSFERS

The principal purpose of inter-fund transfers is to provide a financing source to various funds that may not have the ability to cover all costs with revenue generated by the fund. The composition of inter-fund transfers for the year ended June 30, 2019 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General fund	\$ 573,151	\$ 131,613,820
School unrestricted fund	124,139,911	459,148
Sewer fund	15,728,103	9,839,149
Sewer assessment fund		4,743,095
Water fund	37,734	37,734
Nonmajor Funds:		
Enterprise funds		684,710
Special revenue funds	470,180	1,045,332
Debt service fund	<u>7,473,909</u>	
Total	<u>\$ 148,422,988</u>	<u>\$ 148,422,988</u>

13. DEFINED BENEFIT PENSION PLANS

A. City Employees' Pension Plan

Summary of Significant Accounting Policies

Basis of Accounting

The City Employees' Pension Trust Fund's financial statements are prepared using the accrual basis of accounting. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City Employees' Pension Plan and additions to and deductions from the Plan's net position have been determined on the same basis as they are reported by the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and when the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

**CITY OF WARWICK, RHODE ISLAND
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Plan Description

The City Employees' Pension Plan covers all City employees not covered by other plans. Nonelected employees are eligible to participate after six months of employment. Elected officials are eligible on the date they assume their elected position. The City Employees' Pension Plan is a single employer defined benefit pension plan that was established in 1965. The Municipal Retirement Board is responsible for the administration of the plan. The Board is comprised of (11) members consisting of the City's Finance Director, Personnel Director, Municipal Union President, Chairperson of the City Finance Committee, (1) Union Employee, (1) Non-Union Employee, (1) Municipal Retiree and (4) Members of the Public. The pension plan is reported as a Pension Trust Fund in the City's financial statements. The City does not issue a separate publicly available financial report that includes financial statements and required supplementary information (RSI) for the City Employees' Pension Plan.

As of July 1, 2018, employee membership data related to the pension plan was as follows:

Active Plan Members	375
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	410
Inactive Plan Members Entitled to, but not Yet Receiving Benefits	<u>26</u>
	<u>811</u>

The following benefit provisions and contribution requirements were established and may be amended by City Ordinance.

Benefit Provisions

Members in the plan who have attained age 65 and have reached their fifth anniversary of participation may retire. The normal monthly retirement benefit is equal to 2.5% of their final average monthly compensation multiplied by years of creditable service. Final average monthly compensation is one-twelfth of the average of the highest three consecutive years of base compensation. However, no elected member will receive less than one-twelfth of the sum of \$1,500 plus \$200 multiplied by years of creditable service; the sum not to exceed \$5,500. Effective September 1, 1994, the plan compensation is equal to the sum of base compensation and longevity pay. Eligibility for early retirement is after age 55 with at least 10 years of creditable service or any member whose age plus service totals 80 or more. Effective for new hires after July 1, 2012, the eligibility requirement changes to the attainment of age 59 with 25 years of service, or age 65 if vested. Additionally, the monthly retirement benefit decreases to 2% of final average monthly compensation multiplied by years of creditable service. Benefits will be calculated based upon the average of the last three years of service. Effective September 1, 1994, an elected official is eligible upon the attainment of age 55 with at least six years of service. The retirement benefit for early retirement is determined under the normal retirement formula above reduced for commencement prior to age 65. The reduction is equal to 1/2% per month for the first sixty months prior to age 65 plus 1/3% per month in excess of sixty. If the sum of the retired member's years of age plus service is at least equal to 80, there is no reduction for early commencement. The provision for late retirement is continued employment beyond normal retirement. The retirement benefit for late retirement is the same as the normal retirement benefit formula determined as of the member's actual retirement date.

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Upon termination of employment, a nonelected member is eligible for a benefit deferred to retirement age after 10 years of creditable service. An elected member is eligible after six years of creditable service. The benefit is the same as early retirement. For all members except elected officials, the benefit amount determined under the normal retirement formula is increased by 3% per year between termination and retirement. In lieu of receiving retirement benefits, a member may receive a lump-sum payment of his or her accumulated contributions with interest at any time prior to the commencement of retirement benefits.

A nonelected member who leaves employment prior to completing 10 years of creditable service or an elected member who leaves prior to completing 6 years of creditable service will receive a lump-sum payment of his or her accumulated contributions with interest.

A nonelected member who has completed 10 years of creditable service or an elected member who has completed 6 years of creditable service, and who is totally disabled as determined by the City's medical board is eligible for disability retirement. The disability retirement benefit formula is the same as normal retirement but reduced by worker's compensation payments.

Any married nonelected member with 10 years creditable service or any married elected member with 6 years of creditable service who dies while still employed after age 50 is eligible for pre-retirement death benefits. The benefit is the same as vested deferred or early retirement with reduction for each month by which benefit commencement precedes age 65 and further reduced to reflect the optional form of payment which provides payments at the same rate to the surviving spouse. A member's surviving spouse may elect to receive a lump-sum payment equal to the member's accumulated contributions with interest in lieu of the annuity described above.

Any terminated member with a deferred vested benefit or an active member not eligible for the surviving spouse's annuity described above is eligible for death benefits before retirement benefits equal to one lump-sum pay of the member's accumulated contributions with interest.

Effective September 1, 1994, a member may, in lieu of receiving one half of his or her accumulated sick pay in cash at termination or retirement, receive a pension service credit for unused sick pay (6-month maximum).

Contributions

The City's annual contribution to the plan is based upon an actuarially determined amount recommended by an independent actuary. During fiscal 2018, this contribution amounted to 26.2% of covered payroll. In addition, the nonelected plan members contribute 8.5% of their annual base compensation and longevity compensation. Elected plan members contribute 8.5% of their annual base compensation plus \$20.00 per month. Administrative costs are included in the actuarial valuation as part of the normal cost and financed through contributions.

Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by a majority vote of the Municipal Pension Board members. It is the policy of the City to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy is long term and strategic in nature. The policy refrains from dramatically shifting asset class allocations over short time spans, and it seeks to be fully invested using cash equivalents for liquidity purposes.

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The long-term rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of future real rates of return are developed for each major asset class. These ranges are combined to produce the expected long-term rate of return by weighing the expected future rates of return by the target asset allocation percentage plus expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income core	37.50%	3.90%
Large cap domestic equity	30.00%	7.80%
Small cap domestic equity	12.50%	8.25%
International equity developed	13.75%	7.80%
International equity emerging	5.00%	8.75%
Commodities	1.25%	4.65%

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.2%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The City's net pension liability was measured as of June 30, 2019. The components of the net pension liability of the City at June 30, 2019 were as follows:

Total pension liability	\$ 185,671,585
Plan fiduciary net position	<u>136,104,481</u>
City's Net Position Liability	<u>\$ 49,567,104</u>
Plan fiduciary net position as a percentage of the total pension liability	73.30%

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Actuarial Assumptions

The following actuarial assumptions were used in the actuarial valuation dated July 1, 2018 and were rolled forward to the measurement date of June 30, 2019.

Actuarial cost method	Entry Age Normal Actuarial Cost Method
Inflation	2.25%
Salary increases	3.00% to 7.00% including inflation
Investment rate of return	6.90%
Mortality rates	Based upon the RP-2000 Healthy Annuitant Mortality Tables for Males and Females, as appropriate, projected with Scale AA from 2000

Measurement of the Net Pension Liability

Discount Rate

The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

A single discount rate of 6.90% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.90%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these 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.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2018	\$ 176,855,366	\$ 134,055,398	\$ 42,799,968
Changes for the year:			
Service cost	3,006,219		3,006,219
Interest	11,922,138		11,922,138
Differences between expected and actual experience	5,173,695		5,173,695
Contributions - employer		6,728,459	(6,728,459)
Contributions - employee		1,877,583	(1,877,583)
Net investment income		4,757,529	(4,757,529)
Benefit payments, including refunds of contributions	(11,285,833)	(11,285,833)	-
Administrative expense		(28,655)	28,655
Net changes	<u>8,816,219</u>	<u>2,049,083</u>	<u>6,767,136</u>
Balances as of June 30, 2019	<u>\$ 185,671,585</u>	<u>\$ 136,104,481</u>	<u>\$ 49,567,104</u>

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

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it was calculated using a single discount rate that is 1 percentage point lower (5.90%) or 1 percentage point higher (7.90%) than the single discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City Employees' Pension Plan	\$ 70,478,417	\$ 49,567,104	\$ 31,982,232

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

For the year ended June 30, 2019, the City Employee Pension Plan recognized pension expense of \$8,101,894. As of June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,993,584	\$ 49,922
Changes of assumptions	804,731	
Net difference between projected and actual earning on pension plan investments	<u>3,141,534</u>	
Total	<u>\$ 8,939,849</u>	<u>\$ 49,922</u>

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

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ 3,958,233
2021	1,156,625
2022	2,048,301
2023	<u>1,726,768</u>
	<u>\$ 8,889,927</u>

B. Police I and Fire Pension Plan

Summary of Significant Accounting Policies

Basis of Accounting

The Police I and Fire Pension Trust Fund’s financial statements are prepared using the accrual basis of accounting. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police I and Fire Pension Plan and additions to and deductions from the Plan’s net position have been determined on the same basis as they are reported by the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and when the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Description

The City of Warwick’s Police I and Fire Pension Plan covers all City Police Officers that were appointed before February 1, 1971, and all permanent members of the City’s Fire Department appointed before May 29, 1992. The Police I and Fire Pension Plan is a single employer defined benefit pension plan that was established in 1953. There is no separate financial report issued for the pension plan. The pension plan is reported as a Pension Trust Fund in the City’s financial statements. The City does not issue a separate publicly available financial report that includes financial statements and required supplementary information (RSI) for the Police I and Fire Pension Plan.

As of July 1, 2018, employee membership date related to the pension plan was as follows:

Active Plan Members	7
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	423
Inactive Plan Members Entitled to, but not Yet Receiving Benefits	-
	<u>430</u>

The following benefit provisions and contribution requirements were established and may be amended by City Ordinance.

Benefit Provisions - Police Officers

Benefits provided to remaining active police officers are in accordance with the City’s Code of Ordinances. Retirement, death, and disability benefits payable to retired members and beneficiaries are indexed in accordance with the base salary increases provided to active members of the police force.

Benefit Provisions - Firefighters

Participating firefighters in the plan who have completed 20 years of service may retire. The normal annual retirement benefit is equal to 50% of highest annual salary plus 1% of salary for each year of service in excess of 20 years (maximum 10). For pension purposes, annual salary includes regular, longevity and holiday pay.

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Any firefighter retiring after July 23, 1996 may also irrevocably elect to have his or her pension calculated under the City's Fire II Pension Plan. The Fire II benefit formula is 50% of the final year's compensation. Plus 2% for each year of service from 20 to 25 years, plus 3% for each year of service from 25 to 30 years with a fixed compounded cost of living adjustment.

A participant who is unable to perform active duty as a firefighter, which the Board of Public Safety finds to be permanently incapacitating, is eligible to receive disability retirement benefits. The service-related disability retirement benefit for disabilities involving heart, lung, cancer or other social security disabilities is 66 2/3% of the highest annual salary, reduced for each dollar of earned income in excess of the salary the member would earn as an active employee, to a minimum of 50% of annual salary. The other service-related and nonservice-related benefit is 50% of annual salary.

A member is eligible for a return of contributions without interest for terminations prior to the completion of 10 years of service. For termination after the completion of 10 years of service, but prior to eligibility for retirement, the employee is eligible for a deferred benefit equal to 2 1/2% of annual salary at termination, multiplied by the number of full years of service, payable on the 20th anniversary of employment.

The Plan provides death benefits to a participant's spouse and dependents if the participant dies while actively employed. Per City Ordinance, the service-related death benefit is 50% of the deceased member's average salary, payable to the surviving spouse until death or earlier remarriage. However, it must be noted that Rhode Island State Law, Chapter 45-21-4, raises the percentage to 67.5%. For nonservice-related death, the annual benefit is 30% of the deceased member's highest annual salary, payable to the surviving spouse until death or remarriage. The benefit for surviving children is 10% of the deceased member's highest annual salary, payable to each surviving child until age 18 (or for life if such child becomes permanently disabled prior to the member's death). The maximum family death benefit for service-related death is 75% of the deceased member's highest annual salary and for nonservice-related deaths 50% of the highest annual salary.

A lump-sum payment equal to the member's accumulated contributions without interest shall be paid to the estate of any active member who dies with no surviving spouse or children.

Benefits provided to remaining active police officers and firefighters are in accordance with the proposed restatement of Section 15-19 of the City's Code of Ordinances. Retirement, death and disability benefits payable to retired members and beneficiaries are indexed in accordance with the base salary increases provided to active members of the police force.

Funding Policy

Active plan members contribute 7% of their covered earnings (regular, holiday and longevity). In addition, the City is required to contribute an actuarially determined amount each year, calculated in accordance with its pension ordinances. The statutory contribution level includes a 40-year amortization of the unfunded actuarial liability as a level percentage of payroll. During fiscal 2019, this contribution amounted to \$18,427,881. Administrative costs are netted against investment return in the actuarial valuation.

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Investments

Investment Policy

The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the Plan’s fiduciary custodian, the City Finance Director. It is the policy of the City to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan’s investment policy is long term and strategic in nature. The policy refrains from dramatically shifting asset class allocations over short time spans, and it seeks to be fully invested using cash equivalents for liquidity purposes.

The long-term rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of future real rates of return are developed for each major asset class. These ranges are combined to produce the expected long-term rate of return by weighing the expected future rates of return by the target asset allocation percentage plus expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income core	37.50%	3.90%
Large cap domestic equity	30.00%	7.80%
Small cap domestic equity	12.50%	8.25%
International equity developed	13.75%	7.80%
International equity emerging	5.00%	8.75%
Commodities	1.25%	4.65%

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.2%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the City at June 30, 2019 were as follows:

Total pension liability	\$ 297,836,233
Plan fiduciary net position	<u>73,200,224</u>
City’s Net Position Liability	<u>\$ 224,636,009</u>
Plan fiduciary net position as a percentage of the total pension liability	24.58%

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Actuarial Assumptions

The following actuarial assumptions were used in the July 1, 2018 valuation and rolled forward to the measurement date of June 30, 2019.

Actuarial cost method	Entry Age Normal Actuarial Cost Method
Inflation	2.25%
Salary increases	3.50% to 13.50% including inflation
Investment rate of return	6.90%
Mortality rates	Based upon the RP-2000 Healthy Annuitant Mortality Tables for Males and Females, as appropriate, projected with Scale AA from 2000

Measurement of the Net Pension Liability

Discount Rate

The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

A single discount rate of 6.90% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.90%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these 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.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2018	\$ 296,861,721	\$ 73,738,390	\$ 223,123,331
Changes for the year:			
Service cost	203,421		203,421
Interest	19,695,012		19,695,012
Differences between expected and actual experience	4,520,679		4,520,679
Contributions - employer		18,427,881	(18,427,881)
Contributions - employee		54,725	(54,725)
Net investment income		4,399,830	(4,399,830)
Benefit payments, including refunds of contributions	(23,444,600)	(23,444,600)	-
Administrative expense		(31,059)	31,059
Other charges		55,057	(55,057)
Net changes	974,512	(538,166)	1,512,678
Balances as of June 30, 2019	\$ 297,836,233	\$ 73,200,224	\$ 224,636,009

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

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it was calculated using a single discount rate that is 1 percentage point lower (5.90%) or 1 percentage point higher (7.90%) than the single discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Police I and Fire Pension Plan	\$ 254,833,800	\$ 224,636,009	\$ 198,288,116

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

For the year ended June 30, 2019, the Police I and Fire Pension Plan recognized pension expense of \$17,878,698. As of June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earning on pension plan investments	\$ 1,578,377	\$ -
Total	<u>\$ 1,578,377</u>	<u>\$ -</u>

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

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ 782,019
2021	(433,866)
2022	505,751
2023	724,473
2024	
Thereafter	
	<u>\$ 1,578,377</u>

C. Police Pension II Plan

Summary of Significant Accounting Policies

Basis of Accounting

The Police II Pension Trust Fund’s financial statements are prepared using the accrual basis of accounting. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police II Pension Plan and additions to and deductions from the Plan’s net position have been determined on the same basis as they are reported by the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and when the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Description

The City of Warwick, Rhode Island’s Police II Pension Plan covers all City Police Officers that were appointed after February 1, 1971. The Police Pension II Plan is a single-employer defined benefit pension plan that was established in 1971. There is no separate financial report issued for the pension plan. The pension plan is reported as a Pension Trust Fund in the City’s financial statements.

The City does not issue a separate publicly available financial report that includes financial statements and required supplementary information (RSI) for the Police II Pension Plan.

As of July 1, 2018, employee membership data related to the pension plan was as follows:

Active Plan Members	157
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	199
Inactive Plan Members Entitled to, but not Yet Receiving Benefits	<u>4</u>
	<u><u>360</u></u>

The following benefit provisions and contribution requirements were established and may be amended by City Ordinance.

Benefit Provisions

Members in the plan who have completed 20 years of service may retire. The normal annual retirement benefit is equal to 50% of annual salary at retirement plus incremental increases of 2% per year between the 20th and 25th years, and annual increases of 3% between the 26th and 30th years. For pension purposes, annual salary includes regular, longevity and holiday pay.

Effective for new hires after July 1, 2012, the eligibility requirement increases to 25 years of service. Additionally, the retirement benefit will now be calculated at a rate of 50% of the average salary from the last three years of service, plus an additional 2% for every year of service from year 10 to retirement. The maximum pension benefit decreases from 75% after 30 years to 70% after 30 years.

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A member who is unable to perform active as a result of disability, which the Board of Public Safety finds to be permanently incapacitating, is eligible to receive disability retirement benefits. The service-related disability retirement benefit is 66 2/3% of the highest annual salary, reduced for each dollar of earned income in excess of the salary the member would earn as an active employee, to a minimum of 50% of annual salary. The nonservice-related benefit is 50% of annual salary.

A member who leaves employment prior to completing ten years of service will receive a lump-sum payment of accumulated contributions without interest. For termination after the completion of 10 years of service, but prior to eligibility for retirement, the employee is eligible for a deferred benefit equal to 2 1/2% of annual salary at termination, multiplied by the number of full years of service, payable on the 20th anniversary of employment.

The Plan provides death benefits to a participant's spouse and dependents if the participant dies while actively employed. Per City Ordinance, the service-related death benefit is 50% of the deceased member's average salary, payable to the surviving spouse until death or earlier remarriage. However, it must be noted that Rhode Island State Law, Chapter 45-21-4, raises the percentage to 67.5%. For nonservice-related death, the annual benefit is 30% of the deceased member's highest annual salary, payable to the surviving spouse until death or remarriage. The benefit for surviving children is 10% of the deceased member's highest annual salary, payable to each surviving child until age 18 (or for life if such child becomes permanently disabled prior to the member's death). The maximum family death benefit for service-related death is 75% of the deceased member's highest annual salary and for nonservice-related deaths 50% of the highest annual salary.

A lump-sum payment equal to the member's accumulated contributions without interest shall be paid to the estate of any active member who dies with no surviving spouse or children.

Funding Policy

Active plan members contribute a percentage of their covered earnings (regular, holiday and longevity) equal to 1/3 of the actuarially determined contribution rate. The City is required to contribute 2/3 of the actuarially determined contribution rate. For fiscal year 2018, employees were required to contribute 15.12% and the City was required to contribute 30.24% of covered earnings. The statutory contribution level includes a 20, 25 and 30-year amortization of the unfunded actuarial liability as a level percentage of payroll. Administrative costs are netted against investment return in the actuarial valuation.

Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Plan's fiduciary custodian, the City Finance Director. It is the policy of the City to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy is long term and strategic in nature. The policy refrains from dramatically shifting asset class allocations over short time spans, and it seeks to be fully invested using cash equivalents for liquidity purposes.

The long-term rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of future real rates of return are developed for each major asset class. These ranges are combined to produce the expected long-term rate of return by weighing the expected future rates of return by the target asset allocation percentage plus expected inflation.

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Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income core	37.50%	3.90%
Large cap domestic equity	30.00%	7.80%
Small cap domestic equity	12.50%	8.25%
International equity developed	13.75%	7.80%
International equity emerging	5.00%	8.75%
Commodities	1.25%	4.65%

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.2%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the City at June 30, 2019 were as follows:

Total pension liability	\$ 254,089,432
Plan fiduciary net position	<u>208,176,712</u>
City's Net Position Liability	<u>\$ 45,912,720</u>
Plan fiduciary net position as a percentage of the total pension liability	81.93%

Actuarial Assumptions

The following actuarial assumptions, used in the valuation dated July 1, 2018, and rolled forward to the measurement date of June 30, 2019.

Actuarial cost method	Entry Age Normal Actuarial Cost Method
Inflation	2.25%
Salary increases	3.50% to 13.50% including inflation
Investment rate of return	6.90%
Mortality rates	Based upon the RP-2000 Healthy Annuitant Mortality Tables for Males and Females, as appropriate, projected with Scale AA from 2000

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Measurement of the Net Pension Liability

Discount Rate

The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

A single discount rate of 6.90% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.90%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these 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.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2018	\$ 243,261,152	\$ 206,142,558	\$ 37,118,594
Changes for the year:			
Service cost	4,718,763		4,718,763
Interest	16,581,550		16,581,550
Differences between expected and actual experience	244,425		244,425
Contributions - employer		4,483,039	(4,483,039)
Contributions - employee		2,171,138	(2,171,138)
Net investment income		6,144,306	(6,144,306)
Benefit payments, including refunds of contributions	(10,716,458)	(10,716,458)	-
Administrative expense		(47,871)	47,871
Net changes	<u>10,828,280</u>	<u>2,034,154</u>	<u>8,794,126</u>
Balances as of June 30, 2019	\$ <u>254,089,432</u>	\$ <u>208,176,712</u>	\$ <u>45,912,720</u>

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

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it was calculated using a single discount rate that is 1 percentage point lower (5.90%) or 1 percentage point higher (7.90%) than the single discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Police Pension Plan II	\$ 83,038,727	\$ 45,912,720	\$ 15,869,460

**CITY OF WARWICK, RHODE ISLAND
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JUNE 30, 2019**

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

For the year ended June 30, 2019, the Police II Pension Plan recognized pension expense of \$10,054,997. As of June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 318,437	\$ 1,209,168
Changes of assumptions	3,143,966	
Net difference between projected and actual earning on pension plan investments	<u>5,111,849</u>	
Total	<u>\$ 8,574,252</u>	<u>\$ 1,209,168</u>

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

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ 5,289,379
2021	(1,139,196)
2022	1,123,675
2023	2,091,226
Thereafter	
	<u>\$ 7,365,084</u>

D. Fire II Pension Plan

Summary of Significant Accounting Policies

Basis of Accounting

The Fire II Pension Trust Fund’s financial statements are prepared using the accrual basis of accounting. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire II Pension Plan and additions to and deductions from the Plan’s net position have been determined on the same basis as they are reported by the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and when the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Description

The City of Warwick’s Fire Pension II Plan covers all City firefighters who were appointed after May 29, 1992. The Fire Pension II Plan is a single employer defined benefit pension plan that was established in 1992. The pension plan is reported as a Pension Trust Fund in the City’s financial statements. The City does not issue a separate, publicly available report that includes financial statements and required supplementary information (RSI) for the Fire II Pension Plan.

As of July 1, 2018, employee membership data related to the pension plan was as follows:

Active Plan Members	187
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	24
Inactive Plan Members Entitled to, but not Yet Receiving Benefits	<u>-</u>
	<u><u>211</u></u>

The following benefit provisions and contribution requirements were established and may be amended by City Ordinance.

Benefit Provisions

A member who has completed 20 years of service may retire. Such member shall receive an annual benefit equal to 50% of their last year’s salary, plus 2% of their average salary for each of service from 20-25, plus 3% for each year of service from 25-30. For pension purposes, annual salary includes regular, holiday and longevity pay.

Effective for new hires after July 1, 2012, the eligibility requirement increases to 25 years of service. Additionally, the retirement benefit will now be calculated at a rate of 50% of the average salary from the last three years of service, plus an additional 2% for every year of service from year 10 to retirement. The maximum pension benefit decreases from 75% after 30 years to 70% after 30 years. Currently, this new benefit provision is being contested by the Local 2748 International Association of Firefighters AFL-CIO.

**CITY OF WARWICK, RHODE ISLAND
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A member who is unable to perform active duty as a result of disability, which the Board of Public Safety finds to be permanently incapacitating, is eligible to receive disability retirement benefits. The annual benefit for a service-related disability involving any heart, lung, cancer or other social security disability is 66-2/3% of the member's average salary, reduced for each dollar of earned income in excess of the salary the member would earn as an active employee, to a minimum of 50% of salary. The benefit for other service-related and nonservice-related disabilities is 50% of the member's average salary.

The Plan provides death benefits to a participant's spouse and dependents if the participant dies while actively employed. Per City Ordinance, the service-related death benefit is 50% of the deceased member's average salary, payable to the surviving spouse until death or earlier remarriage. However, it must be noted that Rhode Island State Law, Chapter 45-21-4, raises the percentage to 67.5%. For nonservice-related death, the annual benefit is 30% of the deceased member's highest annual salary, payable to the surviving spouse until death or remarriage. The benefit for surviving children is 10% of the deceased member's highest annual salary, payable to each surviving child until age 18 (or for life if such child becomes permanently disabled prior to the member's death). The maximum family death benefit for service-related death is 75% of the deceased member's highest annual salary and for nonservice-related deaths 50% of the highest annual salary.

A lump-sum payment equal to the member's accumulated contributions without interest shall be paid to the estate of any active member who dies with no surviving spouse or children.

Any member who terminates employment with 10 years or more of creditable service, but less than 20 years of creditable service, shall receive an annual benefit commencing at normal retirement age equal to 2.5% of average salary multiplied by full years of service at termination.

Any member who terminates employment prior to the completion of ten years of creditable service will receive a lump-sum payment of his or her accumulated contributions without interest.

Funding Policy

Active plan members contribute a percentage of their covered earnings (regular, holiday and longevity) equal to 1/3 of the actuarially determined contribution rate. The City is required to contribute 2/3 of the actuarially determined contribution rate. Administrative costs are netted against investment return in the actuarial valuation. For fiscal year 2019, employees were required to contribute 10.72% and the City was required to contribute 21.43% of covered earnings.

Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Plan's fiduciary custodian, the City Treasurer. It is the policy of the City to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy is long term and strategic in nature. The policy refrains from dramatically shifting asset class allocations over short time spans, and it seeks to be fully invested using cash equivalents for liquidity purposes.

The long-term rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of future rates of return are developed for each major asset class. These ranges are combined to produce the expected long-term rate of return by weighing the expected future rates of return by the target asset allocation percentage plus expected inflation.

**CITY OF WARWICK, RHODE ISLAND
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Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income core	37.50%	3.90%
Large cap domestic equity	30.00%	7.80%
Small cap domestic equity	12.50%	8.25%
International equity developed	13.75%	7.80%
International equity emerging	5.00%	8.75%
Commodities	1.25%	4.65%

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.4%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the City at June 30, 2019 were as follows:

Total pension liability	\$ 96,636,825
Plan fiduciary net position	<u>77,136,941</u>
City's Net Position Liability	<u>\$ 19,499,884</u>
Plan fiduciary net position as a percentage of the total pension liability	79.82%

Actuarial Assumptions

The following actuarial assumptions were used in the actuarial valuation dated July 1, 2018 and rolled forward to the measurement date of June 30, 2019.

Actuarial cost method	Entry Age Normal Actuarial Cost Method
Inflation	2.25%
Salary increases	3.50% to 13.50% including inflation
Investment rate of return	6.90%
Mortality rates	Based upon the RP-2000 Healthy Annuitant Mortality Tables for Males and Females, as appropriate, projected with Scale AA from 2000

**CITY OF WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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Measurement of the Net Pension Liability

Discount Rate

The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

A single discount rate of 6.90% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.90%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these 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.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2018	\$ 85,565,712	\$ 73,583,027	\$ 11,982,685
Changes for the year:			
Service cost	5,507,825		5,507,825
Interest	6,048,701		6,048,701
Differences between expected and actual experience	758,031		758,031
Contributions - employer		3,646,246	(3,646,246)
Contributions - employee		1,823,301	(1,823,301)
Net investment income		(661,106)	661,106
Benefit payments, including refunds of contributions	(1,243,444)	(1,243,444)	-
Administrative expense		(11,083)	11,083
Net changes	<u>11,071,113</u>	<u>3,553,914</u>	<u>7,517,199</u>
Balances as of June 30, 2019	\$ <u>96,636,825</u>	\$ <u>77,136,941</u>	\$ <u>19,499,884</u>

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

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability (asset) if it was calculated using a single discount rate that is 1 percentage point lower (5.90%) or 1 percentage point higher (7.90%) than the single discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Fire II Pension Plan	\$ 38,256,082	\$ 19,499,884	\$ 4,775,952

**CITY OF WARWICK, RHODE ISLAND
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the Fire II Pension Plan recognized pension expense of \$8,687,338. As of June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 980,698	\$ 510,179
Changes of assumptions	3,572,839	
Net difference between projected and actual earning on pension plan investments	<u>2,258,322</u>	
Total	<u>\$ 6,811,859</u>	<u>\$ 510,179</u>

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

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ 1,342,131
2021	381,171
2022	1,194,129
2023	1,181,487
2024	460,149
Thereafter	<u>1,742,613</u>
	<u>\$ 6,301,680</u>

E. Warwick Public School Employees’ Pension Plan

Summary of Significant Accounting Policies

Basis of Accounting

The Warwick Public School Employees’ Pension Trust Fund’s financial statements are prepared using the accrual basis of accounting. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Warwick Public School Employees’ Pension Plan and additions to and deductions from the Plan’s net position have been determined on the same basis as they are reported by the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and when the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Description

The Warwick Public School Employees’ Pension Plan, a single-employer defined benefit public employee pension plan. There is no separate financial report issued for this plan, however it is audited as part of the City of Warwick’s Pension Trust Funds and is reported within the City’s Annual Financial Report. All eligible Warwick Public School employees other than teachers are eligible to participate on the first of the month after completing three months of service. A person is eligible if they are (a) employed 20 hours or more per week and covered under the collective bargaining agreement, or (b) employed 20 hours or more per week in a noncertified management position, or (c) an elected School Committee member. There are two committees that oversee the administration of this plan. The Executive Administration Board is comprised of the School’s Chief Budget Officer, the Director of Human Resources and the Warwick Independent Employees’ Union President. The Executive Administration Board delegates investment responsibilities to the Pension Investment Administration Committee, which is comprised of (2) Warwick Public School Administrative Employees, the Chief Budget Officer, the Controller, and (2) Warwick Independent Employees’ Union Representatives, who are appointed by the Union leadership.

As of July 1, 2019, employee membership data related to the pension plan was as follows:

Active Plan Members	324
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	160
Inactive Plan Members Entitled to, But not Yet Receiving Benefits	<u>36</u>
	<u>520</u>

Benefit Provisions

Participants are eligible for normal retirement at the later of age 62 or 10 years of plan participation or at any age upon completion of 32 years of service with 10 years of plan participation. The normal retirement benefit is 1.67% of average monthly earnings times years of participation, plus .33% times the average monthly earnings times years of participation exceeding 20 years. The normal form of benefit is a life annuity. Average monthly earnings are the monthly average of total compensation for the 3 consecutive years of highest compensation over the last 10 years.

**CITY OF WARWICK, RHODE ISLAND
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The yearly annuity amount for a School Committee member who becomes a retired member is \$1,000 plus 4.8% times the salary amount for each plan year in which one made mandatory employee contributions.

The plan also provides death and disability benefits.

The following table summarizes the plan's requirements and benefits:

Plan Provisions

Effective Date:	July 1, 1965
Plan Year Beginning:	July 1, 2019
Requirements	Minimum Age: 0 Minimum months of service: 3
Eligible Class	An elected school committee member or a member covered by the collective bargaining agreement.
Entry Dates	1 st day of the month coinciding with or next following the date the plan requirements are met.
Employee Contributions	5% of earnings
Normal Retirement Date	First day of the month coinciding with or next following attainment of age 62, or if later, the 10 th anniversary of plan entry, or 32 years of service with 10 years of plan participation.
Normal Retirement Benefit	1.67% of the member's average monthly earnings multiplied by years of participation, plus .33% times average monthly earnings times years of participation greater than 20.
Average Monthly Earnings	Monthly average of total compensation for the 3 consecutive years of highest compensation of the previous 10 years.
Maximum Annual Benefit	\$215,000 as adjusted per IRC Sec 415 for retirement age other than social security retirement age and annuity form.
Normal Form of Benefit	Life Annuity
Accrued Benefit	Normal Retirement Benefit based on earnings and participation to date.
Early Retirement Benefit	Minimum Age: 52 Minimum Service: 10 years Benefit Amount: Accrued benefit, reduced by 7% for each year by which early retirement precedes normal retirement.
Pre-Retirement Death Benefit	Member contributions with interest, plus a \$5,000 lump-sum benefit.
Disability Benefit	Determined in the same manner as the normal retirement benefit.
Vest Termination Benefit	Upon termination after 10 years of service, 100% of the accrued benefit, deferred until the normal retirement date. A school committee member is vested after six years of plan participation.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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Contributions

Plan members contribute 5% of earnings during the year. The School Department contributes based upon an annual actuarial valuation. During fiscal 2019, the School Department’s contribution totaled \$2,286,461. Administrative costs are included in the actuarial valuation as part of the normal cost and financed through contributions.

Investments

Investment information has been provided by USI Advisors.

Investment Policy

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

This is an ongoing plan with a perpetual time horizon. For this reason, long-term capital market assumptions (20+ years) are applicable to approximate future real rate of return expectations. A modified building blocks methodology was used because being able to identify historical return premiums of asset classes in the context of varying market environments provides a reasonable basis to estimate the performance of asset classes going forward.

Best estimates of real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity-Large Cap	25.00%	5.91%
US Equity-Small/Mid Cap	15.00%	7.07%
Non-US Equity - Developed	10.00%	6.85%
Non-US Equity - Emerging	5.00%	9.17%
US Corporate Bonds - Core	15.00%	2.12%
US Corporate Bonds - High Yield	5.00%	4.00%
Non-US Debt - Emerging	4.00%	4.37%
US Treasuries (cash equivalents)	12.00%	0.76%
TIPS (Inflation Protected)	4.00%	1.37%
Real Estate	5.00%	5.52%

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.51%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**CITY OF WARWICK, RHODE ISLAND
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Net Pension Liability

The City's net pension liability was measured as of June 30, 2019. The components of the net pension liability of the City at June 30, 2019 were as follows:

Total pension liability	\$ 62,671,464
Plan fiduciary net position	<u>57,374,472</u>
City's Net Position Liability	<u>\$ 5,296,992</u>
Plan fiduciary net position as a percentage of the total pension liability	91.55%

Actuarial Assumptions

The following actuarial assumptions were used in the June 30, 2019 actuarial valuation:

Actuarial cost method	Individual Entry Age Normal Actuarial Cost Method
Amortization method	Level Amortization
Salary increases	3.00%
Investment rate of return	7.00%
Mortality rates	Prescribed IRS Static Mortality Tables for the Year of the Valuation

Measurement of the Net Pension Liability

Discount Rate

The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

A single discount rate of 7.0% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.0%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these 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.

**CITY OF WARWICK, RHODE ISLAND
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Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2018	\$ 57,021,715	\$ 53,002,896	\$ 4,018,819
Changes for the year:			
Service cost	1,148,322		1,148,322
Interest	3,985,397		3,985,397
Differences between expected and actual experience	655,019		655,019
Assumption changes	2,375,125		2,375,125
Contributions - Employer		2,286,461	(2,286,461)
Contributions - Employee		742,348	(742,348)
Net investment income		4,037,778	(4,037,778)
Benefit payments, including refunds of contributions	(2,514,114)	(2,514,114)	-
Administrative expense		(180,897)	180,897
Net changes	<u>5,649,749</u>	<u>4,371,576</u>	<u>1,278,173</u>
Balances as of June 30, 2019	\$ <u>62,671,464</u>	\$ <u>57,374,472</u>	\$ <u>5,296,992</u>

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

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability (asset) if it was calculated using a single discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the single discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Warwick School Employees	\$ 12,530,160	\$ 5,296,992	\$ (834,013)

**CITY OF WARWICK, RHODE ISLAND
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the Warwick Public School Employees Pension Plan recognized pension expense of \$1,403,504. As of June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,368,094	\$ 129,521
Changes of assumptions	2,108,449	
Net difference between projected and actual earning on pension plan investments		<u>1,673,125</u>
Total	<u>\$ 4,476,543</u>	<u>\$ 1,802,646</u>

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

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ 659,943
2021	259,724
2022	660,014
2023	631,992
2024	<u>462,224</u>
	<u>\$ 2,673,897</u>

F. Warwick Public School Teachers' Pension Plan

Summary of Significant Accounting Policies

Basis of Accounting

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

Plan Description

Certain employees of the Warwick Public School system 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 five years of service as of July 1, 2012. Members are vested after five 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.

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 ended 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.

Funding Policy

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 2019, Warwick Public School System 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 who must contribute 11% of their annual covered salary. The State and Warwick Public Schools 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 Warwick Public Schools; the rates were 10.06% and 13.45% of annual covered payroll for the fiscal year ended June 30, 2019 for the State and Warwick Public Schools, respectively. Warwick Public Schools contributed \$11,027,679, \$10,176,528 and \$10,619,358 for the fiscal years ended June 30, 2019, 2018 and 2017, respectively, equal to 100% of the required contributions for each year.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

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

At June 30, 2019, Warwick Public Schools reported a liability of \$140,219,615 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by Warwick Public Schools 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 Warwick Public Schools were as follows:

Warwick Public School's proportionate share of the Net Pension Liability	\$ 140,219,615
State of Rhode Island's proportionate share of the Net Pension Liability	<u>104,593,761</u>
Total Net Pension Liability	<u>\$ 244,813,376</u>

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, 2017 rolled forward to June 30, 2018. Warwick Public School's proportion of the net pension liability was based on a projection of Warwick Public School'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, Warwick Public School's proportion was 4.41%.

For the year ended June 30, 2019, Warwick Public Schools recognized gross pension expense of \$18,693,449 and revenue of \$8,446,603 for support provided by the State. At June 30, 2019, Warwick Public Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,050,927	\$ 2,674,427
Changes of assumptions	10,185,340	1,650,091
Net difference between projected and actual earning on pension plan investments	1,674,866	
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,744,493	13,084,449
Contributions subsequent to the measurement date	<u>11,027,679</u>	
Total	<u>\$ 28,683,305</u>	<u>\$ 17,408,967</u>

**CITY OF WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

\$11,027,679 reported as deferred outflows of resources related to pensions resulting from Warwick Public School’s contributions in fiscal year 2019 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ 1,541,536
2021	(169,900)
2022	(2,611,333)
2023	(494,160)
2024	916,430
Thereafter	<u>1,064,086</u>
	<u>\$ 246,659</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 13.50%
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, 2017 valuation rolled forward to June 30, 2018 and the calculation of the total pension liability at June 30, 2018 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

**CITY OF WARWICK, RHODE ISLAND
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Investments

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 34 sources. The June 30, 2018 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity		
US Equity	20.80%	6.43%
International Developed Equity	14.40%	6.72%
Emerging Markets Equity	4.80%	8.90%
Private Equity		
Private Energy	11.30%	9.08%
Non-Core RE	2.20%	5.03%
OPP Private Credit	1.50%	9.08%
Income		
High Yield Infrastructure	1.00%	3.81%
REITS	1.00%	5.03%
Liquid Credit	2.80%	3.81%
Private Credit	3.20%	3.81%
Crisis Protection Class		
Treasury Duration	4.00%	0.61%
Systematic Trend	4.00%	4.00%
Inflation Protection		
Core Real Estate	3.60%	5.03%
Private Infrastructure	2.40%	5.61%
TIPs	1.00%	1.75%
Natural Resources	1.00%	3.81%
Volatility Protection		
IG Fixed Income	11.50%	2.14%
Absolute Return	6.50%	4.00%
Cash	3.00%	0.61%
	100%	

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.

**CITY OF WARWICK, RHODE ISLAND
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Measurement of the Net Pension Liability

Discount Rate

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 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

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it was calculated using a single discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the single discount rate (7.0%):

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
School Teacher's Pension Plan	\$ 176,420,291	\$ 140,219,615	\$ 113,256,514

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

G. Combining Schedule of Net Position - Pension Trust Funds

	<u>Police Pension I and Fire Pension</u>	<u>Police Pension II</u>	<u>City Employees Pension</u>	<u>Fire Pension II</u>	<u>Other School Department Employees</u>	<u>Total</u>
Assets:						
Cash	\$ 415,660	\$ 95,223	\$ 587,470	\$ 1,283,206	\$ 1,293,016	\$ 3,674,575
Investments, at fair value:						
Mutual funds	41,838,158	118,730,160	77,028,242	43,831,957	52,124,502	333,553,019
Equity investments	9,791,936	27,932,004	18,561,674	9,251,707		65,537,321
Index funds	11,849,310	35,088,194	22,688,427	12,768,074		82,394,005
Fixed income securities	9,356,741	26,474,480	17,330,241	10,051,621		63,213,083
Group annuity contracts					3,956,954	3,956,954
Accrued interest receivable	1,050	855	1,860	2,069		5,834
Total assets	<u>73,252,855</u>	<u>208,320,916</u>	<u>136,197,914</u>	<u>77,188,634</u>	<u>57,374,472</u>	<u>552,334,791</u>
Liabilities:						
Accounts payable and accrued expenses	52,631	144,204	93,433	51,693	-	341,961
Net Position:						
Held in Trust for Pension Benefits	<u>\$ 73,200,224</u>	<u>\$ 208,176,712</u>	<u>\$ 136,104,481</u>	<u>\$ 77,136,941</u>	<u>\$ 57,374,472</u>	<u>\$ 551,992,830</u>

**CITY OF WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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H. Combining Schedule of Changes in Net Position - Pension Trust Funds

	Police Pension I and Fire Pension	Police Pension II	City Employees Pension	Fire Pension II	Other School Department Employees	Total
Additions:						
Contributions						
Employer	\$ 18,427,881	\$ 4,483,039	\$ 6,728,459	\$ 3,646,246	\$ 2,286,461	\$ 35,572,086
Plan members	54,725	2,171,138	1,877,583	1,823,301	742,348	6,669,095
Other income - transfers/misc.	55,057					55,057
Total contributions	<u>18,537,663</u>	<u>6,654,177</u>	<u>8,606,042</u>	<u>5,469,547</u>	<u>3,028,809</u>	<u>42,296,238</u>
Investment income:						
Investment earnings	4,572,846	6,767,764	5,153,415	(451,495)	4,037,778	20,080,308
Less investment expense	(221,915)	(640,894)	(404,712)	(209,611)		(1,477,132)
Net investment income	<u>4,350,931</u>	<u>6,126,870</u>	<u>4,748,703</u>	<u>(661,106)</u>	<u>4,037,778</u>	<u>18,603,176</u>
Total additions	<u>22,888,594</u>	<u>12,781,047</u>	<u>13,354,745</u>	<u>4,808,441</u>	<u>7,066,587</u>	<u>60,899,414</u>
Deductions:						
Benefits	23,416,107	10,716,458	11,285,833	1,243,444	2,514,114	49,175,956
Administrative and other expense	10,653	30,435	19,829	11,083	180,897	252,897
Total deductions	<u>23,426,760</u>	<u>10,746,893</u>	<u>11,305,662</u>	<u>1,254,527</u>	<u>2,695,011</u>	<u>49,428,853</u>
Change in Net Position	(538,166)	2,034,154	2,049,083	3,553,914	4,371,576	11,470,561
Net Position at Beginning of Year	<u>73,738,390</u>	<u>206,142,558</u>	<u>134,055,398</u>	<u>73,583,027</u>	<u>53,002,896</u>	<u>540,522,269</u>
Net Position at End of Year	<u>\$ 73,200,224</u>	<u>\$ 208,176,712</u>	<u>\$ 136,104,481</u>	<u>\$ 77,136,941</u>	<u>\$ 57,374,472</u>	<u>\$ 551,992,830</u>

14. DEFINED CONTRIBUTION PLAN

Defined Contribution Plan Description

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute between 1% and 1.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

Warwick Public Schools recognized pension expense of \$492,469 for the fiscal year ended June 30, 2019.

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

15. OTHER POST-EMPLOYMENT BENEFITS

A. Other Post-Employment Benefits - City

Plan Description

The City administers a single-employer defined benefit healthcare plan. The plan provides medical/drug and dental (police officers only) benefits for eligible retirees and their dependents through the City group health and dental insurance plans, which cover both active and retired members. Benefit provisions are established and amended by union contract, through negotiations between the City and respective unions. The plan does not issue a publicly available financial report.

Funding Policy

Contribution requirements are negotiated between the City and the respective unions. The City is required to contribute the cost of medical/drug and dental benefits, less the amount of any applicable co-payments in effect at the time of retirement. For the year ended June 30, 2019, the plan operated on a pay-as-you-go basis and no provision has been made to fund future benefits to be provided to plan members. For the fiscal year ended June 30, 2019, the City contributed \$12,129,308 to the plan.

At July 1, 2018, membership consisted of:

	<u>City, Police, Fire</u>
Active employees	711
Retired	<u>938</u>
Total	<u><u>1,649</u></u>

Total OPEB Liability

The City's total OPEB liability of \$363,203,570 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability at the June 30, 2019 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%
Discount rate	2.79%
Healthcare cost trend rates	8.0% for 2018, decreasing 0.5% per year to an ultimate rate of 5.0% for 2024 and later years
Mortality	RP-2014 mortality table, MP-2016 projection

The discount rate was based on the S & P Municipal Bond 20-year High Grade Rate Index as of June 30, 2019.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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Changes in Total OPEB Liability

	Total OPEB Liability
Balances as of July 1, 2018	\$ 352,383,048
Changes for the year:	
Service cost	10,159,859
Interest	10,320,288
Difference between expected and actual experience	(3,523,060)
Change in benefit terms	5,992,743
Benefit payments	(12,129,308)
Net change in total OPEB liability	<u>10,820,522</u>
Balances as of June 30, 2019	<u>\$ 363,203,570</u>

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.79%) or 1 percentage point higher (3.79%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 394,705,728	\$ 363,203,570	\$ 331,701,411

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0% decreasing to 4.0%) or 1 percentage point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 314,726,607	\$ 363,203,570	\$ 420,027,987

**CITY OF WARWICK, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019**

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$19,025,145. At June 30, 2019, the City reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$	\$ 13,664,950
Changes of assumptions	<u>5,243,650</u>	<u> </u>
Total	<u>\$ 5,243,650</u>	<u>\$ 13,664,950</u>

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

<u>Year Ending June 30,</u>	
2020	\$ (1,455,002)
2021	(1,455,002)
2022	(1,455,002)
2023	(1,455,002)
2024	(1,455,002)
Thereafter	<u>(1,146,290)</u>
	<u>\$ (8,421,300)</u>

B. Other Post-Employment Benefits - School

Plan Description

The Warwick School Department administers a single-employer defined benefit healthcare plan. The plan provides medical/drug benefits for eligible retirees and their dependents through the City's group health and dental insurance plans, which cover both active and retired members. Benefit provisions are established and amended by union contract, through negotiations between the City and respective unions. The plan does not issue a publicly available financial report. All benefits terminate at age 65.

Teaching Employees are eligible for benefits after serving the district for 20 to 30 years depending on their date of hire. Other district employees are required to reach age 62 and have 25 years of service. Teaching employees contribute 20 to 60% for coverage depending on their date of hire. Other employees will contribute 20% for coverage. Spouses of teaching employees are not covered by the plan. Spouses of other district employees will contribute 20% for coverage. Surviving beneficiaries continue to receive access to the district's medical coverage through COBRA after the death of the retired employee. Survivors are required to pay the full cost of benefits.

**CITY OF WARWICK, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
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Funding Policy

Contribution requirements are negotiated between the Warwick School Department and the respective unions. The Warwick School Department is required to contribute the cost of medical/drug and dental benefits, less the amount of any applicable co-payments in effect at the time of retirement. For the year ended June 30, 2019, the plan operated on a pay-as-you-go basis, and no provision has been made to fund future benefits to be provided to plan members. For the fiscal year ended June 30, 2019, the Warwick School Department contributed \$782,810 for its employees.

At July 1, 2018, membership consisted of:

	<u>School</u>
Active employees	1,295
Retired	<u>62</u>
Total	<u><u>1,357</u></u>

Total OPEB Liability

The Warwick School Department’s total OPEB liability of \$27,083,414 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2019 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%
Discount rate	2.79%
Healthcare cost trend rates	8.0% for 2018, decreasing 0.5% per year to an ultimate rate of 5.0% for 2024 and later years
Mortality	RP-2014 mortality table, MP-2016 projection

The discount rate was based on the S & P Municipal Bond 20-year High Grade Rate Index as of June 30, 2019.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Changes in Total OPEB Liability

	Total OPEB Liability
Balances as of July 1, 2018	\$ 53,446,538
Changes for the year:	
Service cost	843,281
Interest	763,073
Change in benefit terms	(27,448,651)
Difference between expected and actual experience	(409,717)
Changes in assumptions	671,700
Benefit payments	(782,810)
Net change in total OPEB liability	<u>(26,363,124)</u>
Balances as of June 30, 2019	<u>\$ 27,083,414</u>

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

The following presents the total OPEB liability of the Warwick School Department, as well as what the Warwick School Department's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.79%) or 1 percentage point higher (3.79%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 30,618,912	\$ 27,083,414	\$ 23,547,914

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

The following presents the total OPEB liability of the Warwick School Department, as well as what the Warwick School Department's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0% decreasing to 4.0%) or 1 percentage point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 22,555,231	\$ 27,083,414	\$ 32,539,852

**CITY OF WARWICK, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2019**

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

For the year ended June 30, 2019, the Warwick School Department recognized OPEB expense (revenue) of \$(26,144,802). At June 30, 2019, the Warwick School Department reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred inflows of Resources</u>
Difference between expected and actual experience	\$	\$ 2,314,140
Changes of assumptions	<u>620,031</u>	<u></u>
Total	<u>\$ 620,031</u>	<u>\$ 2,314,140</u>

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

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ (302,505)
2021	(302,505)
2022	(302,505)
2023	(302,505)
2024	(302,505)
Thereafter	<u>(181,584)</u>
	<u>\$ (1,694,109)</u>

16. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

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.

At June 30, 2019, the City had several lawsuits pending. The total maximum damages being sought from the City to these cases are not known. In the opinion of the City officials and the City's legal counsel, the City's ultimate liability with respects to these cases, if any, will be immaterial.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

Commitments

The City had several outstanding construction projects as of June 30, 2019. These projects are evidenced by contractual commitments with contractors and include:

<u>Contract</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>	<u>Funding Source(s)</u>
Bayside	\$ 1,925,423	\$ 444,655	SRF Capital Contracts
NW Gorton's Pond	257,866	109,431	SRF Capital Contracts
Governor Francis III	3,587,263	2,279,308	SRF Capital Contracts
East Natick III	128,484	98,561	SRF Capital Contracts
Primary Clarifier	227,845		SRF Capital Contracts
Fire Code Compliance Program	120,780	17,920	GO Bond
Fire Code Compliance Program	<u>221,310</u>	<u>73,490</u>	GO Bond
	<u>\$ 6,468,971</u>	<u>\$ 3,023,365</u>	

Grants

The City has received federal and state grants for specific purposes that are subject to audit by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. City officials believe such allowances, if any, would be immaterial.

17. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; and natural disasters. As a result, the City participates in a nonprofit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.), which provides coverage for property/liability claims. Upon joining the Trust, the City signed a participation agreement which outlines the rights and responsibilities of both the Trust and the City. The agreement states that for premiums paid by the City, the Trust will assume financial responsibility for the City's losses up to the maximum amount of insurance purchased, minus the City's deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism, which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its Members.

There have been no significant reductions in insurance coverage during the year ended June 30, 2019 as compared to the previous year. The claims incurred did not exceed insurance coverage this year.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

The changes in workers' compensation claims liability are as follows:

	<u>Beginning Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimate</u>	<u>Claim Payments</u>	<u>Balance Fiscal Year End</u>
2017-2018	\$ 164,001	\$ 413,764	\$ 436,022	\$ 141,743
2018-2019	141,743	41,477	129,407	53,813

For its employer health insurance coverage, the School Department has chosen to participate in the Health Benefit Project provided by the WB Community Health, an independent, nonprofit organization. The School Department is also self-insured for the dental insurance coverage through WB Community Health. Deposits made to the Collaborative are treated as expenditures when it is probable that a claim has been incurred and include estimates amounts for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim and health care trends, and other economic and social factors.

The City is fully insured for its employee health plan through the Rhode Island Interlocal Risk Management Trust, Inc., effective July 1, 2013. The City's employee dental plan is provided by Blue Cross on a fully insured basis. Prior to July 1, 2013, the City was self-insured with participation in WB Community Health.

An analysis of claims activity is presented below:

	<u>Liability July 1,</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Liability June 30,</u>
School City	\$ 1,386,644	\$ 22,995,755 22,039,117	\$ 23,150,143 22,039,117	\$ 1,232,256 -
2017-2018	<u>\$ 1,386,644</u>	<u>\$ 45,034,872</u>	<u>\$ 45,189,260</u>	<u>\$ 1,232,256</u>
School City	\$ 1,232,256	\$ 25,077,700 22,936,451	\$ 25,111,289 22,216,568	\$ 1,198,667 719,883
2018-2019	<u>\$ 1,232,256</u>	<u>\$ 48,014,151</u>	<u>\$ 47,327,857</u>	<u>\$ 1,918,550</u>

18. ABATEMENTS

The City has two tax agreements in place in conjunction with the City's tax stabilization ordinance for Warwick Intermodal and Historic Districts. The tax relief relative to these agreements does not begin until fiscal year 2020.

19. SUBSEQUENT EVENTS

In September 2019, the City issued \$5,445,000 of revenue bonds through the Rhode Island Health and Educational Building Corporation. The bond proceeds will be used by the Warwick School Department to fund school building improvements.

Relative to a suit filed by retired firefighters against the City, the City of Warwick received a partial summary judgment in favor of the plaintiffs, ruling that they are entitled to receive a COLA that includes a component based on the holiday pay of active firefighters. The Court has not ruled on the amount of damages owed to retirees dating back to the holiday pay increase of 2015 or entered a final judgment. The City has calculated an amount owed to be estimated at \$573,300.

On March 9, 2020, the Governor of the State of Rhode Island declared a state of emergency to combat a novel coronavirus disease (COVID-19). On March 13, 2020, the President of the United States declared a national emergency due to the COVID-19 outbreak. The City of Warwick derives a significant portion of its revenues from property taxes levied to business and individuals for commercial and residential real estate as well as tangible personal property. Business and individuals may have both been negatively impacted by business closures and job loss. While the City has not experienced any significant decline in the amount of property taxes collected, the situation creates uncertainty about the impact on future revenues that might be generated from these taxes.

Subsequent to the balance sheet date, domestic and global investment markets have experienced significant volatility. This volatility is the result of numerous economic and political factors including the impact of the spread of COVID-19. As a result, the current fair value of the City's investments may be materially different from the amounts recorded in the financial statements as of June 30, 2019.



Required Supplementary Information

CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF REVENUES AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budgeted Revenues	Final Budgeted Revenues	Actual Amounts (Budgetary Basis)	Variance
General Property Taxes	\$ 236,050,960	\$ 236,050,960	\$ 235,139,528	\$ (911,432)
Intergovernmental:				
Telephone tax	1,022,628	1,022,628	1,023,675	1,047
Aid to school buildings	885,176	885,176	1,566,374	681,198
Tax in lieu	1,687,863	1,687,863	1,704,861	16,998
Motor vehicle tax phase-out	3,866,952	3,866,952	4,263,178	396,226
Departmental grant income	1,756,660	1,756,660	1,788,779	32,119
Total intergovernmental	<u>9,219,279</u>	<u>9,219,279</u>	<u>10,346,867</u>	<u>1,127,588</u>
Licenses and fees:				
Licenses - police/miscellaneous	367,585	367,585	329,937	(37,648)
Municipal fees	2,140,000	2,140,000	2,327,192	187,192
Building permits	900,000	900,000	958,499	58,499
Advertising and zoning fees	38,000	38,000	18,252	(19,748)
Recreational fees	855,000	855,000	847,279	(7,721)
Parking violation and fines	195,000	195,000	247,627	52,627
Department processing/program fees	484,000	484,000	471,921	(12,079)
Total licenses and fees	<u>4,979,585</u>	<u>4,979,585</u>	<u>5,200,707</u>	<u>221,122</u>
Other revenue:				
Tax titles	15,000	15,000	17,593	2,593
Interest on taxes	1,950,000	1,950,000	2,089,752	139,752
Interest on investments/capital projects	201,000	201,000	401,344	200,344
Housing authority	138,000	138,000	147,173	9,173
Airport parking tax	500,000	500,000	500,000	-
Airport miscellaneous income	850,000	850,000	995,121	145,121
Airport surcharge	1,150,000	1,150,000	1,275,122	125,122
Airport EDC	778,000	778,000	781,812	3,812
Municipal court	200,000	200,000	217,749	17,749
Hotel tax	2,000,000	2,000,000	2,124,947	124,947
Meal tax	2,950,000	2,950,000	3,018,267	68,267
Pilot Program - Johnson & Wales	40,000	40,000		(40,000)
School back charge - lease purchase/tipping fee	17,000	17,000	17,940	940
School RIHEBC Debit reimbursement	1,323,575	1,323,575		(1,323,575)
Enterprise fund back charges	2,685,433	2,685,433	2,854,727	169,294
Other	3,167,100	3,167,100	3,499,438	332,338
Total other revenue	<u>17,965,108</u>	<u>17,965,108</u>	<u>17,940,985</u>	<u>(24,123)</u>
Total revenues	<u>268,214,932</u>	<u>268,214,932</u>	<u>268,628,087</u>	<u>413,155</u>
Other financing sources:				
School re-appropriated surplus		157,447	157,447	-
Fund balance drawdown	3,800,000	3,800,000	3,800,000	-
Rescue service fees	2,900,000	2,900,000	2,724,093	(175,907)
Transfers - in from school	41,409,465	41,409,465	40,724,872	(684,593)
Total other financing sources	<u>48,109,465</u>	<u>48,266,912</u>	<u>47,406,412</u>	<u>(860,500)</u>
Total Revenues and Other Financing Sources	<u>\$ 316,324,397</u>	<u>\$ 316,481,844</u>	<u>\$ 316,034,499</u>	<u>\$ (447,345)</u>

(Continued on next page)

CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF REVENUES AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budgeted Expenditure	Final Budgeted Expenditure	Actual Amounts (Budgetary Basis)	Variance
Executive and administrative:				
Executive department	\$ 409,889	\$ 409,889	\$ 315,041	\$ 94,848
Legal department	453,350	453,350	382,631	70,719
City clerk	417,299	417,299	285,142	132,157
Probate court	112,081	112,081	111,971	110
Municipal court	107,864	107,864	95,305	12,559
Personnel department	391,794	391,794	375,441	16,353
	<u>1,892,277</u>	<u>1,892,277</u>	<u>1,565,531</u>	<u>326,746</u>
Legislative and citizens representation:				
Legislative department	307,279	307,279	287,974	19,305
Board of canvassers	360,910	360,910	286,197	74,713
	<u>668,189</u>	<u>668,189</u>	<u>574,171</u>	<u>94,018</u>
Financial management:				
Finance administration	513,658	513,658	456,762	56,896
Treasury	417,051	417,051	355,926	61,125
Management information services	1,703,776	1,703,776	1,407,153	296,623
Purchasing	237,963	237,963	234,589	3,374
City tax collection	857,739	857,739	617,153	240,586
City assessment	1,129,260	1,129,260	923,736	205,524
Board of assessment review	15,000	15,000	600	14,400
	<u>4,874,447</u>	<u>4,874,447</u>	<u>3,995,919</u>	<u>878,528</u>
Total executive and administrative	<u>7,434,913</u>	<u>7,434,913</u>	<u>6,135,621</u>	<u>1,299,292</u>
Public safety department:				
Animal shelter	228,124	228,124	211,314	16,810
Police department	20,408,960	20,408,960	19,835,198	573,762
Fire department	22,644,840	22,644,840	23,833,787	(1,188,947)
Organized crime/drug enforcement task force	21,500	21,500	26,075	(4,575)
Alcohol and highway safety enforcement	90,000	90,000	103,037	(13,037)
Police grants	52,500	52,500	42,542	9,958
Emergency management	70,200	70,200	89,392	(19,192)
Building inspection and minimum housing	1,072,467	1,072,467	874,248	198,219
Board of public safety	57,729	57,729	57,931	(202)
Total public safety	<u>44,646,320</u>	<u>44,646,320</u>	<u>45,073,524</u>	<u>(427,204)</u>

(Continued on next page)

CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF REVENUES AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budgeted Expenditure	Final Budgeted Expenditure	Actual Amounts (Budgetary Basis)	Variance
Recreation:				
Parks and recreation	\$ 619,562	\$ 619,562	\$ 488,189	\$ 131,373
William Thayer memorial ice rink	1,048,969	1,048,969	895,729	153,240
McDermott swimming pool	610,230	610,230	538,181	72,049
	<u>2,278,761</u>	<u>2,278,761</u>	<u>1,922,099</u>	<u>356,662</u>
Public library	<u>2,976,165</u>	<u>2,976,165</u>	<u>2,884,425</u>	<u>91,740</u>
Social services:				
Human services administration	446,022	446,022	411,291	34,731
Senior center	524,297	524,297	512,613	11,684
Senior transportation	295,968	295,968	253,165	42,803
	<u>1,266,287</u>	<u>1,266,287</u>	<u>1,177,069</u>	<u>89,218</u>
Planning department	661,592	661,592	835,573	(173,981)
Community development	303,374	303,374	195,006	108,368
Tourism, culture and development	765,493	765,493	504,981	260,512
Public works department:				
Administrative division	228,581	228,581	214,637	13,944
Highway division	9,026,290	9,026,290	5,453,053	3,573,237
Sanitation division	2,510,101	2,510,101	2,592,333	(82,232)
Automotive Division	2,503,239	2,503,239	2,441,387	61,852
City building maintenance division	1,427,189	1,427,189	1,132,028	295,161
Engineering division	1,402,598	1,402,598	1,456,286	(53,688)
Recycling	74,500	74,500	60,118	14,382
Field maintenance	825,874	825,874	756,928	68,946
	<u>17,998,372</u>	<u>17,998,372</u>	<u>14,106,770</u>	<u>3,891,602</u>
Sewer review board	<u>2,000</u>	<u>2,000</u>	<u>1,350</u>	<u>650</u>
Employee benefits, special and capital:				
Employee benefits	29,518,884	29,518,884	27,362,982	2,155,902
Insurance	1,958,436	1,958,436	2,112,232	(153,796)
City council claims	20,000	20,000	12,029	7,971
Postage	74,550	74,550	58,378	16,172
Fixed costs	388,500	388,500	127,016	261,484
Pension	33,121,289	33,121,289	33,144,259	(22,970)
	<u>65,081,659</u>	<u>65,081,659</u>	<u>62,816,896</u>	<u>2,264,763</u>
Total expenditures	<u>143,414,936</u>	<u>143,414,936</u>	<u>135,653,314</u>	<u>7,761,622</u>
Other financing uses:				
Operating transfer to debt service fund	7,517,532	7,517,532	7,473,909	43,623
Operating transfer to school unrestricted fund	165,391,929	165,549,376	164,864,783	684,593
Total other financing uses	<u>172,909,461</u>	<u>173,066,908</u>	<u>172,338,692</u>	<u>728,216</u>
Total Expenditures and Other Financing Uses	<u>\$ 316,324,397</u>	<u>\$ 316,481,844</u>	<u>\$ 307,992,006</u>	<u>\$ 8,489,838</u>

CITY OF WARWICK, RHODE ISLAND
BUDGETARY COMPARISON SCHEDULE - SCHOOL GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance</u>
Revenues:				
State and Federal School Aid	\$ 39,197,965	\$ 39,197,965	\$ 37,903,014	\$ (1,294,951)
Other school miscellaneous revenue	2,211,500	2,211,500	2,822,475	610,975
Appropriation from the City	123,982,464	123,982,464	123,982,464	-
Re-appropriation of fund balance - transfer from City		157,447	157,447	-
Total revenues	<u>165,391,929</u>	<u>165,549,376</u>	<u>164,865,400</u>	<u>(683,976)</u>
Expenditures:				
Education	<u>165,391,929</u>	<u>165,549,376</u>	<u>166,767,001</u>	<u>1,217,625</u>
Excess of Revenue over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,901,601)</u>	<u>\$ (1,901,601)</u>

CITY OF WARWICK, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY DATA AND BUDGETARY COMPLIANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

B. Budgetary to GAAP Basis Reconciliation

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

	<u>General Fund</u>	<u>School Unrestricted Fund</u>
Revenues and Other Financing Sources:		
Actual amounts (budgetary basis)	\$ 316,034,499	\$ 164,865,400
Difference - budget to GAAP		
The appropriated fund balance drawdown is a budgetary revenue but is not a current year revenue for financial reporting purposes	(3,800,000)	
The appropriated fund balance from Reserve for Education is a budgetary revenue but is not a current year revenue for financial reporting purposes	(157,447)	
Transfer from other funds is a budgetary revenue, but is reported net of the related transfer to other funds for financial reporting purposes	(40,724,872)	
Rescue Service Fund revenue net of transfer to General Fund reported as revenue for GAAP purposes not included in Budget Basis revenues.	632,723	
The pension contributions made to the Employees Retirement System by the State of Rhode Island on behalf of the City of Warwick is not reported as budgetary revenue, but is a current year revenue for financial reporting purposes		<u>7,946,000</u>
Total Revenues and Other Financing Sources as Reported in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	<u>\$ 271,984,903</u>	<u>\$ 172,811,400</u>

CITY OF WARWICK, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY DATA AND BUDGETARY COMPLIANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

B. Budgetary to GAAP Basis Reconciliation (Continued)

	<u>General Fund</u>	<u>School Unrestricted Fund</u>
Expenditures and Other Financing Sources:		
Actual amounts (budgetary basis)	\$ 307,992,006	\$ 166,767,001
Difference - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	(83,570)	
Transfer to School Department is reported at gross amount for budget purposes but is reported net of School revenue for GAAP.		
Transfer from other funds is a budgetary revenue, but is reported net of the related transfer to other funds for financial reporting purposes.	(40,724,872)	
Rescue Service Fund revenue net of transfer to General Fund reported as revenue for GAAP purposes not part of the budgetary basis expenditures.	632,723	
The pension contributions made to the Employees Retirement System by the State of Rhode Island on behalf of the City of Warwick is not reported as budgetary revenue, but is a current year revenue for financial reporting purposes.		<u>7,946,000</u>
Total Expenditures and Other Financing Sources as Reported in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	<u>\$ 267,816,287</u>	<u>\$ 174,713,001</u>

CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS
CITY EMPLOYEES' PENSION PLAN
LAST SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 3,006,219	\$ 3,470,808	\$ 3,265,824	\$ 2,604,452	\$ 2,361,164	\$ 1,368,801
Interest	11,922,138	11,508,757	11,177,444	11,143,830	10,681,187	9,817,470
Difference between actual and expected experience	5,173,695	1,973,093		(552,930)	1,619,642	8,308,519
Assumption changes				8,912,895		(354,818)
Benefit payments	<u>(11,285,833)</u>	<u>(10,198,712)</u>	<u>(9,301,086)</u>	<u>(8,862,354)</u>	<u>(8,367,787)</u>	<u>(7,872,056)</u>
Net change in total pension liability	8,816,219	6,753,946	5,142,182	13,245,893	6,294,206	11,267,916
Total pension liability - beginning	<u>176,855,366</u>	<u>170,101,420</u>	<u>164,959,238</u>	<u>151,713,345</u>	<u>145,419,139</u>	<u>134,151,223</u>
Total pension liability - ending (a)	<u>185,671,585</u>	<u>176,855,366</u>	<u>170,101,420</u>	<u>164,959,238</u>	<u>151,713,345</u>	<u>145,419,139</u>
Plan fiduciary net position:						
Contributions - employer	6,728,459	6,194,245	5,764,819	5,505,376	5,640,498	5,436,625
Contributions - employee	1,877,583	1,888,875	1,765,310	1,620,427	1,579,755	1,572,702
Net investment income (loss)	4,757,529	11,247,563	14,263,989	(1,578,910)	2,695,082	15,609,969
Benefit payments	(11,285,833)	(10,198,712)	(9,301,086)	(8,862,354)	(8,367,787)	(7,872,056)
Administrative expense	(28,655)	(21,413)	(34,671)	(33,370)	(34,244)	(28,582)
Other		10,591				
Net change in plan fiduciary net position	<u>2,049,083</u>	<u>9,121,149</u>	<u>12,458,361</u>	<u>(3,348,831)</u>	<u>1,513,304</u>	<u>14,718,658</u>
Plan fiduciary net position beginning	<u>134,055,398</u>	<u>124,934,249</u>	<u>112,475,888</u>	<u>115,824,719</u>	<u>114,311,415</u>	<u>99,592,757</u>
Plan fiduciary net position - ending (b)	<u>136,104,481</u>	<u>134,055,398</u>	<u>124,934,249</u>	<u>112,475,888</u>	<u>115,824,719</u>	<u>114,311,415</u>
Net Pension Liability (a-b)	<u>\$ 49,567,104</u>	<u>\$ 42,799,968</u>	<u>\$ 45,167,171</u>	<u>\$ 52,483,350</u>	<u>\$ 35,888,626</u>	<u>\$ 31,107,724</u>
Plan fiduciary net position as a percentage of the total pension liability	73.3%	75.8%	73.4%	68.2%	76.3%	78.6%
Covered payroll	\$ 20,862,031	\$ 23,610,939	\$ 22,066,375	\$ 20,255,338	\$ 20,072,947	18,391,191
Net pension liability as a percentage of covered payroll	237.6%	181.3%	204.7%	259.1%	178.8%	169.1%

Note:

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

CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS
POLICE I AND FIRE PENSION PLAN
LAST SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 203,421	\$ 653,640	\$ 810,009	\$ 936,610	\$ 1,005,457	\$ 1,276,922
Interest	19,695,012	19,565,475	19,645,595	20,076,965	20,085,394	22,543,132
Difference between actual and expected experience	4,520,679	4,604,032		1,862	(1,195,853)	(10,108,652)
Assumption changes				16,534,846		(26,630,682)
Benefit payments	<u>(23,444,600)</u>	<u>(22,027,916)</u>	<u>(21,067,877)</u>	<u>(20,192,173)</u>	<u>(19,753,740)</u>	<u>(19,675,904)</u>
Net change in total pension liability	974,512	2,795,231	(612,273)	17,358,110	141,258	(32,595,184)
Total pension liability - beginning	<u>296,861,721</u>	<u>294,066,490</u>	<u>294,678,763</u>	<u>277,320,653</u>	<u>277,179,395</u>	<u>309,774,579</u>
Total pension liability - ending (a)	<u>297,836,233</u>	<u>296,861,721</u>	<u>294,066,490</u>	<u>294,678,763</u>	<u>277,320,653</u>	<u>277,179,395</u>
Plan fiduciary net position:						
Contributions - employer	18,427,881	17,934,399	17,465,464	17,378,897	16,039,998	15,206,485
Contributions - member	54,725	175,440	219,770	266,831	284,810	321,061
Net investment income (loss)	4,399,830	5,911,507	9,138,696	(929,819)	1,380,201	9,803,078
Benefit payments	(23,444,600)	(22,027,916)	(21,067,877)	(20,192,173)	(19,753,740)	(19,675,904)
Administrative expense	(31,059)	(22,453)	(38,823)	(29,322)	(29,576)	(24,335)
Other	55,057	11,061	670			
Net change in plan fiduciary net position	<u>(538,166)</u>	<u>1,982,038</u>	<u>5,717,900</u>	<u>(3,505,586)</u>	<u>(2,078,307)</u>	<u>5,630,385</u>
Plan fiduciary net position - beginning	<u>73,738,390</u>	<u>71,756,352</u>	<u>66,038,452</u>	<u>69,544,038</u>	<u>71,622,345</u>	<u>65,991,960</u>
Plan fiduciary net position - ending (b)	<u>73,200,224</u>	<u>73,738,390</u>	<u>71,756,352</u>	<u>66,038,452</u>	<u>69,544,038</u>	<u>71,622,345</u>
Net Pension Liability (a-b)	<u>\$ 224,636,009</u>	<u>\$ 223,123,331</u>	<u>\$ 222,310,138</u>	<u>\$ 228,640,311</u>	<u>\$ 207,776,615</u>	<u>\$ 205,557,050</u>
Plan fiduciary net position as a percentage of the total pension liability	24.6%	24.8%	24.4%	22.4%	25.1%	25.8%
Covered payroll	\$ 781,786	\$ 2,506,287	\$ 3,139,571	\$ 3,811,871	\$ 4,068,714	\$ 4,154,657
Net pension liability as a percentage of covered payroll	28733.7%	8902.5%	7080.9%	5998.1%	5106.7%	4947.6%

Note:

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

CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS
POLICE II PENSION PLAN
LAST SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 4,718,763	\$ 4,693,492	\$ 4,744,240	\$ 3,884,441	\$ 3,770,366	\$ 3,762,837
Interest	16,581,550	15,998,841	15,258,836	14,589,705	13,811,883	13,520,113
Difference between actual and expected experience	244,425	(2,080,926)		329,603	738,684	(1,806,121)
Assumption changes				15,898,398		(3,961,813)
Benefit payments	<u>(10,716,458)</u>	<u>(9,658,734)</u>	<u>(8,861,372)</u>	<u>(8,245,091)</u>	<u>(7,768,947)</u>	<u>(7,488,066)</u>
Net change in total pension liability	10,828,280	8,952,673	11,141,704	26,457,056	10,551,986	4,026,950
Total pension liability - beginning	<u>243,261,152</u>	<u>234,308,479</u>	<u>223,166,775</u>	<u>196,709,719</u>	<u>186,157,733</u>	<u>182,130,783</u>
Total pension liability - ending (a)	<u>254,089,432</u>	<u>243,261,152</u>	<u>234,308,479</u>	<u>223,166,775</u>	<u>196,709,719</u>	<u>186,157,733</u>
Plan fiduciary net position:						
Contributions - employer	4,483,039	4,179,364	3,938,725	3,853,855	3,828,534	3,322,236
Contributions - member	2,171,138	2,089,682	2,008,027	1,931,974	1,914,267	1,661,118
Net investment income (loss)	6,144,306	16,368,484	22,689,311	(2,481,497)	4,075,102	24,147,499
Benefit payments	(10,716,458)	(9,658,734)	(8,861,372)	(8,245,091)	(7,768,947)	(7,488,066)
Administrative expense	(47,871)	(19,924)	(28,474)	(37,409)	(39,395)	(24,100)
Other	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>
Net change in plan fiduciary net position	2,034,154	12,959,372	19,746,217	(4,978,168)	2,009,561	21,618,687
Plan fiduciary net position - beginning	<u>206,142,558</u>	<u>193,183,186</u>	<u>173,436,969</u>	<u>178,415,137</u>	<u>176,405,576</u>	<u>154,786,889</u>
Plan fiduciary net position - ending (b)	<u>208,176,712</u>	<u>206,142,558</u>	<u>193,183,186</u>	<u>173,436,969</u>	<u>178,415,137</u>	<u>176,405,576</u>
Net Pension Liability (a-b)	<u>\$ 45,912,720</u>	<u>\$ 37,118,594</u>	<u>\$ 41,125,293</u>	<u>\$ 49,729,806</u>	<u>\$ 18,294,582</u>	<u>\$ 9,752,157</u>
Plan fiduciary net position as a percentage of the total pension liability	81.9%	84.7%	82.4%	77.7%	90.7%	94.8%
Covered payroll	\$ 14,286,295	\$ 13,820,649	\$ 13,791,394	\$ 13,269,052	\$ 12,781,663	\$ 12,494,306
Net pension liability as a percentage of covered payroll	321.4%	268.6%	298.2%	374.8%	143.1%	78.1%

Note:

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

CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS
FIRE II PENSION PLAN
LAST SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 5,507,825	\$ 4,844,310	\$ 4,563,165	\$ 3,946,558	\$ 3,534,726	\$ 3,435,947
Interest	6,048,701	5,250,580	4,654,274	4,125,110	3,572,193	3,205,452
Benefit changes		2,321,185				
Difference between actual and expected experience	758,031	(135,069)		(577,982)	482,842	(62,953)
Assumption changes				5,201,487		(1,341,914)
Benefit payments	(1,243,444)	(843,743)	(587,618)	(449,467)	(397,441)	(394,626)
Net change in total pension liability	11,071,113	11,437,263	8,629,821	12,245,706	7,192,320	4,841,906
Total pension liability - beginning	85,565,712	74,128,449	65,498,628	53,252,922	46,060,602	41,218,696
Total pension liability - ending (a)	<u>96,636,825</u>	<u>85,565,712</u>	<u>74,128,449</u>	<u>65,498,628</u>	<u>53,252,922</u>	<u>46,060,602</u>
Plan fiduciary net position:						
Contributions - employer	3,646,246	3,561,858	3,149,947	2,973,277	2,943,088	2,903,462
Contributions - member	1,823,301	1,780,929	1,574,973	1,486,639	1,471,544	1,451,731
Net investment income (loss)	(661,106)	4,543,343	7,834,412	(930,262)	782,789	5,483,041
Benefit payments	(1,243,444)	(843,743)	(587,618)	(449,467)	(397,441)	(394,626)
Administrative expense	(11,083)	(18,000)	(20,875)	(8,926)	(8,697)	(4,315)
Net change in plan fiduciary net position	3,553,914	9,024,387	11,950,839	3,071,261	4,791,283	9,439,293
Plan fiduciary net position - beginning	73,583,027	64,558,640	52,607,801	49,536,540	44,745,257	35,305,964
Plan fiduciary net position - ending (b)	<u>77,136,941</u>	<u>73,583,027</u>	<u>64,558,640</u>	<u>52,607,801</u>	<u>49,536,540</u>	<u>44,745,257</u>
Net Pension Liability (a-b)	<u>\$ 19,499,884</u>	<u>\$ 11,982,685</u>	<u>\$ 9,569,809</u>	<u>\$ 12,890,827</u>	<u>\$ 3,716,382</u>	<u>\$ 1,315,345</u>
Plan fiduciary net position as a percentage of the total pension liability	79.8%	86.0%	87.1%	80.3%	93.0%	97.1%
Covered payroll	\$ 15,696,281	\$ 15,267,285	\$ 14,188,946	\$ 13,393,144	\$ 12,602,432	\$ 11,769,201
Net pension liability as a percentage of covered payroll	124.2%	78.5%	67.4%	96.2%	29.5%	11.2%

Note:
The schedule is intended to show information for 10 years - additional years will be displayed as they become available

CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY AND RELATED RATIOS
WARWICK PUBLIC SCHOOLS EMPLOYEES' PENSION PLAN
LAST SIX FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 1,148,322	\$ 1,101,378	\$ 1,085,156	\$ 1,182,332	\$ 1,153,661	\$ 1,233,904
Interest	3,985,397	3,727,866	3,405,815	3,239,682	3,013,821	2,683,152
Difference between actual and expected experience	655,019	1,105,363	2,093,032	(363,953)	342,058	664,117
Assumption changes	2,375,125	85,298	81,200	113,452		67,700
Benefit payments	<u>(2,514,114)</u>	<u>(2,265,755)</u>	<u>(1,901,797)</u>	<u>(1,506,891)</u>	<u>(1,122,881)</u>	<u>(1,035,956)</u>
Net change in total pension liability	5,649,749	3,754,150	4,763,406	2,664,622	3,386,659	3,612,917
Total pension liability - beginning	<u>57,021,715</u>	<u>53,267,565</u>	<u>48,504,159</u>	<u>45,839,537</u>	<u>42,452,878</u>	<u>38,839,961</u>
Total pension liability - ending (a)	<u>62,671,464</u>	<u>57,021,715</u>	<u>53,267,565</u>	<u>48,504,159</u>	<u>45,839,537</u>	<u>42,452,878</u>
Plan fiduciary net position:						
Contributions - employer	2,286,461	1,152,310	2,044,880	1,968,941	1,752,679	2,160,500
Contributions - employee	742,348	721,712	803,054	732,245	766,137	743,492
Net investment income	4,037,778	4,797,201	5,414,063	936,885	1,487,522	3,977,291
Benefit payments	<u>(2,514,114)</u>	<u>(2,265,755)</u>	<u>(1,901,797)</u>	<u>(1,506,891)</u>	<u>(1,122,881)</u>	<u>(1,035,956)</u>
Administrative expense	<u>(180,897)</u>	<u>(200,111)</u>	<u>(205,899)</u>	<u>(173,084)</u>	<u>(95,056)</u>	<u>(83,496)</u>
Net change in plan fiduciary net position	4,371,576	4,205,357	6,154,301	1,958,096	2,788,401	5,761,831
Plan fiduciary net position - beginning	<u>53,002,896</u>	<u>48,797,539</u>	<u>42,643,238</u>	<u>40,685,142</u>	<u>37,896,741</u>	<u>32,134,910</u>
Plan fiduciary net position - ending (b)	<u>57,374,472</u>	<u>53,002,896</u>	<u>48,797,539</u>	<u>42,643,238</u>	<u>40,685,142</u>	<u>37,896,741</u>
Net Pension Liability (a-b)	<u>\$ 5,296,992</u>	<u>\$ 4,018,819</u>	<u>\$ 4,470,026</u>	<u>\$ 5,860,921</u>	<u>\$ 5,154,395</u>	<u>\$ 4,556,137</u>
Plan fiduciary net position as a percentage of the total pension liability	91.5%	93.0%	91.6%	87.9%	88.8%	89.3%
Covered payroll	\$ 12,952,620	\$ 13,435,984	\$ 12,914,407	\$ 12,567,847	\$ 13,918,915	13,335,646
Net pension liability as a percentage of covered payroll	40.9%	29.9%	34.6%	46.6%	37.0%	34.2%

Note:

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

**CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF CITY CONTRIBUTIONS
CITY EMPLOYEES' PENSION PLAN
LAST SIX FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 6,728,459	\$ 6,194,245	\$ 5,764,819	\$ 5,505,376	\$ 5,640,498	\$ 5,436,625
Actual contribution made in relation to the actuarially determined contribution	<u>6,728,459</u>	<u>6,194,245</u>	<u>5,764,819</u>	<u>5,505,376</u>	<u>5,640,498</u>	<u>5,436,625</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 20,862,031	\$ 23,610,939	\$ 23,610,939	\$ 20,255,338	\$ 20,072,947	\$ 18,391,191
Contributions as a percentage of covered payroll	32.3%	26.2%	24.4%	27.2%	28.1%	29.6%

Notes to Schedule of Contributions

Valuation date July 1, 2017

Notes Actuarially determined contribution rates are calculated as of June 30, effective for the fiscal year that begins 12 months after the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method For funding purposes, the Entry Age Normal Actuarial Cost Method is used.
 Single Equivalent Amortization Period 11 Years Closed
 Amortization Period for New Gains/Losses 20 years Closed
 Asset Valuation Method 5-Year Smoothed Market
 Inflation 2.25%
 Salary Increases 3.00% to 7.00% including inflation
 Investment rate of return 6.90%
 Retirement age Experienced-based table of rates that are specific to the type of eligibility condition.
 Mortality (Male) 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.
 (Female) 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

Other Information: Notes There were no benefit changes during the year.

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

**CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF CITY CONTRIBUTIONS
POLICE I AND FIRE PENSION PLAN
LAST SIX FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 18,427,881	\$ 17,934,399	\$ 17,465,464	\$ 17,378,897	\$ 16,039,998	\$ 15,206,485
Actual contribution made in relation to the actuarially determined contribution	<u>18,427,881</u>	<u>17,934,399</u>	<u>17,465,464</u>	<u>17,378,897</u>	<u>16,039,998</u>	<u>15,206,485</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 781,786	\$ 2,506,287	\$ 3,139,571	\$ 3,811,871	\$ 4,068,714	\$ 4,154,657
Contributions as a percentage of covered payroll	2357.2%	715.6%	556.3%	455.9%	394.2%	366.0%

Notes to Schedule of Contributions

Valuation date July 1, 2017

Notes Actuarially determined contribution rates are calculated as of June 30, effective for the fiscal year that begins 12 months after the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method For funding purposes, the Entry Age Normal Actuarial Cost Method is used.
 Single Equivalent Amortization Period 18 Years Closed
 Amortization Period for New Gains/Losses 20 years Closed
 Asset Valuation Method 5-Year Smoothed Market
 Inflation 2.25%
 Salary Increases 3.50% to 13.50% including inflation
 Investment rate of return 6.90%
 Retirement age Experienced-based table of rates that are specific to the type of eligibility condition.
 Mortality (Male) 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.
 (Female) 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

Other Information:

Notes There were no benefit changes during the year.

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

**CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF CITY CONTRIBUTIONS
POLICE II PENSION PLAN
LAST SIX FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 4,483,039	\$ 4,179,364	\$ 3,938,725	\$ 3,853,855	\$ 3,828,534	\$ 3,322,236
Actual contribution made in relation to the actuarially determined contribution	<u>4,483,039</u>	<u>4,179,364</u>	<u>3,938,725</u>	<u>3,853,855</u>	<u>3,828,534</u>	<u>3,322,236</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,286,295	\$ 13,820,649	\$ 13,791,394	\$ 13,269,052	\$ 12,781,663	\$ 12,494,306
Contributions as a percentage of covered payroll	31.4%	30.2%	28.6%	29.0%	30.0%	26.6%

Notes to Schedule of Contributions

Valuation date July 1, 2017

Notes

Actuarially determined contribution rates are calculated as of June 30, effective for the fiscal year that begins 12 months after the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method For funding purposes, the Entry Age Normal Actuarial Cost Method is used.
 Single Equivalent Amortization Period 22 Years Closed
 Amortization Period for New Gains/Losses 30 years Closed
 Asset Valuation Method 5-Year Smoothed Market
 Inflation 2.25%
 Salary Increases 3.50% to 13.50% including inflation
 Investment rate of return 6.90%
 Retirement age Experienced-based table of rates that are specific to the type of eligibility condition.
 Mortality (Male) 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.
 (Female) 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

Other Information:

Notes There were no benefit changes during the year.

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

**CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF CITY CONTRIBUTIONS
FIRE II PENSION PLAN
LAST SIX FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 3,646,246	\$ 3,561,858	\$ 3,149,947	\$ 2,973,277	\$ 2,943,088	\$ 2,903,462
Actual contribution made in relation to the actuarially determined contribution	<u>3,646,246</u>	<u>3,561,858</u>	<u>3,149,947</u>	<u>2,973,277</u>	<u>2,943,088</u>	<u>2,903,462</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 15,696,281	\$ 15,696,281	\$ 14,188,946	\$ 13,393,144	\$ 12,602,432	\$ 11,769,201
Contributions as a percentage of covered payroll	23.2%	22.7%	22.2%	22.2%	23.4%	24.7%

Notes to Schedule of Contributions

Valuation date July 1, 2017
Notes

Actuarially determined contribution rates are calculated as of June 30, effective for the fiscal year that begins 12 months after the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method For funding purposes, the Entry Age Normal Actuarial Cost Method is used.
 Single Equivalent Amortization Period 19 Years Closed
 Amortization Period for New Gains/Losses 20 years Closed
 Asset Valuation Method 5-Year Smoothed Market
 Inflation 2.25%
 Salary Increases 3.50% to 13.50% including inflation
 Investment rate of return 6.90%
 Retirement age Experienced-based table of rates that are specific to the type of eligibility condition.
 Mortality (Male) 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.
 (Female) 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

Other Information:

Notes There were no benefit changes during the year.

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

**CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF CITY CONTRIBUTIONS
WARWICK PUBLIC SCHOOL EMPLOYEES' PENSION PLAN
LAST SIX FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 1,000,253	\$ 1,109,882	\$ 1,156,709	\$ 1,161,346	\$ 1,092,021	\$ 1,236,062
Actual contribution made in relation to the actuarially determined contribution	<u>2,286,461</u>	<u>1,152,310</u>	<u>2,044,880</u>	<u>1,968,941</u>	<u>1,752,679</u>	<u>2,160,500</u>
Contribution deficiency (excess)	\$ <u>(1,286,208)</u>	\$ <u>(42,428)</u>	\$ <u>(888,171)</u>	\$ <u>(807,595)</u>	\$ <u>(660,658)</u>	\$ <u>(924,438)</u>
Covered payroll	\$ 12,952,620	\$ 13,435,984	\$ 12,914,407	\$ 12,567,847	\$ 13,918,915	\$ 13,335,646
Contributions as a percentage of covered payroll	17.7%	17.0%	15.8%	15.7%	12.6%	16.2%

Notes to Schedule of Contributions

Valuation date July 1, 2018

Notes Actuarially determined contribution rates are calculated as of the beginning of the fiscal year - July 1st.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method For funding purposes, the Entry Age Normal Actuarial Cost Method is used.

Amortization Method Level percentage of payroll

Remaining Amortization Period 30 years

Asset Valuation Method Fair Market Value

Salary Increases 3.00% per annum

Investment rate of return 7.00%

Retirement age 15% per year for ages 62 to 64, 100% at age 65

Mortality Prescribed IRS Static Mortality Table for the year of the valuation

Other Information:

Notes There were no benefit changes during the year.

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

**CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF INVESTMENT RETURNS
CITY PENSION PLANS
LAST SIX FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense						
Police I and Fire Pension Plan	4.2%	8.5%	14.2%	-1.9%	0.5%	15.4%
Police II Pension Plan	4.2%	8.6%	13.2%	-1.4%	2.3%	15.7%
Fire II Pension Plan	4.4%	6.8%	14.4%	-1.8%	1.3%	14.8%
City Employees Pension Plan	4.2%	9.1%	12.8%	-1.4%	2.1%	15.7%
Warwick Public School Employees' Pension Plan	7.5%	9.7%	12.6%	2.3%	2.0%	17.2%

Note:

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

**CITY OF WARWICK, RHODE ISLAND
 SCHEDULE OF CITY CONTRIBUTIONS
 EMPLOYEES' RETIREMENT SYSTEM - TEACHERS
 LAST FIVE FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 11,027,679	\$ 10,176,528	\$ 10,619,358	\$ 10,888,514	\$ 10,546,876
Actual contribution made in relation to the actuarially determined contribution	<u>11,027,679</u>	<u>10,176,528</u>	<u>10,619,358</u>	<u>10,888,514</u>	<u>10,546,876</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 78,624,319	\$ 76,861,994	\$ 80,571,760	\$ 79,304,545	\$ 78,649,336
Contributions as a percentage of covered payroll	14.0%	13.2%	13.2%	13.7%	13.4%

Notes:

- 1) Employers participating in the State Employees' Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined rate each year
- 2) The schedule is intended to show information for 10 years - additional years will be displayed as they become available

CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEES' RETIREMENT SYSTEM - TEACHERS
LAST FIVE FISCAL YEARS

Fiscal Year Measurement Date	2019	2018	2017	2016	2015
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Employer's Proportion of the Net Pension Liability	4.413%	4.264%	4.708%	4.840%	5.003%
Employer's Proportionate Share of the Net Pension Liability	\$ 140,219,615	\$ 134,499,571	\$ 140,460,773	\$ 133,250,179	\$ 121,776,253
State's Proportionate Share of the Net Pension Liability	<u>104,593,761</u>	<u>101,649,361</u>	<u>96,195,004</u>	<u>91,032,340</u>	<u>83,507,586</u>
Total Net Pension Liability	<u>\$ 244,813,376</u>	<u>\$ 236,148,932</u>	<u>\$ 236,655,777</u>	<u>\$ 224,282,519</u>	<u>\$ 205,283,839</u>
Employer's Covered Payroll	\$ 78,624,319	\$ 76,861,994	\$ 80,571,760	\$ 79,304,545	\$ 78,649,336
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	178.34%	174.99%	174.33%	168.02%	154.83%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.30%	54.00%	54.06%	57.55%	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) The schedule is intended to show information for 10 years - additional years will be displayed as they become available

CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
<u>City Plan</u>		
Total OPEB liability:		
Service cost	\$ 10,159,859	\$ 10,631,235
Interest	10,320,288	10,463,940
Changes of benefit terms		
Differences between expected and actual experience	(3,523,060)	(14,109,697)
Changes of assumptions and other inputs	5,992,743	
Benefit payments	(12,129,308)	(11,482,709)
Net change in total OPEB liability	<u>10,820,522</u>	<u>(4,497,231)</u>
Total OPEB liability - beginning	<u>352,383,048</u>	<u>356,880,279</u>
Total OPEB Liability - Ending	<u>\$ 363,203,570</u>	<u>\$ 352,383,048</u>
<u>School Plan</u>		
Total OPEB liability:		
Service cost	\$ 843,281	\$ 2,069,696
Interest	763,073	1,573,178
Changes of benefit terms	(27,448,651)	
Differences between expected and actual experience	(409,717)	(2,581,254)
Changes of assumptions and other inputs	671,700	
Benefit payments	(782,810)	(812,604)
Net change in total OPEB liability	<u>(26,363,124)</u>	<u>249,016</u>
Total OPEB liability - beginning	<u>53,446,538</u>	<u>53,197,522</u>
Total OPEB Liability - Ending	<u>\$ 27,083,414</u>	<u>\$ 53,446,538</u>

Note:

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



**Supplemental,
Combining and
Individual
Fund Statements
and Schedules**



Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Special Revenue Restricted City Funds- These funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government, and which therefore cannot be diverted to other uses. The following is a list of special revenue funds in this section:

Special Detail Fund - Established to account for the rescue service fees and any related expenditures.

City Clerk Restricted Fund - Established to account for fees and expenditures related to the enhancement of the vital statistic and land evidence systems.

Emergency Operations City - Established to account for the revenues and expenditures associated with the March 2010 Flood Disaster.

Warwick Public Library Restricted Fund - Established to account for receipt and disbursements of grants/donations and related expenditures for library operations.

Open Space Land Dedication Fund - Established to account for residential subdivision fees and related expenditures for public recreation land acquisitions in districts containing these subdivisions.

Sewer Connection Grant - Established to account for the receipt and disbursement of funds relating to a grant program which assists residents with the cost of new sewer connections.

Excess Hotel Tax Fund - Established to reserve economic development portion of state hotel tax exceeding current year tourism related expenditures.

Mooring Fee Reserve Fund - Established to account for waterfront safety fees and related expenditures.

Senior Center Gift Shop - Established to account for receipts and expenditures related to the operation of Pilgrim Senior Center.

JAG Grant - Established to account for grant proceeds received from the U.S. Department of Justice for the purpose of enhancing law enforcement operations and public safety.

Drug Seizure Fund - Established to account for proceeds from drug related property seizures and related anti-drug expenditures.

State Asset Forfeiture - Established to account for proceeds from drug related property seizures and related anti-drug expenditures.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED):

Community Development Block Grant - Established to account for the annual Entitlement Community program of the U.S. Department of Housing and Urban Development and related expenditures addressing housing and community development needs throughout Warwick. It provides assistance to the low and moderate income population of the City of Warwick.

HUD Disaster Recovery Program - Established to account for a grant received from the U.S. Department of Housing and Urban Development. Expenses relate to assisting individuals and businesses affected by the March 2010 flood, with regard to repairing and rehabilitating housing units and public facilities.

School Restricted Funds - Funds established to account for federal, state, and private grant monies used for the benefit of the Warwick School Department. The following is a list of the School funds included in this section:

- IDEA
- IDEA Pre-School
- Title I
- Title II
- Title III
- Title IV
- Perkins Voc
- Homeless Child/Youth
- Fresh Fruit/Veg Program
- School Lunch Equipment
- Gen-Assembly Skills USA
- RI Arts Big Yellow Bus
- Arts Dalmation Toll Gate
- Big Yellow Bus Vets
- Emergency Repairs-Tech
- Career and Tech Repairs
- CTE Categorical
- CTE Reserve
- CTE Trust
- Full Day Kindergarten
- English Learner Categorical
- Leadership Mini Grant
- Learning Champions
- Learning Champions II
- CS4RI Teals Innovation Office Grant
- Champlin Audio/Video
- Champlin Winman
- Champlin Aldrich Gorton
- Feinstein
- Feinstein Holliman
- Feinstein Scott-Comm Fund
- Lowes Charitable Fund
- Rhode Island Foundation
- United Way
- RI Foundation CCC
- Toshiba Grant Science
- Generation Youth Foundation Oak Beach
- Staples Foundation
- Shapiro Fund for Warwick
- Kula Foundation
- Target
- Education Development Center
- Dorothy Rich Association
- RI Interlocal Trust
- Signs of Enlightenment Toll Gate
- Shaw Grant
- Stop & Shop
- IGT Charitable Contributions
- Carter Family Spark Grant
- Cedar Hill Library Books
- PTO Donations
- C.A.S.I.T Italian Program
- James Manson Memorial
- Workforce Partnership of Greater RI
- Scott Tech Donations
- Esther Chester Donation
- Mary Mani Memorial Fund
- Carol Gray Memorial Fund
- Patricia St. Amant Afterschool
- Day One Your Voice Your Data
- City/Town Contribution Sports
- Injury Fund
- Donations Performing Arts
- Donations Instructional Supplies
- Holliman Yearbook
- Technology Self Insurance
- School Food Service Fund
- Johnny Rockets

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS:

The Capital Project Funds account for all resources used for the acquisition and/or construction of capital facilities by the City, except those financed by the Enterprise Funds.

2000 Open Space Bond Fund - to acquire and preserve open space within the City.

2006 Fire Station Bond Fund - to account for capital improvements related to the fire station.

2006 School Bond Fund -to account for capital improvements related to schools.

2002 Drainage Bond Fund - to account for various improvements to the drainage system of the City.

2006 City Buildings Bond Fund - to account for capital improvements related to municipal facilities.

Capital Leases Fund - to account for expenditures relating to the City's lease purchase program for the acquisition of capital equipment and vehicles.

Road Bridge Fund - to account for expenditures relating to road and bridge work.

DEBT SERVICE FUND:

- The Debt Service Fund is used to account for the payment of interest and principal on all general long-term debt other than that payable from the Enterprise Funds.

**CITY OF WARWICK, RHODE ISLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

EXHIBIT A-1

	<u>Special Revenue Restricted City</u>	<u>Special Revenue Restricted School</u>	<u>Capital Project Funds</u>	<u>Debt Service Fund</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 1,626,075	\$ 1,530	\$ 1,912,240	\$	\$ 3,539,845
Restricted cash and cash equivalents				4,060,000	4,060,000
Receivables (net):					
Other	3,061,672	191,778	7,000		3,260,450
Intergovernmental	1,979,021	2,597,626	232,391		4,809,038
Due from other funds	995,479	1,267,239	83,656		2,346,374
Other assets		178,300			178,300
Total Assets	\$ 7,662,247	\$ 4,236,473	\$ 2,235,287	\$ 4,060,000	\$ 18,194,007
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued expenditures	\$ 193,516	\$ 955,441	\$ 125,334	\$	\$ 1,274,291
Due to federal and state governments	37				37
Due to other funds	174,365	2,025,350	766,299		2,966,014
Unearned revenues	1,785,767				1,785,767
Other liabilities	3,543				3,543
Total liabilities	2,157,228	2,980,791	891,633	-	6,029,652
Deferred Inflows of Resources:					
Unavailable revenues - other	3,061,672				3,061,672
Fund Balances:					
Restricted	2,547,330	1,260,755	2,067,804	4,060,000	9,935,889
Unassigned	(103,983)	(5,073)	(724,150)		(833,206)
Total fund balances	2,443,347	1,255,682	1,343,654	4,060,000	9,102,683
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,662,247	\$ 4,236,473	\$ 2,235,287	\$ 4,060,000	\$ 18,194,007

**CITY OF WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT A-2

	<u>Special Revenue Restricted City</u>	<u>Special Revenue Restricted School</u>	<u>Capital Project Funds</u>	<u>Debt Service Fund</u>	<u>Total</u>
Revenues:					
Intergovernmental revenues	\$ 1,702,158	\$ 7,718,262	\$	\$	\$ 9,420,420
Charges for services	807,812	1,203,203			2,011,015
Investment income	2,124				2,124
Contributions and private grants		377,582			377,582
Other revenue	369,296		12,682		381,978
Total revenues	<u>2,881,390</u>	<u>9,299,047</u>	<u>12,682</u>	<u>-</u>	<u>12,193,119</u>
Expenditures:					
Executive and administration	235,647				235,647
Public safety	370,144		731,674		1,101,818
Public libraries	120,054				120,054
Social services	23,692				23,692
Planning and economic development	1,165,772				1,165,772
Public works			43,066		43,066
Education		9,550,974	261,178		9,812,152
Debt service:					
Principal				5,000,000	5,000,000
Interest and other costs			2,782	1,966,409	1,969,191
Total expenditures	<u>1,915,309</u>	<u>9,550,974</u>	<u>1,038,700</u>	<u>6,966,409</u>	<u>19,471,392</u>
Excess (Deficiency) of Revenues over Expenditures	<u>966,081</u>	<u>(251,927)</u>	<u>(1,026,018)</u>	<u>(6,966,409)</u>	<u>(7,278,273)</u>
Other Financing Sources (Uses):					
Transfers in		470,180		7,473,909	7,944,089
Transfers out	(1,034,300)	(11,032)			(1,045,332)
Total other financing sources (uses)	<u>(1,034,300)</u>	<u>459,148</u>	<u>-</u>	<u>7,473,909</u>	<u>6,898,757</u>
Net Change in Fund Balances	(68,219)	207,221	(1,026,018)	507,500	(379,516)
Fund Balances at Beginning of Year	<u>2,511,566</u>	<u>1,048,461</u>	<u>2,369,672</u>	<u>3,552,500</u>	<u>9,482,199</u>
Fund Balances at End of Year	<u>\$ 2,443,347</u>	<u>\$ 1,255,682</u>	<u>\$ 1,343,654</u>	<u>\$ 4,060,000</u>	<u>\$ 9,102,683</u>

CITY OF WARWICK, RHODE ISLAND
 COMBINING BALANCE SHEET
 SPECIAL REVENUE RESTRICTED CITY
 JUNE 30, 2019

EXHIBIT A-3

	Special Detail Fund	City Clerk Restricted Fund	Emergency Operations City	Warwick Public Library Restricted Fund	Open Space Land Dedication	Sewer Connection Grant	Excess Hotel Tax Fund	Mooring Fee Reserve Fund
ASSETS								
Cash and cash equivalents	\$	\$	\$	\$ 207,730	\$ 329,722	\$ 22,228	\$ 147,449	\$ 232,169
Receivables (net):								
Accounts receivable	333,445							
Intergovernmental								
Due from other funds		823,308	128,657			7,287		13,309
Total Assets	\$ 333,445	\$ 823,308	\$ 128,657	\$ 207,730	\$ 329,722	\$ 29,515	\$ 147,449	\$ 245,478
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenditures	\$ 52,041	\$ 11,504	\$	\$ 581	\$	\$	\$	\$
Due to federal and state governments								
Due to other funds	51,942			48,321		2,000		
Unearned revenue								
Other liabilities								
Total liabilities	103,983	11,504	-	48,902	-	2,000	-	-
Deferred Inflows of Resources:								
Unavailable revenues - other	333,445							
Fund Balances:								
Restricted		811,804	128,657	158,828	329,722	27,515	147,449	245,478
Unassigned	(103,983)							
Total fund balances	(103,983)	811,804	128,657	158,828	329,722	27,515	147,449	245,478
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 333,445	\$ 823,308	\$ 128,657	\$ 207,730	\$ 329,722	\$ 29,515	\$ 147,449	\$ 245,478

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CITY OF WARWICK, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 SPECIAL REVENUE RESTRICTED CITY
 JUNE 30, 2019

EXHIBIT A-3

	Senior Center Gift Shop	Police JAG Grant	Federal Asset Forfeiture Fund	State Asset Forfeiture Fund	Community Development Block Grant	HUD Disaster Recovery Grant	Total
ASSETS							
Cash and cash equivalents	\$ 33,290	\$	\$ 36,047	\$ 57,189	\$ 560,251	\$	\$ 1,626,075
Receivables (net):							
Accounts receivable					2,728,227		3,061,672
Intergovernmental					856,934	1,122,087	1,979,021
Due from other funds	1,434		19,355	2,129			995,479
Total Assets	\$ 34,724	\$ -	\$ 55,402	\$ 59,318	\$ 4,145,412	\$ 1,122,087	\$ 7,662,247
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenditures	\$ 3,263	\$	\$ 3,716	\$	\$ 111,909	\$ 10,502	\$ 193,516
Due to federal and state governments					37		37
Due to other funds					72,102		174,365
Unearned revenue					674,182	1,111,585	1,785,767
Other liabilities				3,543			3,543
Total liabilities	3,263	-	3,716	3,543	858,230	1,122,087	2,157,228
Deferred Inflows of Resources:							
Unavailable revenues - other					2,728,227		3,061,672
Fund Balances:							
Restricted	31,461		51,686	55,775	558,955		2,547,330
Unassigned							(103,983)
Total fund balances	31,461	-	51,686	55,775	558,955	-	2,443,347
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 34,724	\$ -	\$ 55,402	\$ 59,318	\$ 4,145,412	\$ 1,122,087	\$ 7,662,247

CITY OF WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE RESTRICTED CITY
 FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-4

	Special Detail Fund	City Clerk Restricted Fund	Emergency Operations City	Warwick Public Library Restricted Fund	Open Space Land Dedication	Sewer Connection Grant	Excess Hotel Tax Fund	Mooring Fee Reserve Fund
Revenues:								
Intergovernmental revenues	\$	\$	\$	\$ 154,733	\$	\$	\$	\$
Charges for services	770,950					11,000		5,299
Investment income				318	626	69	310	486
Other revenue		97,330						
Total revenues	<u>770,950</u>	<u>97,330</u>	<u>-</u>	<u>155,051</u>	<u>626</u>	<u>11,069</u>	<u>310</u>	<u>5,785</u>
Expenditures:								
Executive and administration		235,647						
Public safety	333,192							
Public libraries				120,054				
Social services								
Planning and economic development						12,000		
Total expenditures	<u>333,192</u>	<u>235,647</u>	<u>-</u>	<u>120,054</u>	<u>-</u>	<u>12,000</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	437,758	(138,317)	-	34,997	626	(931)	310	5,785
Other Financing Sources (Uses):								
Transfers out	(573,151)							
Net Change in Fund Balances	(135,393)	(138,317)	-	34,997	626	(931)	310	5,785
Fund Balances at Beginning of Year	31,410	950,121	128,657	123,831	329,096	28,446	147,139	239,693
Fund Balances at End of Year	<u>\$ (103,983)</u>	<u>\$ 811,804</u>	<u>\$ 128,657</u>	<u>\$ 158,828</u>	<u>\$ 329,722</u>	<u>\$ 27,515</u>	<u>\$ 147,449</u>	<u>\$ 245,478</u>

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CITY OF WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 SPECIAL REVENUE RESTRICTED CITY
 FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-4

	Senior Center Gift Shop	Police JAG Grant	Federal Asset Forfeiture Fund	State Asset Forfeiture Fund	Community Development Block Grant	HUD Disaster Recovery Grant	Total
Revenues:							
Intergovernmental revenues	\$	\$	\$ 20,855	\$ 8,677	\$ 947,362	\$ 570,531	\$ 1,702,158
Charges for services	20,563						807,812
Investment income	57		150	108			2,124
Other revenue	6,835		6,577		258,554		369,296
Total revenues	<u>27,455</u>	<u>-</u>	<u>27,582</u>	<u>8,785</u>	<u>1,205,916</u>	<u>570,531</u>	<u>2,881,390</u>
Expenditures:							
Executive and administration							235,647
Public safety			36,952				370,144
Public libraries							120,054
Social services	23,692						23,692
Planning and economic development					1,044,390	109,382	1,165,772
Total expenditures	<u>23,692</u>	<u>-</u>	<u>36,952</u>	<u>-</u>	<u>1,044,390</u>	<u>109,382</u>	<u>1,915,309</u>
Excess (Deficiency) of Revenues over Expenditures	3,763	-	(9,370)	8,785	161,526	461,149	966,081
Other Financing Sources (Uses):							
Transfers out						(461,149)	(1,034,300)
Net Change in Fund Balances	3,763	-	(9,370)	8,785	161,526	-	(68,219)
Fund Balances at Beginning of Year	<u>27,698</u>		<u>61,056</u>	<u>46,990</u>	<u>397,429</u>		<u>2,511,566</u>
Fund Balances at End of Year	<u>\$ 31,461</u>	<u>\$ -</u>	<u>\$ 51,686</u>	<u>\$ 55,775</u>	<u>\$ 558,955</u>	<u>\$ -</u>	<u>\$ 2,443,347</u>

CITY OF WARWICK, RHODE ISLAND
 COMBINING BALANCE SHEET
 SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
 JUNE 30, 2019

EXHIBIT A-5

	IDEA	IDEA Preschool	Title I	Title II	Title III	Title IV	Perkins Voc	Homeless Child/Youth	Fresh Fruit/Veg Program
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable									
Due from federal and state governments	1,083,614	36,211	670,548	299,167	14,996	45,955	203,258	28,465	12,675
Due from other funds							145,525		
Other assets									
Total Assets	\$ 1,083,614	\$ 36,211	\$ 670,548	\$ 299,167	\$ 14,996	\$ 45,955	348,783	\$ 28,465	\$ 12,675
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued expenditures	\$ 179,570	\$ 10,491	\$ 111,429	\$ 139,350	\$ 33	\$ 8,687	68,430	\$ 3,351	\$ 3,457
Due to other funds	904,044	25,720	559,119	159,817	14,963	37,268	280,353	20,125	13,215
Total liabilities	1,083,614	36,211	670,548	299,167	14,996	45,955	348,783	23,476	16,672
Fund Balances:									
Restricted								4,989	
Unrestricted									(3,997)
Total fund balances	-	-	-	-	-	-	-	4,989	(3,997)
Total Liabilities and Fund Balances	\$ 1,083,614	\$ 36,211	\$ 670,548	\$ 299,167	\$ 14,996	\$ 45,955	348,783	\$ 28,465	\$ 12,675

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CITY OF WARWICK, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
 JUNE 30, 2019

EXHIBIT A-5

	School Lunch Equipment	Gen-Assembly Skills USA	RI Arts Big Yellow Bus	Arts Dalmation Toll Gate	Big Yellow Bus Vets	Emergency Repairs- Tech	Career and Tech Repairs	CTE Categorical	CTE Reserve
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable									
Due from federal and state governments									102,350
Due from other funds		4,000	1,970	1,040	180	354,526	80,398	191,318	145,097
Other assets									
Total Assets	\$ -	\$ 4,000	\$ 1,970	\$ 1,040	\$ 180	\$ 354,526	\$ 80,398	\$ 191,318	\$ 247,447
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued expenditures	\$	\$	\$	\$	\$	\$	\$	8,351	\$
Due to other funds									3,103
Total liabilities	-	-	-	-	-	-	-	8,351	3,103
Fund Balances:									
Restricted		4,000	1,970	1,040	180	354,526	80,398	182,967	244,344
Unrestricted									
Total fund balances	-	4,000	1,970	1,040	180	354,526	80,398	182,967	244,344
Total Liabilities and Fund Balances	\$ -	\$ 4,000	\$ 1,970	\$ 1,040	\$ 180	\$ 354,526	\$ 80,398	\$ 191,318	\$ 247,447

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CITY OF WARWICK, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
 JUNE 30, 2019

EXHIBIT A-5

	<u>CTE Trust</u>	<u>Full Day Kindergarten</u>	<u>English Learner Categorical</u>	<u>Leadership Mini Grant</u>	<u>Learning Champions</u>	<u>Learning Champions II</u>	<u>CS4RI Teals Innovation Office Grant</u>	<u>Champlin Audio/Video</u>	<u>Champlin Winman</u>
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable									
Due from federal and state governments			5,023	18,000					
Due from other funds	14,260	880					4,415	179	
Other assets									
Total Assets	<u>\$ 14,260</u>	<u>\$ 880</u>	<u>\$ 5,023</u>	<u>\$ 18,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,415</u>	<u>\$ 179</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued expenditures	\$	\$	\$	\$ 18,000	\$	\$	\$	\$	\$
Due to other funds			3,973		1,076				977
Total liabilities	<u>-</u>	<u>-</u>	<u>3,973</u>	<u>18,000</u>	<u>1,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>977</u>
Fund Balances:									
Restricted	14,260	880	1,050				4,415	179	(977)
Unrestricted					(1,076)				
Total fund balances	<u>14,260</u>	<u>880</u>	<u>1,050</u>	<u>-</u>	<u>(1,076)</u>	<u>-</u>	<u>4,415</u>	<u>179</u>	<u>(977)</u>
Total Liabilities and Fund Balances	<u>\$ 14,260</u>	<u>\$ 880</u>	<u>\$ 5,023</u>	<u>\$ 18,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,415</u>	<u>\$ 179</u>	<u>\$ -</u>

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CITY OF WARWICK, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
 JUNE 30, 2019

EXHIBIT A-5

	Champlin Aldrich Gorton	Feinstein	Feinstein Holliman	Feinstein Scott-Comm Fund	Lowes Charitable Fund	Rhode Island Foundation	United Way	RI Foundation CCC	Toshiba Grant Science
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	
Accounts receivable									
Due from federal and state governments									
Due from other funds	3,306	84,373		924	5,000		589	30,000	1,579
Other assets									
Total Assets	\$ 3,306	\$ 84,373	\$ -	\$ 924	\$ 5,000	\$ -	\$ 589	\$ 30,000	1,579
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued expenditures	\$	\$ 1,344	\$ 525	\$	\$	\$	\$	\$ 30,000	
Due to other funds									
Total liabilities	-	1,344	525	-	-	-	-	30,000	-
Fund Balances:									
Restricted	3,306	83,029	(525)	924	5,000		589		1,579
Unrestricted									
Total fund balances	3,306	83,029	(525)	924	5,000	-	589	-	1,579
Total Liabilities and Fund Balances	\$ 3,306	\$ 84,373	\$ -	\$ 924	\$ 5,000	\$ -	\$ 589	\$ 30,000	1,579

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CITY OF WARWICK, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
 JUNE 30, 2019

EXHIBIT A-5

	Gen Youth Foundation Oak Beach	Staples Foundation	Shapiro Fund For Warwick	Kula Foundation	Target	Education Development Center	Dorothy Rich Association	RI Interlocal Trust	Signs of Enlightenment Toll Gate
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable									
Due from federal and state governments									
Due from other funds	221	242	2,692	6	1,241	1,444	314	9,801	500
Other assets									
Total Assets	\$ 221	\$ 242	\$ 2,692	\$ 6	\$ 1,241	\$ 1,444	\$ 314	\$ 9,801	\$ 500
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued expenditures	\$	\$	\$	\$	\$	\$	\$	\$	\$
Due to other funds									
Total liabilities	-	-	-	-	-	-	-	-	-
Fund Balances:									
Restricted	221	242	2,692	6	1,241	1,444	314	9,801	500
Unrestricted									
Total fund balances	221	242	2,692	6	1,241	1,444	314	9,801	500
Total Liabilities and Fund Balances	\$ 221	\$ 242	\$ 2,692	\$ 6	\$ 1,241	\$ 1,444	\$ 314	\$ 9,801	\$ 500

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CITY OF WARWICK, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
 JUNE 30, 2019

EXHIBIT A-5

	<u>Shaw Grant</u>	<u>Stop & Shop</u>	<u>IGT Charitable Contributions</u>	<u>Carter Family Spark Grant</u>	<u>Cedar Hill Library Books</u>	<u>PTO Donations</u>	<u>C.A.S.I.T Italian Program</u>	<u>James Manson Memorial</u>
ASSETS								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable		2,171						
Due from federal and state governments								
Due from other funds	500	11,672		645	42	3,912	4,369	5,000
Other assets								
Total Assets	<u>\$ 500</u>	<u>\$ 13,843</u>	<u>\$ -</u>	<u>\$ 645</u>	<u>\$ 42</u>	<u>\$ 3,912</u>	<u>\$ 4,369</u>	<u>\$ 5,000</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenditures	\$	\$	\$	\$	\$	\$	\$	\$
Due to other funds								
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Restricted	500	13,843		645	42	3,912	4,369	5,000
Unrestricted								
Total fund balances	<u>500</u>	<u>13,843</u>	<u>-</u>	<u>645</u>	<u>42</u>	<u>3,912</u>	<u>4,369</u>	<u>5,000</u>
Total Liabilities and Fund Balances	<u>\$ 500</u>	<u>\$ 13,843</u>	<u>\$ -</u>	<u>\$ 645</u>	<u>\$ 42</u>	<u>\$ 3,912</u>	<u>\$ 4,369</u>	<u>\$ 5,000</u>

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CITY OF WARWICK, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
 JUNE 30, 2019

EXHIBIT A-5

	<u>Workforce Partnership of Greater RI</u>	<u>Scott Tech Donations</u>	<u>Esther Chester Donation</u>	<u>Mary Mani Memorial Fund</u>	<u>Carol Gray Memorial Fund</u>	<u>Patricia St. Amant Afterschool</u>	<u>Day One Your Voice Your Data</u>	<u>City/Town Contribution Sports</u>
ASSETS								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$
Accounts receivable								
Due from federal and state governments								
Due from other funds	2,139	874		50	23	7,056	1,000	8,150
Other assets			178,300					
Total Assets	<u>\$ 2,139</u>	<u>\$ 874</u>	<u>\$ 178,300</u>	<u>\$ 50</u>	<u>\$ 23</u>	<u>\$ 7,056</u>	<u>\$ 1,000</u>	<u>\$ 8,150</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenditures	\$ 2,139	\$	\$	\$	\$	\$ 425	\$	\$
Due to other funds			1,597					
Total liabilities	<u>2,139</u>	<u>-</u>	<u>1,597</u>	<u>-</u>	<u>-</u>	<u>425</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Restricted		874	176,703	50	23	6,631	1,000	8,150
Unrestricted								
Total fund balances	<u>-</u>	<u>874</u>	<u>176,703</u>	<u>50</u>	<u>23</u>	<u>6,631</u>	<u>1,000</u>	<u>8,150</u>
Total Liabilities and Fund Balances	<u>\$ 2,139</u>	<u>\$ 874</u>	<u>\$ 178,300</u>	<u>\$ 50</u>	<u>\$ 23</u>	<u>\$ 7,056</u>	<u>\$ 1,000</u>	<u>\$ 8,150</u>

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CITY OF WARWICK, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
 JUNE 30, 2019

EXHIBIT A-5

	Injury Fund	Donations Performing Arts	Donations Instructional Supplies	Holliman Yearbook	Technology Self Insurance	School Food Service Fund	Johnny Rockets	Total
ASSETS								
Cash and cash equivalents	\$	\$	\$	\$	\$	\$ 1,530	\$	\$ 1,530
Accounts receivable	25					189,582		191,778
Due from federal and state governments						77,364		2,597,626
Due from other funds	6,167	7,980	6,964	1,290	7,847	94,039	11,500	1,267,239
Other assets								178,300
Total Assets	<u>\$ 6,192</u>	<u>\$ 7,980</u>	<u>\$ 6,964</u>	<u>\$ 1,290</u>	<u>\$ 7,847</u>	<u>\$ 362,515</u>	<u>\$ 11,500</u>	<u>\$ 4,236,473</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenditures	\$ 5,964	\$	\$ 90	\$	\$ 1,080	\$ 362,515	\$ 210	\$ 955,441
Due to other funds								2,025,350
Total liabilities	<u>5,964</u>	<u>-</u>	<u>90</u>	<u>-</u>	<u>1,080</u>	<u>362,515</u>	<u>210</u>	<u>2,980,791</u>
Fund Balances:								
Restricted	228	7,980	6,874	1,290	6,767		11,290	1,260,755
Unrestricted								(5,073)
Total fund balances	<u>228</u>	<u>7,980</u>	<u>6,874</u>	<u>1,290</u>	<u>6,767</u>	<u>-</u>	<u>11,290</u>	<u>1,255,682</u>
Total Liabilities and Fund Balances	<u>\$ 6,192</u>	<u>\$ 7,980</u>	<u>\$ 6,964</u>	<u>\$ 1,290</u>	<u>\$ 7,847</u>	<u>\$ 362,515</u>	<u>\$ 11,500</u>	<u>\$ 4,236,473</u>

**CITY OF WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT A-6

	<u>IDEA</u>	<u>IDEA Preschool</u>	<u>Title I</u>	<u>Title II</u>	<u>Title III</u>	<u>Title IV</u>	<u>Perkins Voc Ed - Even</u>	<u>Homeless Child/Youth Even Year</u>	<u>Fresh Fruit/Veg Program</u>
Revenues:									
Intergovernmental revenues	\$ 3,034,691	\$ 116,639	\$ 1,607,293	\$ 492,079	\$ 47,699	\$ 166,989	\$ 316,866	\$ 39,124	\$ 81,388
Charges for services									
Contributions and private grants									
Total revenues	<u>3,034,691</u>	<u>116,639</u>	<u>1,607,293</u>	<u>492,079</u>	<u>47,699</u>	<u>166,989</u>	<u>316,866</u>	<u>39,124</u>	<u>81,388</u>
Expenditures:									
Salaries	1,965,446	70,086	1,063,375	227,765	9,986	47,949	175,131	15,600	
Employee benefits	880,899	36,335	442,523	77,812	2,252	5,765	75,237	1,193	
Purchased services	25,447	2,003	30,082	166,982	24,402	44,855	9,084	9,706	
Other purchased services			403		197	6,577			81,388
Supplies and materials	54,700	4,049	12,118	1,551	9,120		16,902	928	
Capital equipment and property						1,020	24,623		
Indirect costs	108,199	4,166	58,692	17,969	1,742	5,959	11,264	1,039	
Miscellaneous			100			54,864	4,625	23	
Total expenditures	<u>3,034,691</u>	<u>116,639</u>	<u>1,607,293</u>	<u>492,079</u>	<u>47,699</u>	<u>166,989</u>	<u>316,866</u>	<u>28,489</u>	<u>81,388</u>
Excess (Deficiency) of Revenues over Expenditures								10,635	
Other Financing Sources (Uses):									
Transfers in from other funds									
Transfers out to other funds									
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances								10,635	
Fund Balances at Beginning of Year								(5,646)	(3,997)
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,989</u>	<u>\$ (3,997)</u>

(Continued on next page)

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-6

	<u>School Lunch Equipment</u>	<u>Gen-Assembly Skills USA</u>	<u>RI Arts BigYellow Bus</u>	<u>Arts Dalmation Toll Gate</u>	<u>Big Yellow Bus Vets</u>	<u>Emergency Repairs- Tech</u>	<u>Career and Tech Repairs</u>	<u>CTE Categorical</u>	<u>CTE Reserve</u>
Revenues:									
Intergovernmental revenues	\$ 4,510	\$ 7,500	\$	\$ 1,370	\$	\$	\$	\$ 30,092	\$ 252,350
Charges for services									
Contributions and private grants					400				
Total revenues	<u>4,510</u>	<u>7,500</u>	<u>-</u>	<u>1,370</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>30,092</u>	<u>252,350</u>
Expenditures:									
Salaries									
Employee benefits									
Purchased services		3,500		330	220			4,409	
Other purchased services									
Supplies and materials								45,693	
Capital equipment and property	4,510						24,008	24,507	10,498
Indirect costs									
Miscellaneous								20,372	
Total expenditures	<u>4,510</u>	<u>3,500</u>	<u>-</u>	<u>330</u>	<u>220</u>	<u>-</u>	<u>24,008</u>	<u>94,981</u>	<u>10,498</u>
Excess (Deficiency) of Revenues over Expenditures		<u>4,000</u>		<u>1,040</u>	<u>180</u>		<u>(24,008)</u>	<u>(64,889)</u>	<u>241,852</u>
Other Financing Sources (Uses):									
Transfers in from other funds									
Transfers out to other funds									
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances		4,000		1,040	180		(24,008)	(64,889)	241,852
Fund Balances at Beginning of Year			1,970			354,526	104,406	247,856	2,492
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 1,970</u>	<u>\$ 1,040</u>	<u>\$ 180</u>	<u>\$ 354,526</u>	<u>\$ 80,398</u>	<u>\$ 182,967</u>	<u>\$ 244,344</u>

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CITY OF WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-6

	CTE Trust	Full Day Kindergarten	English Learner Categorical	Leadership Mini Grant	Learning Champions	Learning Champions II	CS4RI Teals Innovation Office Grant	Champlin Audio/Video	Champlin Winman
Revenues:									
Intergovernmental revenues	\$	\$	\$ 12,830	\$ 18,000	\$	\$	\$	\$	\$
Charges for services									
Contributions and private grants						2,431			
Total revenues	<u>-</u>	<u>-</u>	<u>12,830</u>	<u>18,000</u>	<u>-</u>	<u>2,431</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:									
Salaries			1,271			2,268			
Employee benefits			94			163			
Purchased services			6,082	18,000					
Other purchased services									
Supplies and materials			4,096						
Capital equipment and property			237						1,038
Indirect costs									
Miscellaneous									
Total expenditures	<u>-</u>	<u>-</u>	<u>11,780</u>	<u>18,000</u>	<u>-</u>	<u>2,431</u>	<u>-</u>	<u>-</u>	<u>1,038</u>
Excess (Deficiency) of Revenues over Expenditures			<u>1,050</u>						<u>(1,038)</u>
Other Financing Sources (Uses):									
Transfers in from other funds									
Transfers out to other funds									
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances			1,050						(1,038)
Fund Balances at Beginning of Year	<u>14,260</u>	<u>880</u>			<u>(1,076)</u>		<u>4,415</u>	<u>179</u>	<u>61</u>
Fund Balances at End of Year	<u>\$ 14,260</u>	<u>\$ 880</u>	<u>\$ 1,050</u>	<u>\$ -</u>	<u>\$ (1,076)</u>	<u>\$ -</u>	<u>\$ 4,415</u>	<u>\$ 179</u>	<u>\$ (977)</u>

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CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-6

	<u>Champlin Aldrich Gorton</u>	<u>Feinstein</u>	<u>Feinstein Holliman</u>	<u>Feinstein Scott-Comm Fund</u>	<u>Lowes Charitable Fund</u>	<u>Rhode Island Foundation</u>	<u>United Way</u>	<u>RI Foundation CCC</u>	<u>Toshiba Grant Science</u>
Revenues:									
Intergovernmental revenues	\$	\$	\$	\$	\$		\$	\$	\$
Charges for services									
Contributions and private grants		18,275			5,000			30,000	
Total revenues	<u>-</u>	<u>18,275</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>
Expenditures:									
Salaries									
Employee benefits									
Purchased services		5,051						30,000	
Other purchased services									
Supplies and materials		21,491				1,960			875
Capital equipment and property		4,717	525						
Indirect costs									
Miscellaneous				357					
Total expenditures	<u>-</u>	<u>31,259</u>	<u>525</u>	<u>357</u>	<u>-</u>	<u>1,960</u>	<u>-</u>	<u>30,000</u>	<u>875</u>
Excess (Deficiency) of Revenues over Expenditures		<u>(12,984)</u>	<u>(525)</u>	<u>(357)</u>	<u>5,000</u>	<u>(1,960)</u>			<u>(875)</u>
Other Financing Sources (Uses):									
Transfers in from other funds		3,667							
Transfers out to other funds				(1,000)					
Total other financing sources	<u>-</u>	<u>3,667</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances		(9,317)	(525)	(1,357)	5,000	(1,960)			(875)
Fund Balances at Beginning of Year	3,306	92,346		2,281		1,960	589		2,454
Fund Balances at End of Year	<u>\$ 3,306</u>	<u>\$ 83,029</u>	<u>\$ (525)</u>	<u>\$ 924</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 589</u>	<u>\$ -</u>	<u>\$ 1,579</u>

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CITY OF WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
 SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-6

	Gen Youth Foundation Oak Beach	Staples Foundation	Shapiro Fund For Warwick	Kula Foundation	Target	Education Development Center	Dorothy Rich Association	RI Interlocal Trust	Signs of Enlightenment Toll Gate
Revenues:									
Intergovernmental revenues	\$	\$	\$	\$	\$	\$	\$	\$	\$
Charges for services									
Contributions and private grants			3,000					940	500
Total revenues	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>940</u>	<u>500</u>
Expenditures:									
Salaries									
Employee benefits									
Purchased services			2,400						
Other purchased services									
Supplies and materials		223	221						
Capital equipment and property		76							
Indirect costs									
Miscellaneous								1,304	
Total expenditures	<u>-</u>	<u>299</u>	<u>2,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,304</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures		<u>(299)</u>	<u>379</u>					<u>(364)</u>	<u>500</u>
Other Financing Sources (Uses):									
Transfers in from other funds								10,032	
Transfers out to other funds									
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,032</u>	<u>-</u>
Net Change in Fund Balances		(299)	379					9,668	500
Fund Balances at Beginning of Year	<u>221</u>	<u>541</u>	<u>2,313</u>	<u>6</u>	<u>1,241</u>	<u>1,444</u>	<u>314</u>	<u>133</u>	
Fund Balances at End of Year	<u>\$ 221</u>	<u>\$ 242</u>	<u>\$ 2,692</u>	<u>\$ 6</u>	<u>\$ 1,241</u>	<u>\$ 1,444</u>	<u>\$ 314</u>	<u>\$ 9,801</u>	<u>\$ 500</u>

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CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-6

	<u>Shaw Grant</u>	<u>Stop & Shop</u>	<u>IGT Charitable Contributions</u>	<u>Carter Family Spark Grant</u>	<u>Cedar Hill Library Books</u>	<u>PTO Donations</u>	<u>C.A.S.I.T Italian Program</u>	<u>James Manson Memorial</u>
Revenues:								
Intergovernmental revenues	\$	\$	\$	\$	\$	\$	\$	\$
Charges for services								
Contributions and private grants	500	10,930		965			2,000	
Total revenues	<u>500</u>	<u>10,930</u>	<u>-</u>	<u>965</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
Expenditures:								
Salaries								
Employee benefits								
Purchased services				330				
Other purchased services								
Supplies and materials							1,919	
Capital equipment and property			2,012				327	
Indirect costs								
Miscellaneous							100	
Total expenditures	<u>-</u>	<u>-</u>	<u>2,012</u>	<u>330</u>	<u>-</u>	<u>-</u>	<u>2,346</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>500</u>	<u>10,930</u>	<u>(2,012)</u>	<u>635</u>	<u>-</u>	<u>-</u>	<u>(346)</u>	<u>-</u>
Other Financing Sources (Uses):								
Transfers in from other funds								
Transfers out to other funds								
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	500	10,930	(2,012)	635			(346)	
Fund Balances at Beginning of Year		2,913	2,012	10	42	3,912	4,715	5,000
Fund Balances at End of Year	<u>\$ 500</u>	<u>\$ 13,843</u>	<u>\$ -</u>	<u>\$ 645</u>	<u>\$ 42</u>	<u>\$ 3,912</u>	<u>\$ 4,369</u>	<u>\$ 5,000</u>

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CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-6

	<u>Workforce Partnership of Greater RI</u>	<u>Scott Tech Donations</u>	<u>Esther Chester Donation</u>	<u>Mary Mani Memorial Fund</u>	<u>Carol Gray Memorial Fund</u>	<u>Patricia St. Amant Afterschool</u>	<u>Day One Your Voice Your Data</u>	<u>City/Town Contribution Sports</u>
Revenues:								
Intergovernmental revenues	\$	\$	\$	\$	\$	\$	\$	\$
Charges for services								
Contributions and private grants	11,188					10,970		
Total revenues	<u>11,188</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,970</u>	<u>-</u>	<u>-</u>
Expenditures:								
Salaries	8,462					425		
Employee benefits	790					32		
Purchased services						7,735		
Other purchased services								
Supplies and materials	1,936					240		275
Capital equipment and property		1,950				1,269		
Indirect costs								
Miscellaneous						110		
Total expenditures	<u>11,188</u>	<u>1,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,811</u>	<u>-</u>	<u>275</u>
Excess (Deficiency) of Revenues over Expenditures		<u>(1,950)</u>				<u>1,159</u>		<u>(275)</u>
Other Financing Sources (Uses):								
Transfers in from other funds								
Transfers out to other funds								
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances		(1,950)				1,159		(275)
Fund Balances at Beginning of Year		2,824	176,703	50	23	5,472	1,000	8,425
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 874</u>	<u>\$ 176,703</u>	<u>\$ 50</u>	<u>\$ 23</u>	<u>\$ 6,631</u>	<u>\$ 1,000</u>	<u>\$ 8,150</u>

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CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-6

	<u>Injury Fund</u>	<u>Donations Performing Arts</u>	<u>Donations Instructional Supplies</u>	<u>Holliman Yearbook</u>	<u>Technology Self Insurance</u>	<u>School Food Service Fund</u>	<u>Johnny Rockets</u>	<u>Total</u>
Revenues:								
Intergovernmental revenues	\$	\$	\$	\$	\$	\$ 1,488,842	\$	\$ 7,718,262
Charges for services						1,203,203		1,203,203
Contributions and private grants	2,602	6,980	5,728		165,173		100,000	377,582
Total revenues	<u>2,602</u>	<u>6,980</u>	<u>5,728</u>	<u>-</u>	<u>165,173</u>	<u>2,692,045</u>	<u>100,000</u>	<u>9,299,047</u>
Expenditures:								
Salaries					59,596	349,001		3,996,361
Employee benefits					25,802	37,002		1,585,899
Purchased services				500		2,644,069		3,035,187
Other purchased services						45,437		134,002
Supplies and materials		2,600	3,706			1,466		186,069
Capital equipment and property					58,391	71,551	88,500	319,759
Indirect costs								209,030
Miscellaneous	2,602						210	84,667
Total expenditures	<u>2,602</u>	<u>2,600</u>	<u>3,706</u>	<u>500</u>	<u>143,789</u>	<u>3,148,526</u>	<u>88,710</u>	<u>9,550,974</u>
Excess (Deficiency) of Revenues over Expenditures		<u>4,380</u>	<u>2,022</u>	<u>(500)</u>	<u>21,384</u>	<u>(456,481)</u>	<u>11,290</u>	<u>(251,927)</u>
Other Financing Sources (Uses):								
Transfers in from other funds						456,481		470,180
Transfers out to other funds			(10,032)					(11,032)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(10,032)</u>	<u>-</u>	<u>-</u>	<u>456,481</u>	<u>-</u>	<u>459,148</u>
Net Change in Fund Balances		4,380	(8,010)	(500)	21,384		11,290	207,221
Fund Balances at Beginning of Year	228	3,600	14,884	1,790	(14,617)			1,048,461
Fund Balances at End of Year	<u>\$ 228</u>	<u>\$ 7,980</u>	<u>\$ 6,874</u>	<u>\$ 1,290</u>	<u>\$ 6,767</u>	<u>\$ -</u>	<u>\$ 11,290</u>	<u>\$ 1,255,682</u>

CITY OF WARWICK, RHODE ISLAND
 COMBINING BALANCE SHEET
 CAPITAL PROJECT FUNDS
 JUNE 30, 2019

EXHIBIT A-7

	2000 Open Space Bond Fund	2006 Fire Station Bond Fund	2006 School Bond Fund	2002 Drainage Bond Fund	2006 City Buildings Bond Fund	Capital Leases	Road and Bridge Fund	Total
ASSETS								
Cash and cash equivalents	\$ 348,872	\$ 101,662	\$ 543,843	\$	\$ 917,863	\$	\$	\$ 1,912,240
Receivables (net):								
Intergovernmental							232,391	232,391
Due from other funds							83,656	83,656
Other receivables				7,000				7,000
Total Assets	<u>\$ 348,872</u>	<u>\$ 101,662</u>	<u>\$ 543,843</u>	<u>\$ 7,000</u>	<u>\$ 917,863</u>	<u>\$ -</u>	<u>\$ 316,047</u>	<u>\$ 2,235,287</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenditures	\$	\$	\$ 125,334	\$	\$	\$	\$	\$ 125,334
Due to other funds	177		34,378	7,000	594	724,150		766,299
Total liabilities	<u>177</u>	<u>-</u>	<u>159,712</u>	<u>7,000</u>	<u>594</u>	<u>724,150</u>	<u>-</u>	<u>891,633</u>
Fund Balances:								
Restricted	348,695	101,662	384,131		917,269		316,047	2,067,804
Unassigned						(724,150)		(724,150)
Total fund balances	<u>348,695</u>	<u>101,662</u>	<u>384,131</u>	<u>-</u>	<u>917,269</u>	<u>(724,150)</u>	<u>316,047</u>	<u>1,343,654</u>
Total Liabilities and Fund Balances	<u>\$ 348,872</u>	<u>\$ 101,662</u>	<u>\$ 543,843</u>	<u>\$ 7,000</u>	<u>\$ 917,863</u>	<u>\$ -</u>	<u>\$ 316,047</u>	<u>\$ 2,235,287</u>

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-8

	<u>2000 Open Space Bond Fund</u>	<u>2006 Fire Station Bond Fund</u>	<u>2006 School Bond Fund</u>	<u>2002 Drainage Bond Fund</u>	<u>2006 City Buildings Bond Fund</u>	<u>Capital Leases</u>	<u>Road and Bridge Fund</u>	<u>Total</u>
Revenues:								
Other revenue	\$ 12,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,682
Expenditures:								
Executive and administration								
Public safety						731,674		731,674
Public works					43,066			43,066
Education			261,178					261,178
Debt service			2,782					2,782
Total expenditures	<u>-</u>	<u>-</u>	<u>263,960</u>	<u>-</u>	<u>43,066</u>	<u>731,674</u>	<u>-</u>	<u>1,038,700</u>
Net Change in Fund Balances	12,682	-	(263,960)	-	(43,066)	(731,674)	-	(1,026,018)
Fund Balances at Beginning of Year	<u>336,013</u>	<u>101,662</u>	<u>648,091</u>	<u>-</u>	<u>960,335</u>	<u>7,524</u>	<u>316,047</u>	<u>2,369,672</u>
Fund Balances at End of Year	<u>\$ 348,695</u>	<u>\$ 101,662</u>	<u>\$ 384,131</u>	<u>\$ -</u>	<u>\$ 917,269</u>	<u>\$ (724,150)</u>	<u>\$ 316,047</u>	<u>\$ 1,343,654</u>



Nonmajor Enterprise Funds

NONMAJOR ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise or where the City has decided that periodic determination of net income is appropriate for capital maintenance, management control, accountability, public policy or other purposes.

The following is a list of Nonmajor enterprise funds in this section:

Emergency Operations Enterprise Fund - Accounts for the revenue and expenditures associated with the 2010 flood.

On-Site Revolving Loan Fund - Established to account for the receipt and disbursement of funds relating to a loan/grant program for residents who need to replace their existing septic systems.

Sewer Infrastructure Replacement Fund - Established to provide a funding source for scheduled sewer infrastructure repairs or expansion.

Sewer Renewal & Replacement Fund - Established to provide a funding source for the replacement of sewer equipment and vehicles.

Water Renewal & Replacement Fund - Established to provide a funding source for the replacement of water equipment and vehicles.

Water Restricted Emergency Fund - Established to provide a funding source for emergency water infrastructure repairs.

Water Infrastructure Replacement Fund - Established to provide a funding source for scheduled water infrastructure repairs or expansion.

CITY OF WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 JUNE 30, 2019

EXHIBIT B-1

	Emergency Operations Enterprise Fund	On-Site Revolving Loan Fund	Sewer Infrastructure Replacement Fund	Sewer Renewal & Replacement Fund	Water Renewal & Replacement Fund	Water Restricted Emergency Fund	Water Infrastructure Replacement Fund	Total
ASSETS								
Current assets:								
Cash and cash equivalents	\$	\$	\$ 53,996	\$ 315	\$ 116	\$ 198	\$ 31,410	\$ 86,035
Receivables (net):								
Accounts		6,455						6,455
Due from other funds	909,000	3,713		3,201,485	750,000	250,000	2,000,000	7,114,198
Total current assets	<u>909,000</u>	<u>10,168</u>	<u>53,996</u>	<u>3,201,800</u>	<u>750,116</u>	<u>250,198</u>	<u>2,031,410</u>	<u>7,206,688</u>
Noncurrent assets:								
Construction in process			48,501					48,501
Total Assets	<u>\$ 909,000</u>	<u>\$ 10,168</u>	<u>\$ 102,497</u>	<u>\$ 3,201,800</u>	<u>\$ 750,116</u>	<u>\$ 250,198</u>	<u>\$ 2,031,410</u>	<u>\$ 7,255,189</u>
LIABILITIES AND FUND BALANCES								
Current Liabilities:								
Accounts payable and accrued expenditures	\$	\$	\$ 12,463	\$	\$	\$	\$	\$ 12,463
Due to other funds			2,505	387,175				389,680
Total current liabilities	<u>-</u>	<u>-</u>	<u>14,968</u>	<u>387,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>402,143</u>
Net Position:								
Net investment in capital assets			48,501					48,501
Unrestricted	909,000	10,168	39,028	2,814,625	750,116	250,198	2,031,410	6,804,545
Total net position	<u>909,000</u>	<u>10,168</u>	<u>87,529</u>	<u>2,814,625</u>	<u>750,116</u>	<u>250,198</u>	<u>2,031,410</u>	<u>6,853,046</u>
Total Liabilities and Fund Balances	<u>\$ 909,000</u>	<u>\$ 10,168</u>	<u>\$ 102,497</u>	<u>\$ 3,201,800</u>	<u>\$ 750,116</u>	<u>\$ 250,198</u>	<u>\$ 2,031,410</u>	<u>\$ 7,255,189</u>

CITY OF WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 NONMAJOR PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT B-2

	Emergency Operations Enterprise Fund	On-Site Revolving Loan Fund	Sewer Infrastructure Replacement Fund	Sewer Renewal & Replacement Fund	Water Renewal & Replacement Fund	Water Restricted Emergency Fund	Water Infrastructure Replacement Fund	Total
Operating Revenues:								
Assessments and user fees	\$	\$	\$	\$ 787,073	\$	\$	\$	\$ 787,073
Operating Expenses:								
Materials and supplies			14,968	343,810				358,778
Operating Income (Loss)	-	-	(14,968)	443,263	-	-	-	428,295
Nonoperating Revenues:								
Intergovernmental	892,949							892,949
Interest income			395	1,500			66	1,961
Total nonoperating revenues	892,949	-	395	1,500	-	-	66	894,910
Income (Loss) Before Transfers	892,949	-	(14,573)	444,763	-	-	66	1,323,205
Transfers:								
Operating transfers in								-
Operating transfers out				(684,710)				(684,710)
Total transfers	-	-	-	(684,710)	-	-	-	(684,710)
Net Change in Fund Balances	892,949	-	(14,573)	(239,947)	-	-	66	638,495
Fund Balances at Beginning of Year	16,051	10,168	102,102	3,054,572	750,116	250,198	2,031,344	6,214,551
Fund Balances at End of Year	\$ 909,000	\$ 10,168	\$ 87,529	\$ 2,814,625	\$ 750,116	\$ 250,198	\$ 2,031,410	\$ 6,853,046

CITY OF WARWICK, RHODE ISLAND
STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Emergency Operations Enterprise Fund	On-Site Revolving Loan Fund	Sewer Infrastructure Replacement Fund	Sewer Renewal & Replacement Fund	Water Renewal & Replacement Fund	Water Restricted Emergency Fund	Water Infrastructure Replacement Fund	Total
Cash Flows from Operating Activities:								
Receipts from customers and users	\$	\$	\$	\$ 787,073	\$	\$	\$	\$ 787,073
Payments to suppliers	(15,000)		(2,505)	(412,310)				(429,815)
Net cash provided by (used in) operating activities	(15,000)	-	(2,505)	374,763	-	-	-	357,258
Cash Flows from Noncapital Financing Activities:								
Interfund borrowings	(5,453,556)		(1,324)	(784,897)				(6,239,777)
Transfers to other funds				(684,710)				(684,710)
Net cash provided by (used in) noncapital financing activities	(5,453,556)	-	(1,324)	(1,469,607)	-	-	-	(6,924,487)
Cash Flows from Capital and Related Financing Activities:								
Capital grants	5,468,556							5,468,556
Net cash provided by (used in) capital and related financing activities	5,468,556	-	-	-	-	-	-	5,468,556
Cash Flows from Investing Activities:								
Interest on investments			395	1,500			66	1,961
Net cash provided by (used in) investing activities	-	-	395	1,500	-	-	66	1,961
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	(3,434)	(1,093,344)	-	-	66	(1,096,712)
Cash and Cash Equivalents at Beginning of Year	-	-	57,430	1,093,659	116	198	31,344	1,182,747
Cash and Cash Equivalents at End of Year	\$ -	\$ -	\$ 53,996	\$ 315	\$ 116	\$ 198	\$ 31,410	\$ 86,035
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:								
Operating income (loss)	\$	\$	\$ (14,968)	\$ 443,263	\$	\$	\$	\$ 428,295
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:								
Depreciation and amortization								
Change in assets and liabilities:								
Increase (decrease) in accounts payable and accrued items	(15,000)		12,463	(68,500)				(71,037)
Total adjustments	(15,000)	-	12,463	(68,500)	-	-	-	(71,037)
Net Cash Provided by (Used in) Operating Activities	\$ (15,000)	\$ -	\$ (2,505)	\$ 374,763	\$ -	\$ -	\$ -	\$ 357,258



Pension Trust Funds And Private Purpose Trust Funds

TRUST FUNDS

PENSION TRUST FUNDS:

Four trust funds held for the City employees and one school department fund held for the school employees.

PRIVATE PURPOSE TRUST FUNDS:

Private Purpose Trust Funds are all trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The following is a list of Private Purpose Trust Funds:

Employee Benefit Trust Fund - To account for money held for various municipal union employee benefits.

Neighbors Helping Neighbors - To account for charitable donations and expenses related to local community programs.

Jeanette Cram Scholarship Fund - Established to assist student majoring in various fields.

**CITY OF WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 JUNE 30, 2019**

EXHIBIT C-1

	Employee Benefit Trust Fund	Neighbors Helping Neighbors	Jeanette Cram Scholarship Fund	Total
ASSETS				
Cash and cash equivalents	\$ 106,275	\$ 4,831	\$ 23,593	\$ 134,699
Accounts receivable	<u>15,654</u>	<u>7,121</u>	<u> </u>	<u>22,775</u>
Total Assets	<u>\$ 121,929</u>	<u>\$ 11,952</u>	<u>\$ 23,593</u>	<u>\$ 157,474</u>
LIABILITIES				
Accounts payable	\$ _____	\$ _____	\$ _____	\$ _____
Total Liabilities	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
NET POSITION				
Held in Trust for Other Purpose	<u>121,929</u>	<u>11,952</u>	<u>23,593</u>	<u>157,474</u>
Total Liabilities and Net Position	<u>\$ 121,929</u>	<u>\$ 11,952</u>	<u>\$ 23,593</u>	<u>\$ 157,474</u>

**CITY OF WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT C-2

	Employee Benefit Trust Fund	Neighbors Helping Neighbors	Jeanette Cram Scholarship Fund	Total
Additions:				
Payroll deductions	\$ 15,714	\$ 7,121	\$	\$ 22,835
Investment income	184	15	24	223
Other income	6,573	6,560		13,133
Total additions	<u>22,471</u>	<u>13,696</u>	24	36,191
Deductions	<u>18,192</u>	<u>16,530</u>		<u>34,722</u>
Change in Net Position	4,279	(2,834)	24	1,469
Net Position at Beginning of Year	<u>117,650</u>	<u>14,786</u>	<u>23,569</u>	<u>156,005</u>
Net Position at End of Year	<u>\$ 121,929</u>	<u>\$ 11,952</u>	<u>\$ 23,593</u>	<u>\$ 157,474</u>



Agency Funds

AGENCY FUNDS

Agency Funds were established to function as clearing mechanisms for cash resources which are collected and disbursed to authorized recipients. The following is a list of Agency Funds included in this section:

Treasurers Agent - Established to account for money held in trust for various parties.

Funds in Registry of Probate Court - Established to account for funds held for various estates.

Sewer Line Agency - Established to account for monies held for private parties in connection with various sewer construction projects.

Realty Tax Fund - Established to account for tax revenues generated from sale of realty.

Student Activity Funds - To account for monies received and expended for various student activities and groups.

**CITY OF WARWICK, RHODE ISLAND
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2019**

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2019</u>
Treasurer's Agent				
Assets:				
Cash and cash equivalents	\$ 470,957	\$ 240,706	\$ 102,043	\$ 609,620
Accounts receivable	<u>56,013</u>	<u>188,161</u>	<u>244,174</u>	<u>-</u>
Total Assets	<u>\$ 526,970</u>	<u>\$ 428,867</u>	<u>\$ 346,217</u>	<u>\$ 609,620</u>
Liabilities:				
Accounts payable	\$ 26,929	\$ 177,576	\$ 162,816	\$ 41,689
Deposits held in custody	<u>500,041</u>	<u>368,192</u>	<u>300,302</u>	<u>567,931</u>
Total Liabilities	<u>\$ 526,970</u>	<u>\$ 545,768</u>	<u>\$ 463,118</u>	<u>\$ 609,620</u>
Funds in Registry of Probate Court				
Assets:				
Cash and cash equivalents	<u>\$ 25,855</u>	<u>\$ 38</u>	<u>\$ 10,027</u>	<u>\$ 15,866</u>
Liabilities:				
Deposits held in custody for others	<u>\$ 25,855</u>	<u>\$ 38</u>	<u>\$ 10,027</u>	<u>\$ 15,866</u>
Sewer Line Agency				
Assets:				
Cash and cash equivalents	<u>\$ 187,467</u>	<u>\$ 427</u>	<u>\$ 33</u>	<u>\$ 187,861</u>
Total Assets	<u>\$ 187,467</u>	<u>\$ 427</u>	<u>\$ 33</u>	<u>\$ 187,861</u>
Liabilities:				
Accounts payable and accrued expenditures	7,379	394		7,773
Deposits held in custody for others	<u>180,088</u>			<u>180,088</u>
Total Liabilities	<u>\$ 187,467</u>	<u>\$ 394</u>	<u>\$ -</u>	<u>\$ 187,861</u>

(Continued on next page)

**CITY OF WARWICK, RHODE ISLAND
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2019</u>
Realty Tax Fund				
Assets:				
Cash and cash equivalents	\$ 218,084	\$ 2,719,156	\$ 2,545,816	\$ 391,424
Liabilities:				
Due to federal and state government	\$ 97,308	\$ 1,434,932	\$ 1,328,025	\$ 204,215
Accounts payable	120,776	1,284,224	1,217,791	187,209
Total Liabilities	\$ 218,084	\$ 2,719,156	\$ 2,545,816	\$ 391,424
Student Activity				
Assets:				
Cash and cash equivalents	\$ 479,691	\$ 1,008,362	\$ 978,375	\$ 509,678
Accounts receivable		12,702		12,702
Total Assets	\$ 479,691	\$ 1,021,064	\$ 978,375	\$ 522,380
Liabilities:				
Deposits held in custody for others	\$ 479,691	\$ 1,021,064	\$ 978,375	\$ 522,380
Total All Agency Funds				
Assets:				
Cash	\$ 1,382,054	\$ 3,968,689	\$ 3,636,294	\$ 1,714,449
Accounts receivable	56,013	200,863	244,174	12,702
Total Assets	\$ 1,438,067	\$ 4,169,552	\$ 3,880,468	\$ 1,727,151
Liabilities:				
Accounts payable	\$ 155,084	\$ 1,462,194	\$ 1,380,607	\$ 236,671
Due to federal and state government	97,308	1,434,932	1,328,025	204,215
Deposits held in custody for others	1,185,675	1,389,294	1,288,704	1,286,265
Total Liabilities	\$ 1,438,067	\$ 4,286,420	\$ 3,997,336	\$ 1,727,151



Combining Schedules

**CITY OF WARWICK, RHODE ISLAND
COMBINING BALANCE SHEET - FUNDS WHICH COMPRISE THE CITY'S GENERAL FUND
JUNE 30, 2019**

	General Fund City	Rescue Service Fees Fund	Total General Fund City
ASSETS			
Cash and cash equivalents	\$ 11,512,970	\$ 609,957	\$ 12,122,927
Property taxes receivable	6,188,694		6,188,694
Due from federal and state governments	5,360,407		5,360,407
Other receivables	250,932	2,506,470	2,757,402
Due from other funds	28,068,271	(1,097,030)	26,971,241
Prepaid items	170,034		170,034
Total Assets	<u>\$ 51,551,308</u>	<u>\$ 2,019,397</u>	<u>\$ 53,570,705</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenditures	\$ 2,897,468	\$ 8,674	\$ 2,906,142
Due to federal and state governments	188,473		188,473
Due to other funds	12,758,549		12,758,549
Other liabilities	106,037		106,037
Total liabilities	<u>15,950,527</u>	<u>8,674</u>	<u>15,959,201</u>
Deferred Inflows of Resources:			
Unavailable revenues - taxes	3,995,489		3,995,489
Unavailable revenues - other		2,010,723	2,010,723
Total deferred inflows of resources	<u>3,995,489</u>	<u>2,010,723</u>	<u>6,006,212</u>
Fund Balances:			
Nonspendable	170,034		170,034
Assigned	4,342,814		4,342,814
Unassigned	27,092,444		27,092,444
Total fund balances	<u>31,605,292</u>	<u>-</u>	<u>31,605,292</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 51,551,308</u>	<u>\$ 2,019,397</u>	<u>\$ 53,570,705</u>

**CITY OF WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FUNDS WHICH COMPRISE THE CITY'S GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2019**

	<u>General Fund City</u>	<u>Rescue Service Fees Fund</u>	<u>Total General Fund City</u>
Revenues:			
General property taxes	\$ 235,139,528	\$	\$ 235,139,528
Interest on taxes	2,089,752		2,089,752
Intergovernmental revenues	10,346,867		10,346,867
Charges for services	5,200,707	3,354,936	8,555,643
Investment income	401,344	280	401,624
Other revenue	14,876,738	1,600	14,878,338
Total revenues	<u>268,054,936</u>	<u>3,356,816</u>	<u>271,411,752</u>
Expenditures:			
Executive and administration	6,095,609		6,095,609
Public safety	45,085,473	632,723	45,718,196
Recreation	1,921,951		1,921,951
Public libraries	2,884,425		2,884,425
Social services	1,176,817		1,176,817
Planning and economic development	1,482,281		1,482,281
Public works	14,094,382		14,094,382
Employee benefits, fixed costs and capital	62,828,806		62,828,806
Total expenditures	<u>135,569,744</u>	<u>632,723</u>	<u>136,202,467</u>
Excess of Revenues over Expenditures	<u>132,485,192</u>	<u>2,724,093</u>	<u>135,209,285</u>
Other Financing Sources (Uses):			
Transfers in	3,297,244	(2,724,093)	573,151
Transfers out	(131,613,820)		(131,613,820)
Total other financing uses	<u>(128,316,576)</u>	<u>(2,724,093)</u>	<u>(131,040,669)</u>
Net Change in Fund Balances	4,168,616	-	4,168,616
Fund Balances at Beginning of Year	<u>27,436,676</u>	<u>-</u>	<u>27,436,676</u>
Fund Balances at End of Year	<u>\$ 31,605,292</u>	<u>\$ -</u>	<u>\$ 31,605,292</u>

**CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2019**

	<u>Workers' Compensation Fund</u>	<u>Healthcare Management School Department</u>	<u>Healthcare Management City</u>	<u>Total</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 642,712	\$	\$	\$ 642,712
Accounts receivable	30,000			30,000
Due from other funds			1,379,394	1,379,394
Deposit with agent		1,444,200	419,100	1,863,300
Total current assets	<u>672,712</u>	<u>1,444,200</u>	<u>1,798,494</u>	<u>3,915,406</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued expenses		1,059,109		1,059,109
Claims payable	53,813	1,198,667	719,883	1,972,363
Total current liabilities	<u>53,813</u>	<u>2,257,776</u>	<u>719,883</u>	<u>3,031,472</u>
Net Position:				
Unrestricted	<u>618,899</u>	<u>(813,576)</u>	<u>1,078,611</u>	<u>883,934</u>
Total Net Position	<u>\$ 618,899</u>	<u>\$ (813,576)</u>	<u>\$ 1,078,611</u>	<u>\$ 883,934</u>

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Healthcare</u> <u>Management</u> <u>School</u> <u>Department</u>	<u>Healthcare</u> <u>Management</u> <u>City</u>	<u>Total</u>
Operating Revenues:				
Proceeds from reinsurance	\$	\$ 22,799,494	\$	\$ 22,799,494
Workers' compensation	129,407			129,407
Healthcare insurance premiums			22,926,619	22,926,619
Total operating revenues	<u>129,407</u>	<u>22,799,494</u>	<u>22,926,619</u>	<u>45,855,520</u>
Operating Expenses:				
Claims - Healthcare		25,077,700	22,936,451	48,014,151
Workers' compensation claims	41,477			41,477
Total operating expenses	<u>41,477</u>	<u>25,077,700</u>	<u>22,936,451</u>	<u>48,055,628</u>
Operating Income (Loss)	87,930	(2,278,206)	(9,832)	(2,200,108)
Nonoperating Revenue:				
Interest Income	<u>1,348</u>			<u>1,348</u>
Change in Net Position	89,278	(2,278,206)	(9,832)	(2,198,760)
Net Position at Beginning of Year	<u>529,621</u>	<u>1,464,630</u>	<u>1,088,443</u>	<u>3,082,694</u>
Net Position at End of Year	<u>\$ 618,899</u>	<u>\$ (813,576)</u>	<u>\$ 1,078,611</u>	<u>\$ 883,934</u>

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Workers'</u> <u>Compensation</u> <u>Fund</u>	<u>Healthcare</u> <u>Management</u> <u>School</u> <u>Department</u>	<u>Healthcare</u> <u>Management</u> <u>City</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Receipts from insurance charges	\$ 129,407	\$ 25,111,289	\$ 22,926,619	\$ 48,037,908
Receipts from other operating services	129,407			129,407
Payments for claims	<u>(129,407)</u>	<u>(25,111,289)</u>	<u>(22,216,568)</u>	<u>(47,457,264)</u>
Net cash provided by (used in) operating activities	<u>-</u>	<u>-</u>	<u>710,051</u>	<u>710,051</u>
Cash Flows from Noncapital Financing Activities:				
Deposits with agent			(419,100)	(419,100)
Interfund borrowings			<u>(290,951)</u>	<u>(290,951)</u>
Net cash provided by (used in) noncapital activities	<u>-</u>	<u>-</u>	<u>(710,051)</u>	<u>(710,051)</u>
Cash Flows from Investing Activities:				
Interest on investments	<u>1,348</u>			<u>1,348</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,348	-	-	1,348
Cash and Cash Equivalents at Beginning of Year	<u>641,364</u>	<u>-</u>	<u>-</u>	<u>641,364</u>
Cash and Cash Equivalents at End of Year	<u>\$ 642,712</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 642,712</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating income (loss)	\$ 87,930	\$ (2,278,206)	\$ (9,832)	\$ (2,200,108)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Change in assets and liabilities:				
(Increase) decrease in accounts receivable		1,252,686		1,252,686
Increase (decrease) in accounts payable and accrued expenses		1,059,109		1,059,109
Increase (decrease) in claims payable	<u>(87,930)</u>	<u>(33,589)</u>	<u>719,883</u>	<u>598,364</u>
Total adjustments	<u>(87,930)</u>	<u>2,278,206</u>	<u>719,883</u>	<u>2,910,159</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 710,051</u>	<u>\$ 710,051</u>

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION - PROPRIETARY FUNDS SEWER
JUNE 30, 2019

	Sewer Funds			Total
	Sewer Revenue Fund	1994 Sewer Bond Fund	Sewer SRF Bond Fund	
Assets:				
Current assets:				
Cash and cash equivalents	\$ 22,287,461	\$ 36,054	\$ 5,576,351	\$ 22,287,461
Restricted cash and cash equivalents				5,612,405
Accounts receivable, net:				
Sewer use fees	5,197,346			5,197,346
Intergovernmental			7,313,202	7,313,202
Due from other funds	1,106,995	461,149	697,968	2,266,112
Total current assets	<u>28,591,802</u>	<u>497,203</u>	<u>13,587,521</u>	<u>42,676,526</u>
Noncurrent assets:				
Construction in progress			7,760,136	7,760,136
Depreciable capital assets, net	32,458,687	8,139,937	127,098,094	167,696,718
Total noncurrent assets	<u>32,458,687</u>	<u>8,139,937</u>	<u>134,858,230</u>	<u>175,456,854</u>
Total assets	<u>61,050,489</u>	<u>8,637,140</u>	<u>148,445,751</u>	<u>218,133,380</u>
Deferred Outflows of Resources:				
Deferred charge on refunding	77,744			77,744
Deferred outflows - OPEB	102,774			102,774
Deferred outflows - related to pensions	579,597			579,597
Total deferred outflows of resources	<u>760,115</u>	<u>-</u>	<u>-</u>	<u>760,115</u>
Liabilities:				
Current Liabilities:				
Accounts payable and accrued expenses	318,903	378	877,679	1,196,960
Accrued interest payable	660,920			660,920
Due to other funds	17,392,038		627,631	18,019,669
Current portion of long-term debt	1,321,441		10,046,111	11,367,552
Total current liabilities	<u>19,693,302</u>	<u>378</u>	<u>11,551,421</u>	<u>31,245,101</u>
Noncurrent Liabilities:				
Unearned revenue			107,565	107,565
Accrued compensated absences	202,224			202,224
Total other post-employment benefits liability	7,193,053			7,193,053
Net pension liability	3,213,584			3,213,584
Bonds and loans payable	6,189,254		59,517,507	65,706,761
Total noncurrent liabilities	<u>16,798,115</u>	<u>-</u>	<u>59,625,072</u>	<u>76,423,187</u>
Total liabilities	<u>36,491,417</u>	<u>378</u>	<u>71,176,493</u>	<u>107,668,288</u>
Deferred Inflows of Resources:				
Deferred inflows - related to OPEB	267,828			267,828
Deferred inflows - related to pensions	3,237			3,237
Total deferred inflows of resources	<u>271,065</u>	<u>-</u>	<u>-</u>	<u>271,065</u>
Net Position:				
Net investment in capital assets	25,025,736	8,175,613	72,607,814	105,809,163
Restricted for debt service payments		36,054	5,576,351	5,612,405
Unrestricted	22,386	425,095	(914,907)	(467,426)
Total Net Position	<u>\$ 25,048,122</u>	<u>\$ 8,636,762</u>	<u>\$ 77,269,258</u>	<u>\$ 110,954,142</u>

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS SEWER
FOR THE YEAR ENDED JUNE 30, 2019

	Sewer Funds			Total
	Sewer Revenue Fund	1994 Sewer Bond Fund	Sewer SRF Bond Fund	
Operating Revenues:				
Assessments and user fees	\$ 15,932,442	\$	\$	\$ 15,932,442
Other revenues	553,737			553,737
Total operating revenues	<u>16,486,179</u>	<u>-</u>	<u>-</u>	<u>16,486,179</u>
Operating Expenses:				
Contract services	227,949			227,949
Salaries and benefits	3,498,797			3,498,797
Materials and supplies	935,742			935,742
Depreciation and amortization	1,809,515	345,632	4,342,546	6,497,693
Operations	2,913,707			2,913,707
Total operating expenses	<u>9,385,710</u>	<u>345,632</u>	<u>4,342,546</u>	<u>14,073,888</u>
Operating Income (Loss)	<u>7,100,469</u>	<u>(345,632)</u>	<u>(4,342,546)</u>	<u>2,412,291</u>
Nonoperating Revenues (Expenses):				
Interest income	34,187	75	96,285	130,547
Interest expense	(1,960,859)			(1,960,859)
Loss on disposal of assets	(10,747)		(11,140)	(21,887)
Total nonoperating revenues (expenses)	<u>(1,937,419)</u>	<u>75</u>	<u>85,145</u>	<u>(1,852,199)</u>
Income (Loss) Before Transfers	<u>5,163,050</u>	<u>(345,557)</u>	<u>(4,257,401)</u>	<u>560,092</u>
Transfers:				
Transfers in	5,427,805	461,149	9,839,149	15,728,103
Transfers out	(9,839,149)			(9,839,149)
Total transfers	<u>(4,411,344)</u>	<u>461,149</u>	<u>9,839,149</u>	<u>5,888,954</u>
Change in Net Position	751,706	115,592	5,581,748	6,449,046
Net Position at Beginning of Year	<u>24,296,416</u>	<u>8,521,170</u>	<u>71,687,510</u>	<u>104,505,096</u>
Net Position at End of Year	<u>\$ 25,048,122</u>	<u>\$ 8,636,762</u>	<u>\$ 77,269,258</u>	<u>\$ 110,954,142</u>

**CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS SEWER
FOR THE YEAR ENDED JUNE 30, 2019**

	Sewer Funds			
	Sewer Revenue Fund	Sewer 1994 Sewer Bond Fund	Sewer SRF Bond Fund	Total
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 15,985,863	\$	\$	\$ 15,985,863
Payments to suppliers	(4,218,067)		612,184	(3,605,883)
Payments to employees	(3,320,264)			(3,320,264)
Receipts from other operating services	553,737			553,737
Net cash provided by (used in) operating activities	<u>9,001,269</u>	<u>-</u>	<u>612,184</u>	<u>9,613,453</u>
Cash Flows from Noncapital Financing Activities:				
Interfund borrowings	8,231,827	(461,149)	214,211	7,984,889
Transfers in from other funds	5,427,805	461,149	9,839,149	15,728,103
Transfers to other funds	(9,839,149)			(9,839,149)
Net cash provided by (used in) noncapital financing activities	<u>3,820,483</u>	<u>-</u>	<u>10,053,360</u>	<u>13,873,843</u>
Cash Flows from Capital and Related Financing Activities:				
Additions to property, plant and equipment	(1,260,497)		(5,449,527)	(6,710,024)
Principal paid on bonds, loans and leases	(1,331,411)		(9,839,150)	(11,170,561)
Interest paid on bonds, loans and leases	(2,049,242)			(2,049,242)
Other nonoperating			4,623,132	4,623,132
Net cash provided by (used in) capital and related financing activities	<u>(4,641,150)</u>	<u>-</u>	<u>(10,665,545)</u>	<u>(15,306,695)</u>
Cash Flows from Investing Activities:				
Interest on investments	34,187	75	96,285	130,547
Net Increase (Decrease) in Cash and Cash Equivalents	8,214,789	75	96,284	8,311,148
Cash and Cash Equivalents at Beginning of Year	<u>14,072,672</u>	<u>35,979</u>	<u>5,480,067</u>	<u>19,588,718</u>
Cash and Cash Equivalents at End of Year	<u>\$ 22,287,461</u>	<u>\$ 36,054</u>	<u>\$ 5,576,351</u>	<u>\$ 27,899,866</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 7,100,469	\$ (345,632)	\$ (4,342,546)	\$ 2,412,291
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,809,515	345,632	4,342,546	6,497,693
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	53,421			53,421
(Increase) decrease in deferred outflows - related to pensions and OPEB	(40,125)			(40,125)
Increase (decrease) in accounts payable and accrued expenses	(140,669)		612,184	471,515
Increase (decrease) in accrued compensated absences	6,452			6,452
Increase (decrease) in net other post - employment benefits liability	195,685			195,685
Increase (decrease) in net pension liability	400,040			400,040
Increase (decrease) in deferred inflows - related to pension and OPEB	(383,519)			(383,519)
Total adjustments	<u>1,900,800</u>	<u>345,632</u>	<u>4,954,730</u>	<u>7,201,162</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 9,001,269</u>	<u>\$ -</u>	<u>\$ 612,184</u>	<u>\$ 9,613,453</u>

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION - PROPRIETARY FUNDS WATER
JUNE 30, 2019

	<u>Water Funds</u>			<u>Total</u>
	<u>Water Revenue Fund</u>	<u>2000 Water Bond Fund</u>	<u>1994 Water Bond Fund</u>	
Assets:				
Current assets:				
Cash and cash equivalents	\$ 13,660,876	\$ 23,346	\$	\$ 13,684,222
Accounts receivable, net:				
Water use fees	3,107,509			3,107,509
Due from other funds	90,905	11,672		102,577
Inventory	92,863			92,863
Total current assets	<u>16,952,153</u>	<u>35,018</u>	<u>-</u>	<u>16,987,171</u>
Noncurrent assets:				
Depreciable capital assets, net	8,562,151	780,390	1,044,360	10,386,901
Total noncurrent assets	<u>8,562,151</u>	<u>780,390</u>	<u>1,044,360</u>	<u>10,386,901</u>
Total assets	<u>25,514,304</u>	<u>815,408</u>	<u>1,044,360</u>	<u>27,374,072</u>
Deferred Outflows of Resources:				
Deferred charge on refunding		2,082		2,082
Deferred outflows - OPEB	102,774			102,774
Deferred outflows - related to pensions	579,597			579,597
Total deferred outflows of resources	<u>682,371</u>	<u>2,082</u>	<u>-</u>	<u>684,453</u>
Liabilities:				
Current liabilities:				
Accounts payable and accrued expenses	955,282			955,282
Accrued interest payable	5,602			5,602
Due to other funds	8,787,138			8,787,138
Current portion of long-term debt		27,859		27,859
Total current liabilities	<u>9,748,022</u>	<u>27,859</u>	<u>-</u>	<u>9,775,881</u>
Noncurrent liabilities:				
Accrued compensated absences	223,450			223,450
Bonds and loans payable		18,559		18,559
Total other post-employment benefits liability	7,193,053			7,193,053
Net pension liability	3,213,584			3,213,584
Total noncurrent liabilities	<u>10,630,087</u>	<u>18,559</u>	<u>-</u>	<u>10,648,646</u>
Total liabilities	<u>20,378,109</u>	<u>46,418</u>	<u>-</u>	<u>20,424,527</u>
Deferred Inflows of Resources:				
Deferred inflows - related to OPEB	267,828			267,828
Deferred inflows - related to pensions	3,237			3,237
Total deferred inflows of resources	<u>271,065</u>	<u>-</u>	<u>-</u>	<u>271,065</u>
Net Position:				
Net investment in capital assets	8,562,151	736,054	1,044,360	10,342,565
Unrestricted	(3,014,650)	35,018		(2,979,632)
Total Net Position	<u>\$ 5,547,501</u>	<u>\$ 771,072</u>	<u>\$ 1,044,360</u>	<u>\$ 7,362,933</u>

**CITY OF WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
 IN NET POSITION - PROPRIETARY FUNDS WATER
 FOR THE YEAR ENDED JUNE 30, 2019**

	Water Funds			Total
	Water Revenue Fund	2000 Water Bond Fund	1994 Water Bond Fund	
Operating Revenues:				
Assessments and user fees	\$ 10,934,724	\$	\$	\$ 10,934,724
Other revenues	216,855	1,925		218,780
Total operating revenues	<u>11,151,579</u>	<u>1,925</u>	<u>-</u>	<u>11,153,504</u>
Operating Expenses:				
Contract services	221,296			221,296
Salaries and benefits	3,505,079			3,505,079
Materials and supplies	12,705			12,705
Depreciation and amortization	561,617	46,814	19,888	628,319
Operations	5,369,192			5,369,192
Total operating expenses	<u>9,669,889</u>	<u>46,814</u>	<u>19,888</u>	<u>9,736,591</u>
Operating Income (Loss)	<u>1,481,690</u>	<u>(44,889)</u>	<u>(19,888)</u>	<u>1,416,913</u>
Nonoperating Revenues (Expenses):				
Interest income	19,261	2		19,263
Interest expense	(7,247)	(833)		(8,080)
Total nonoperating revenues (expenses)	<u>12,014</u>	<u>(831)</u>	<u>-</u>	<u>11,183</u>
Income (Loss) Before Transfers	<u>1,493,704</u>	<u>(45,720)</u>	<u>(19,888)</u>	<u>1,428,096</u>
Transfers:				
Transfers In		37,734		37,734
Transfers Out	(37,734)			(37,734)
Total transfers	<u>(37,734)</u>	<u>37,734</u>	<u>-</u>	<u>-</u>
Change in Net Position	1,455,970	(7,986)	(19,888)	1,428,096
Net Position at Beginning of Year	<u>4,091,531</u>	<u>779,058</u>	<u>1,064,248</u>	<u>5,934,837</u>
Net Position at End of Year	<u>\$ 5,547,501</u>	<u>\$ 771,072</u>	<u>\$ 1,044,360</u>	<u>\$ 7,362,933</u>

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS WATER
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Water Funds</u>			<u>Total</u>
	<u>Water Revenue Fund</u>	<u>2000 Water Bond Fund</u>	<u>1994 Water Bond Fund</u>	
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 11,102,484			\$ 11,102,484
Payments to suppliers	(5,775,718)			(5,775,718)
Payments to employees	(3,315,145)			(3,315,145)
Receipts from other operating services	216,855	1,925		218,780
Net cash provided by (used in) operating activities	<u>2,228,476</u>	<u>1,925</u>	<u>-</u>	<u>2,230,401</u>
Cash Flows from Noncapital Financing Activities:				
Interfund borrowings	1,441,257	11,672		1,452,929
Transfers in from other funds		37,734		37,734
Transfers to other funds	(37,734)			(37,734)
Net cash provided by (used in) noncapital financing activities	<u>1,403,523</u>	<u>49,406</u>	<u>-</u>	<u>1,452,929</u>
Cash Flows from Capital and Related Financing Activities:				
Additions to property, plant and equipment	(307,207)			(307,207)
Principal paid on bonds, loans and leases		(27,987)		(27,987)
Interest paid on bonds, loans and leases	(5,295)			(5,295)
Net cash provided by (used in) capital and related financing activities	<u>(312,502)</u>	<u>(27,987)</u>	<u>-</u>	<u>(340,489)</u>
Cash Flows from Investing Activities:				
Interest on investments	19,261	2		19,263
Net Increase (Decrease) in Cash and Cash Equivalents	3,338,758	23,346	-	3,362,104
Cash and Cash Equivalents at Beginning of Year	10,322,118	-	-	10,322,118
Cash and Cash Equivalents at End of Year	<u>\$ 13,660,876</u>	<u>\$ 23,346</u>	<u>-</u>	<u>\$ 13,684,222</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 1,481,690	\$ (44,889)	(19,888)	\$ 1,416,913
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	561,617	46,814	19,888	628,319
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	167,760			167,760
(Increase) decrease in inventory	6,366			6,366
(Increase) decrease in deferred outflows - related to pensions and OPEB	(40,125)			(40,125)
Increase (decrease) in accounts payable and accrued expenses	(178,891)			(178,891)
Increase (decrease) in accrued compensated absences	17,853			17,853
Increase (decrease) in net OPEB liability	195,685			195,685
Increase (decrease) in net pension liability	400,040			400,040
Increase (decrease) in deferred inflows - related to pension and OPEB	(383,519)			(383,519)
Total adjustments	<u>746,786</u>	<u>46,814</u>	<u>19,888</u>	<u>813,488</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,228,476</u>	<u>\$ 1,925</u>	<u>-</u>	<u>\$ 2,230,401</u>



Other Schedules

**CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF TAX COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Assessment of</u>	<u>Balance July 1, 2018</u>	<u>Current Year Assessment</u>	<u>Additions & Adjustments</u>	<u>Abatements</u>	<u>Amounts Written Off</u>	<u>Amount to be Collected</u>	<u>Current Year Collections</u>	<u>Balance June 30, 2019</u>
2018	\$	\$ 235,772,202	\$ 63,663	\$ 165,187	\$	\$ 235,670,678	\$ 230,092,411	\$ 5,578,267
2017	5,963,709			200,393		5,763,316	3,797,062	1,966,254
2016	1,635,845		(95)	2,563		1,633,187	408,808	1,224,379
2015	1,317,483		(87)	532		1,316,864	190,364	1,126,500
2014	808,020			432		807,588	64,637	742,951
2013	581,545			476		581,069	62,482	518,587
2012	809,875		(80)	30		809,765	27,989	781,776
2011	798,107		(78)			798,029	10,905	787,124
2010	384,414		(70)			384,344	601	383,743
2009	221,286		(115)			221,171	3,101	218,070
2008	269,085					269,085	2,656	266,429
2007	374,102					374,102	199	373,903
2006	326,418					326,418	1,413	325,005
2005	310,145					310,145	2,338	307,807
2004	301,045					301,045	715	300,330
2003	243,316					243,316	433	242,883
2002	242,742					242,742	307	242,435
2001	275,783					275,783	39	275,744
2000	332,444					332,444	248	332,196
1999	1,388,737					1,388,737		1,388,737
1998	1,395,178					1,395,178		1,395,178
1997	395,948					395,948		395,948
1996	433,608					433,608		433,608
	<u>\$ 18,808,835</u>	<u>\$ 235,772,202</u>	<u>\$ 63,138</u>	<u>\$ 369,613</u>	<u>\$ -</u>	<u>\$ 254,274,562</u>	<u>\$ 234,666,708</u>	19,607,854
						Allowance for doubtful accounts		(13,419,160)
						Net property tax receivable		<u>\$ 6,188,694</u>

Schedule of Most Recent Net Assessed Property Value by Category

<u>Description of Property</u>	<u>Valuation</u>	<u>Levy</u>		
Real property	\$ 8,322,264,850	\$ 192,159,680	Current year collections	\$ 234,666,708
Motor vehicles	771,695,891	20,982,216	Revenue received 60 days subsequent to fiscal year ended June 30, 2019	2,193,205
Tangible personal property	544,128,554	22,630,306		236,859,913
Total	<u>9,638,089,295</u>	<u>235,772,202</u>		
Exemptions	356,634,828		Prior year revenue received 60 days subsequent to fiscal year ended June 30, 2018	(1,720,385)
Net Assessed Value	<u>\$ 9,281,454,467</u>	<u>\$ 235,772,202</u>	Current year property tax revenue	<u>\$ 235,139,528</u>

**CITY OF WARWICK, RHODE ISLAND
ANALYSIS OF PRIOR YEAR TAX COLLECTIONS
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Tax Years</u>	<u>Collections (Refunds Netted)</u>	<u>Less Prior Year 60 Day Collections</u>	<u>Plus Current Year 60 Day Collections</u>	<u>Balance June 30, 2019</u>	
2018	\$ 230,092,411	\$	\$ 1,892,003	\$ 231,984,414	
2017	3,797,062	(1,522,856)	217,135	2,491,341	
2016	408,808	(113,715)	41,603	336,696	
2015	190,364	(52,952)	(11,836)	125,576	
2014	64,637	(16,492)	14,184	62,329	
2013	62,482	(8,258)	7,647	61,871	
2012	27,989	(2,792)	12,766	37,963	
2011	10,905	(2,469)	4,267	12,703	
2010	601	2,121	13,643	16,365	
2009	3,101	(999)	524	2,626	
2008	2,656	(16)	130	2,770	
2007	199	(97)	(283)	(181)	
2006	1,413	(279)	(37)	1,097	
2005	2,338	(887)	(51)	1,400	
2004	715	(568)	32	179	
2003	433		98	531	
2002	307		102	409	
2001	39	(39)	442	442	
2000	248	(87)	836	997	
	<u>\$ 234,666,708</u>	<u>\$ (1,720,385)</u>	<u>\$ 2,193,205</u>	<u>\$ 235,139,528</u>	
					\$ 3,155,114 Prior Year Collections



Annual Supplemental Transparency Report

City of Warwick
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2019

EXHIBIT J-1

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 235,139,528	\$ -
Last Year's Levy Tax Collection	-	-
Prior Years Property Tax Collection	-	-
Interest & Penalty	2,084,203	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	-	-
Licenses and Permits	1,195,395	-
Fines and Forfeitures	167,272	-
Investment Income	402,344	-
Departmental	4,165,469	-
Rescue Run Revenue	2,724,093	-
Police & Fire Detail	657,247	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	1,187,321
Impact Aid	-	-
Medicaid	-	1,429,692
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	1,452,778
CDBG	235,024	-
COPS Grants	148,797	-
SAFER Grants	-	-
Other Federal Aid Funds	265,738	5,907,278
MV Excise Tax Reimbursement	1,013,712	-
State PILOT Program	1,704,861	-
Distressed Community Relief Fund	-	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	1,023,675	-
Meals & Beverage Tax / Hotel Tax	5,143,213	-
LEA Aid	-	37,360,492
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	1,566,374	333,491
State Food Service Revenue	-	36,064
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	894,988	322,542
Motor Vehicle Phase Out	3,249,466	-
Other Revenue	9,630,354	1,994,862
Local Appropriation for Education	-	123,982,464
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	15
Rounding	-	-
Total Revenue	\$ 271,411,752	\$ 174,007,000
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	573,151	157,477
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	(30)
Rounding	-	-
Total Other Financing Sources	\$ 573,151	\$ 157,447

City of Warwick
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2019

EXHIBIT J-1

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public	Parks and	Police
	Government	Finance	Services	IT					
Compensation- Group A	\$ 1,111,736	\$ 2,051,261	\$ 752,203	\$ 267,938	\$ 1,776,873	\$ 1,985,669	\$ 6,439,234	\$ 1,041,348	\$ 13,998,207
Compensation - Group B	-	-	-	-	-	-	-	-	2,416,249
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	11,004	8,979	298	2,025	5,646	18,009	619,240	63,982	2,188,955
Overtime - Group B	-	-	-	-	-	-	-	-	360,546
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	527,774	689,039	249,227	102,623	461,803	425,152	1,729,927	527,774	3,764,868
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	1,131,733
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	31,650	41,321	14,946	6,154	27,694	25,496	103,741	31,650	164,836
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	65,058
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	174,976	228,441	82,627	34,023	153,104	140,953	573,532	174,976	1,210,249
Life Insurance	2,314	3,021	1,093	450	2,025	1,864	7,584	2,314	14,521
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	-	-	-
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	587,183	766,600	277,281	114,175	513,785	473,009	1,924,656	587,183	6,877,464
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	1,206,988
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	614,951	406,531	289,820	89,401	530,770	274,855	262,708	13,571	197,556
Materials/Supplies	30,341	51,616	11,932	112,524	14,492	323,626	2,072,350	45,749	197,062
Software Licenses	-	-	-	568,887	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	-	-	-
Insurance	2,124,142	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	92,171	98,884	55,448	-
Vehicle Operations	-	586	23,583	1,578	8,960	-	1,571,104	3,089	299,964
Utilities	-	-	64,278	330,200	4,419	158,385	371,351	671,011	220,800
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	1,157,197	-	-
Revaluation	-	247,501	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	165,397	-	-
Trash Removal & Recycling	-	-	-	-	-	-	916,834	-	-
Claims & Settlements	139,044	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	-	-	-
Other Operation Expenditures	-	124,389	-	6,268	5,368	3,960	81,868	-	110,743
Tipping Fees	-	-	-	-	-	-	305,611	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 5,355,116	\$ 4,619,284	\$ 1,767,288	\$ 1,636,246	\$ 3,504,939	\$ 3,923,146	\$ 18,401,217	\$ 3,218,095	\$ 34,425,800

City of Warwick
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2019

EXHIBIT J-1

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 16,909,173	\$ -	\$ 182,343	\$ -	\$ -	\$ -	\$ 46,515,984	\$ 76,121,639
Compensation - Group B	1,550,709	-	-	-	-	-	3,966,958	7,946,249
Compensation - Group C	-	-	-	-	-	-	-	17,900,236
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	3,801,366	-	3,362	-	-	-	6,722,867	-
Overtime - Group B	155,913	-	-	-	-	-	516,459	-
Overtime - Group C	-	-	-	-	-	-	-	231,963
Police & Fire Detail	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	3,852,624	-	73,302	-	-	-	12,404,113	11,913,385
Active Medical Insurance- Group B	175,925	-	-	-	-	-	1,307,658	922,096
Active Medical Insurance- Group C	-	-	-	-	-	-	-	4,164,409
Active Dental insurance- Group A	193,504	-	4,396	-	-	-	645,386	568,174
Active Dental Insurance- Group B	10,550	-	-	-	-	-	75,608	45,743
Active Dental Insurance- Group C	-	-	-	-	-	-	-	218,418
Payroll Taxes	996,390	-	24,302	-	-	-	3,793,572	7,789,784
Life Insurance	14,714	-	321	-	-	-	50,220	-
State Defined Contribution- Group A	-	-	-	-	-	-	-	458,449
State Defined Contribution - Group B	-	-	-	-	-	-	-	34,020
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	-	1,329,871
Other Benefits- Group B	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	23,360
Local Defined Benefit Pension- Group A	19,538,653	-	81,553	-	-	-	31,741,544	893
Local Defined Benefit Pension - Group B	195,728	-	-	-	-	-	1,402,716	84,844
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	1,767,039
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	10,149,848
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	877,831
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	433,109	-	17,282	-	-	-	3,130,553	23,742,064
Materials/Supplies	289,007	-	9,528	-	-	-	3,158,227	1,405,961
Software Licenses	-	-	-	-	-	-	568,887	742,247
Capital Outlays	25,750	-	7,318	-	-	-	33,068	1,789,997
Insurance	-	-	-	-	-	-	2,124,142	536,115
Maintenance	27,498	-	-	-	-	-	274,001	336,075
Vehicle Operations	404,776	-	-	-	-	-	2,313,640	575,578
Utilities	302,277	-	19,535	-	-	-	2,142,256	3,151,692
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	1,157,197	-
Revaluation	-	-	-	-	-	-	247,501	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	165,397	-
Trash Removal & Recycling	-	-	-	-	-	-	916,834	-
Claims & Settlements	-	-	-	-	-	-	139,044	6,706
Community Support	-	-	-	-	-	-	-	-
Other Operation Expenditures	-	-	390	-	-	-	332,986	338,617
Tipping Fees	-	-	-	-	-	-	305,611	-
Local Appropriation for Education	-	-	-	123,982,464	-	-	123,982,464	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	3,145,011	-	3,145,011	-
Municipal Debt- Interest	-	-	-	-	412,478	-	412,478	-
School Debt- Principal	-	-	-	-	3,047,858	-	3,047,858	-
School Debt- Interest	-	-	-	-	868,562	-	868,562	-
Retiree Medical Insurance- Total	-	-	-	-	-	9,565,669	9,565,669	483,171
Retiree Dental Insurance- Total	-	-	-	-	-	134,314	134,314	(6,678)
OPEB Contribution- Total	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 48,877,665	\$ -	\$ 423,633	\$ 123,982,464	\$ 7,473,910	\$ 9,699,983	\$ 267,308,787	\$ 175,649,796

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	157,447	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 157,447	\$ -
Net Change in Fund Balance¹	4,518,669	(1,485,349)
Fund Balance1- beginning of year	\$30,989,176	\$1,242,389
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	(193,928)
Fund Balance¹ - beginning of year adjusted	30,989,176	1,048,461
Rounding	-	-
Fund Balance¹ - end of year	\$ 35,507,845	\$ (436,888)

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

City of Warwick
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2019

EXHIBIT J-2

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2018						\$ 30,989,176		\$ 30,989,176	
<i>No funds removed from RGS for fiscal 2018</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2018</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2018</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2018 adjusted						<u>\$ 30,989,176</u>		<u>\$ 30,989,176</u>	
General Fund	\$ 271,411,752	\$ 573,151	\$ 136,202,467	\$ 131,613,820	\$ 4,168,616	\$ 27,436,676	\$ -	\$ 27,436,676	\$ 31,605,292
DEBT SERVICE	-	7,473,909	6,966,409	-	507,500	3,552,500	-	3,552,500	4,060,000
Totals per audited financial statements	<u>\$ 271,411,752</u>	<u>\$ 8,047,060</u>	<u>\$ 143,168,876</u>	<u>\$ 131,613,820</u>	<u>\$ 4,676,116</u>	<u>\$ 30,989,176</u>	<u>\$ -</u>	<u>\$ 30,989,176</u>	<u>\$ 35,665,292</u>
Reconciliation from financial statements to MTP2									
Reclassify portion transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 123,982,464.00	\$ (123,982,464.00)	\$ -	\$ -	\$ -	\$ -	\$ -
Elimination of transfer between debt service and general fund	-	(7,473,909)	-	(7,473,909)	-	-	-	-	-
Portion of Municipal Appropriation for Education reported net on financial statements but expense on MTP2	-	-	157,447	-	(157,447)	-	-	-	(157,447)
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 271,411,752</u>	<u>\$ 573,151</u>	<u>\$ 267,308,787</u>	<u>\$ 157,447</u>	<u>\$ 4,518,669</u>	<u>\$ 30,989,176</u>	<u>\$ -</u>	<u>\$ 30,989,176</u>	<u>\$ 35,507,845</u>

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

City of Warwick
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2019

EXHIBIT J-3

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2018						\$ 1,242,389		\$ 1,242,389	
<i>Misc adjustment made for indirect costs in FY18</i>						(194,503)		(194,503)	
<i>Misc adjustment made for rounding in FY18</i>						575	-	575	
Fund Balance¹ - per MTP-2 at June 30, 2018 adjusted						<u>\$ 1,048,461</u>	<u>-</u>	<u>\$ 1,048,461</u>	
School Unrestricted Fund	\$ 48,671,489	\$ 124,139,911	\$ 174,253,853	\$ 459,148	\$ (1,901,601)	-	-	-	\$ (1,901,601)
School Special Revenue Funds	9,299,047	470,180	9,550,974	11,032	207,221	1,048,461	-	1,048,461	1,255,682
Totals per audited financial statements	<u>\$ 57,970,536</u>	<u>\$ 124,610,091</u>	<u>\$ 183,804,827</u>	<u>\$ 470,180</u>	<u>\$ (1,694,380)</u>	<u>\$ 1,048,461</u>	<u>-</u>	<u>\$ 1,048,461</u>	<u>\$ (645,919)</u>
<u>Reconciliation from financial statements to MTP2</u>									
Municipal Appropriation for Education reported as a transfer on financial statements but revenue on MTP2	\$ 123,982,464	\$ (123,982,464)	-	-	-	-	-	-	-
State contributions on behalf of pension are reported as revenues and expenditures on financial statements only	(7,946,000)	-	(7,946,000)	-	-	-	-	-	-
Elimination of transfer between school funds	-	(11,032)	-	(11,032)	-	-	-	-	-
Transfer (of 459k from School Unrestricted to the Lunch Fund) is reported as an Other Financing Sources and Use for GAAP while it is not reported in UCOA.	-	(459,148)	-	(459,148)	-	-	-	-	-
For financial statements, indirect cost charges and recovery are reported in federal grant funds and also actual expenditures & reimbursement reported in School Unrestricted Fund. Reported as unrestricted revenue but not expense in restricted funds.	-	-	(209,031)	-	209,031	-	-	-	209,031
Misc / Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 174,007,000</u>	<u>\$ 157,447</u>	<u>\$ 175,649,796</u>	<u>\$ -</u>	<u>\$ (1,485,349)</u>	<u>\$ 1,048,461</u>	<u>-</u>	<u>\$ 1,048,461</u>	<u>\$ (436,888)</u>
<u>Reconciliation from MTP2 to UCOA</u>									
In MTP but not UCOA - OPM	(75,963)	-	(75,963)	-	-	-	-	-	-
In UCOA but not MTP	17,372	-	4,713	-	-	-	-	-	-
Expenses related to entries after UCOA file submitted	-	-	(17,108)	-	-	-	-	-	-
Transfers recorded as revenue but not included in UCOA	(249,184)	-	-	-	-	-	-	-	-
Surplus recorded as UCOA revenue	157,447	(157,447)	-	-	-	-	-	-	-
Totals per UCOA Validated Totals Report	<u>\$ 173,856,672</u>	<u>\$ -</u>	<u>\$ 175,561,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**CITY OF WARWICK, RHODE ISLAND
NOTES TO SUPPLEMENTARY INFORMATION
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2) JUNE 30, 2019**

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.

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.

3. ALLOCATIONS

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

4. EMPLOYEE GROUPS - COMPENSATION AND BENEFIT COSTS

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

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

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

- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
- Fire Department - fire fighters (e.g., uniform personnel - including, leadership positions)
- Centralized Dispatch Department - civilian dispatchers only
- Education Department - professional staff providing direct services to students
- 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.

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/>.



Statistical Section

Statistical Section Information

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

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

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	\$ 64,258,323	\$ 62,802,492	\$ 61,079,076	\$ 61,133,149	\$ 65,104,705	\$ 69,871,522	\$ 71,704,906	\$ 71,704,906	\$ 75,011,932	\$ 77,509,445
Restricted	1,433,298	1,331,626	2,159,153	2,736,581	3,382,875	4,120,308	6,278,740	6,278,740	3,552,500	4,060,000
Unrestricted	<u>(62,378,508)</u>	<u>(82,266,981)</u>	<u>(96,854,156)</u>	<u>(110,905,795)</u>	<u>(133,284,704)</u>	<u>(475,399,557)</u>	<u>(523,284,812)</u>	<u>(523,284,812)</u>	<u>(808,951,853)</u>	<u>(798,002,523)</u>
Total governmental activities net position	<u>3,313,113</u>	<u>(18,132,863)</u>	<u>(33,615,927)</u>	<u>(47,036,065)</u>	<u>(64,797,124)</u>	<u>(401,407,727)</u>	<u>(445,301,166)</u>	<u>(445,301,166)</u>	<u>(730,387,421)</u>	<u>(716,433,078)</u>
Business-type activities:										
Net investment in capital assets	67,391,392	72,213,574	79,287,133	81,963,905	85,294,240	90,353,683	95,748,013	95,748,013	109,768,380	116,200,229
Restricted	3,094,095	3,094,452	3,194,281	3,194,302	3,672,082	3,910,099	5,204,470	5,204,470	5,516,046	5,612,405
Unrestricted	<u>5,450,484</u>	<u>4,268,908</u>	<u>4,415,400</u>	<u>8,790,829</u>	<u>10,773,438</u>	<u>880,173</u>	<u>10,450,451</u>	<u>10,450,451</u>	<u>5,803,608</u>	<u>7,847,293</u>
Total business-type activities net position	<u>75,935,971</u>	<u>79,576,934</u>	<u>86,896,814</u>	<u>93,949,036</u>	<u>99,739,760</u>	<u>95,143,955</u>	<u>111,402,934</u>	<u>111,402,934</u>	<u>121,088,034</u>	<u>129,659,927</u>
Total:										
Net investment in capital assets	131,649,715	135,016,066	140,366,209	143,097,054	150,398,945	160,225,205	167,452,919	167,452,919	184,780,312	193,709,674
Restricted	4,527,393	4,426,078	5,353,434	5,930,883	7,054,957	8,030,407	11,483,210	11,483,210	9,068,546	9,672,405
Unrestricted	<u>(56,928,024)</u>	<u>(77,998,073)</u>	<u>(92,438,756)</u>	<u>(102,114,966)</u>	<u>(122,511,266)</u>	<u>(474,519,384)</u>	<u>(512,834,361)</u>	<u>(512,834,361)</u>	<u>(803,148,245)</u>	<u>(790,155,230)</u>
Total Net Position	<u>\$ 79,249,084</u>	<u>\$ 61,444,071</u>	<u>\$ 53,280,887</u>	<u>\$ 46,912,971</u>	<u>\$ 34,942,636</u>	<u>\$ (306,263,772)</u>	<u>\$ (333,898,232)</u>	<u>\$ (333,898,232)</u>	<u>\$ (609,299,387)</u>	<u>\$ (586,773,151)</u>

Source: City of Warwick Comprehensive Annual Financial Report

CITY OF WARWICK, RHODE ISLAND
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities:										
Executive and administration	\$ 9,031,312	\$ 8,068,528	\$ 7,189,863	\$ 8,163,964	\$ 7,898,442	\$ 8,389,533	\$ 10,576,119	\$ 9,171,861	\$ 9,940,222	\$ 11,283,129
Public safety	89,614,158	94,727,477	96,094,909	99,913,493	104,020,192	101,268,696	131,390,376	116,575,178	115,089,539	107,634,928
Recreation	3,353,999	3,593,994	3,627,775	3,185,691	2,549,088	3,044,788	3,188,917	3,402,704	3,041,448	3,698,957
Public libraries	4,333,950	4,906,998	4,958,759	4,843,416	5,116,596	4,829,752	5,692,619	5,872,625	5,948,080	6,284,737
Social services	2,658,015	2,290,428	2,254,293	2,103,904	2,160,896	2,021,311	2,399,689	2,189,915	2,406,427	2,529,170
Planning and E/D	3,856,439	2,790,778	2,777,531	3,139,802	3,114,804	2,880,454	2,843,733	3,152,144	3,746,698	3,543,447
Public works	21,609,069	20,766,889	22,147,778	21,788,643	21,842,422	21,946,560	21,396,595	22,454,206	21,010,874	22,186,512
Education	171,897,294	175,633,555	170,207,856	170,690,028	173,500,902	173,887,234	185,531,670	183,235,365	179,337,008	150,995,574
Cafeteria operations	2,647,559									
Interest on long-term debt	2,347,813	1,906,529	2,296,097	1,800,222	1,586,055	1,706,620	1,439,426	1,305,527	1,393,616	1,193,812
Total governmental activities expenses	<u>311,349,608</u>	<u>314,685,176</u>	<u>311,554,861</u>	<u>315,629,163</u>	<u>321,789,397</u>	<u>319,974,948</u>	<u>364,459,144</u>	<u>347,359,525</u>	<u>341,913,912</u>	<u>309,350,266</u>
Business-type activities:										
Sewer	15,759,558	24,390,931	14,704,964	14,824,243	14,807,198	15,082,034	14,654,521	15,723,730	16,179,771	16,415,412
Water	9,427,381	10,522,632	10,118,651	10,153,770	10,096,249	10,905,708	11,353,471	10,273,789	9,866,107	9,744,671
Total business-type activities expenses	<u>25,186,939</u>	<u>34,913,563</u>	<u>24,823,615</u>	<u>24,978,013</u>	<u>24,903,447</u>	<u>25,987,742</u>	<u>26,007,992</u>	<u>25,997,519</u>	<u>26,045,878</u>	<u>26,160,083</u>
Total Primary Government Expenses:	<u>\$ 336,536,547</u>	<u>\$ 349,598,739</u>	<u>\$ 336,378,476</u>	<u>\$ 340,607,176</u>	<u>\$ 346,692,844</u>	<u>\$ 345,962,690</u>	<u>\$ 390,467,136</u>	<u>\$ 373,357,044</u>	<u>\$ 367,959,790</u>	<u>\$ 335,510,349</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Executive and administration	\$ 2,246,025	\$ 2,123,034	\$ 2,110,147	\$ 2,316,005	\$ 2,221,129	\$ 2,309,876	\$ 2,587,832	\$ 2,510,646	\$ 2,675,160	\$ 2,659,458
Public safety	7,371,438	6,906,078	7,122,121	6,482,419	7,193,150	7,676,780	8,911,292	8,089,932	8,190,826	5,741,192
Recreation	894,380	957,604	962,086	932,052	960,133	979,791	1,022,252	947,484	959,641	904,283
Public libraries	37,070	32,495	33,369	33,597	30,420	39,297	41,583	46,608	40,720	30,253
Social services	139,649	135,116	137,727	113,106	117,136	105,514	113,126	99,415	92,073	88,008
Planning and E/D	2,081,026	1,573,526	1,995,266	1,727,813	1,918,114	1,837,993	2,003,280	2,046,514	2,057,016	2,205,749
Public works	364,942	356,417	325,721	211,458	223,442	252,276	188,936	218,387	241,015	244,763
Education	3,776,975	4,522,161	1,970,205	1,860,301	1,186,216	2,093,869	2,337,922	2,337,585	2,421,502	2,535,349
Cafeteria operations	1,045,893									
Operating grants and contributions	53,474,747	51,863,051	53,699,759	55,546,646	59,427,759	57,836,909	62,997,136	57,561,506	51,833,022	50,919,487
Capital grants and contributions		1,066,557	152,292	1,409,223	524,461	125,710	209,781	198,900		
Total governmental activities program revenues	<u>71,432,145</u>	<u>69,536,039</u>	<u>68,508,693</u>	<u>70,632,620</u>	<u>73,801,960</u>	<u>73,258,015</u>	<u>80,413,140</u>	<u>74,056,977</u>	<u>68,510,975</u>	<u>65,328,542</u>
Business-type Activities:										
Charges for Services:										
Sewer	16,494,263	14,058,609	13,320,223	16,314,418	16,099,887	17,903,575	17,204,995	17,669,726	17,045,091	17,273,252
Sewer assessment	5,414,375	5,193,582	5,962,350	6,660,728	5,222,858	5,316,633	5,188,394	5,005,799	4,818,049	4,786,499
Water	7,918,224	10,482,771	9,771,177	10,138,836	9,067,023	10,746,621	11,026,490	12,455,351	11,091,109	11,153,504
Operating grants and contributions				42,183						
Capital grants and contributions	541,403	2,694,761	3,073,848	349,939			841,929	2,775,948	8,880	892,949
Total governmental activities program revenues	<u>30,368,265</u>	<u>32,429,723</u>	<u>32,127,598</u>	<u>33,506,104</u>	<u>30,389,768</u>	<u>33,966,829</u>	<u>34,261,808</u>	<u>37,906,824</u>	<u>32,963,129</u>	<u>34,106,204</u>
Total Primary Government Program Revenues	<u>\$ 101,800,410</u>	<u>\$ 101,965,762</u>	<u>\$ 100,636,291</u>	<u>\$ 104,138,724</u>	<u>\$ 104,191,728</u>	<u>\$ 107,224,844</u>	<u>\$ 114,674,948</u>	<u>\$ 111,963,801</u>	<u>\$ 101,474,104</u>	<u>\$ 99,434,746</u>

(Continued on next page)

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

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense) Revenue:										
Governmental activities	\$ (239,917,463)	\$ (245,149,137)	\$ (243,046,168)	\$ (244,996,543)	\$ (247,987,437)	\$ (246,716,933)	\$ (284,046,004)	\$ (273,302,548)	\$ (273,402,937)	\$ (244,021,724)
Business-type activities	5,181,326	(2,483,840)	7,303,983	8,528,091	5,486,321	7,979,087	8,253,816	11,909,305	6,917,251	7,946,121
Total Primary Government Net Expense	\$ (234,736,137)	\$ (247,632,977)	\$ (235,742,185)	\$ (236,468,452)	\$ (242,501,116)	\$ (238,737,846)	\$ (275,792,188)	\$ (261,393,243)	\$ (266,485,686)	\$ (236,075,603)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property taxes	\$ 201,516,576	\$ 205,826,048	\$ 213,334,334	\$ 216,802,269	\$ 214,125,691	\$ 217,134,855	\$ 223,200,281	\$ 231,060,821	\$ 228,372,805	\$ 234,574,090
Interest on property taxes	(1,273,017)	1,571,198	1,737,961	1,562,589	2,146,222	2,206,502	2,096,950	2,093,896	2,087,162	2,089,752
State aid & in lieu of tax	17,352,666	6,817,475	6,896,729	7,120,046	7,861,860	7,693,925	8,187,664	7,667,081	10,015,034	11,576,355
Investment earnings	59,581	2,319	(21,741)	(32,851)	5,652	5,925	18,346	73,582	335,537	445,046
Tax titles	155,168	97,308	78,373	258,929	217,160	55,085	25,427	15,628	35,073	17,593
Insurance proceeds		496,997	39,914	96,463	133,052	427,898	170,101	169,230	157,875	255,716
Miscellaneous	5,194,338	5,016,367	5,479,807	6,449,112	6,034,137	7,098,886	7,001,236	6,992,822	9,585,432	9,478,664
Transfers			17,727	(42,522)	(297,396)	15,000				(461,149)
Total governmental activities	<u>223,005,312</u>	<u>219,827,712</u>	<u>227,563,104</u>	<u>232,214,035</u>	<u>230,226,378</u>	<u>234,638,076</u>	<u>240,700,005</u>	<u>248,073,060</u>	<u>250,588,918</u>	<u>257,976,067</u>
Business-type Activities:										
Investment earnings	34,442	20,424	8,917	19,175	7,007	6,547	5,459	35,800	89,016	164,623
Insurance proceeds		6,104,379								
Transfers			(17,727)	42,522	297,396	(15,000)				461,149
Total Business-type Activities	<u>34,442</u>	<u>6,124,803</u>	<u>(8,810)</u>	<u>61,697</u>	<u>304,403</u>	<u>(8,453)</u>	<u>5,459</u>	<u>35,800</u>	<u>89,016</u>	<u>625,772</u>
Total Primary Government:	\$ 223,039,754	\$ 225,952,515	\$ 227,554,294	\$ 232,275,732	\$ 230,530,781	\$ 234,629,623	\$ 240,705,464	\$ 248,108,860	\$ 250,677,934	\$ 258,601,839
Change in Net Position:										
Governmental activities	\$ (16,912,151)	\$ (25,321,425)	\$ (15,483,064)	\$ (12,782,508)	\$ (17,761,059)	\$ (12,078,857)	\$ (43,345,999)	\$ (25,229,488)	\$ (22,814,019)	\$ 13,954,343
Business-type activities	5,215,768	3,640,963	7,295,173	8,589,788	5,790,724	7,970,634	8,259,275	11,945,105	7,006,267	8,571,893
Total Primary Government	\$ (11,696,383)	\$ (21,680,462)	\$ (8,187,891)	\$ (4,192,720)	\$ (11,970,335)	\$ (4,108,223)	\$ (35,086,724)	\$ (13,284,383)	\$ (15,807,752)	\$ 22,526,236

**CITY OF WARWICK, RHODE ISLAND
FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Reserved	\$ 7,945,894	\$	\$	\$	\$	\$	\$	\$	\$	\$
Nonspendable		216,869	217,244	214,650	211,476	210,507	280,583	249,434	258,318	170,034
Restricted					3,600,000	3,000,000		1,295,271		
Committed		2,401,774	3,322,613	4,689,278	4,560,680	4,339,212	3,425,023	4,908,957	157,447	
Assigned									4,349,465	4,342,814
Unreserved/Unassigned	6,862,566	5,981,718	8,253,978	11,852,791	10,803,865	8,151,517	18,486,180	22,566,957	22,671,446	27,092,444
Total General Fund	\$ 14,808,460	\$ 8,600,361	\$ 11,793,835	\$ 16,756,719	\$ 19,176,021	\$ 15,701,236	\$ 22,191,786	\$ 29,020,619	\$ 27,436,676	\$ 31,605,292
All Other Governmental Funds:										
Reserved	\$ 1,471,318	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted		9,587,064	7,754,049	8,803,655	6,858,453	10,888,224	12,759,365	13,741,765	9,507,535	9,935,889
Committed										
Assigned		46,950	40,656	35,685						
Unreserved/Unassigned in:										
School unrestricted fund							(26,136)			(1,901,601)
Special revenue funds	2,565,535	(13)							(25,336)	(109,056)
Capital project funds	2,420,408	(888,044)	(628,477)	(1,425,201)	(2,787,894)	(5,676,144)	(852,908)			(724,150)
Total All Other Governmental Funds	\$ 6,457,261	\$ 8,745,957	\$ 7,166,228	\$ 7,414,139	\$ 4,070,559	\$ 5,212,080	\$ 11,880,321	\$ 13,741,765	\$ 9,482,199	\$ 7,201,082
Total All Governmental Funds	\$ 21,265,721	\$ 17,346,318	\$ 18,960,063	\$ 24,170,858	\$ 23,246,580	\$ 20,913,316	\$ 34,072,107	\$ 42,762,384	\$ 36,918,875	\$ 38,806,374

Source: City of Warwick Comprehensive Annual Financial Report
Note: GASB 54 was implemented in 2011. Fund balance classifications were adjusted accordingly.

**CITY OF WARWICK, RHODE ISLAND
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
General property taxes	\$ 202,494,106	\$ 204,577,041	\$ 212,007,763	\$ 216,054,096	\$ 214,148,180	\$ 213,689,646	\$ 227,581,622	\$ 231,148,289	\$ 227,930,585	\$ 235,139,528
Interest on taxes	1,228,767	1,357,578	1,392,844	1,682,473	2,494,254	2,221,716	2,403,234	2,206,364	2,087,162	2,089,752
Intergovernmental revenues	62,224,022	53,821,511	52,037,242	54,946,587	57,042,872	55,935,932	57,470,500	55,113,851	58,466,324	59,099,993
State Contribution to pension plan	5,928,125	5,747,000	6,251,800	6,223,212	6,342,485	6,968,124	11,053,803	7,250,385	7,409,776	7,946,000
Charges for services	12,844,595	11,657,310	11,606,395	11,709,095	12,560,899	11,751,428	14,940,665	15,602,935	14,328,213	11,898,804
Investment income	58,314	2,093	1,474	(35,582)	4,962	5,184	17,653	72,745	334,702	444,210
Contributions and private grants	139,515	106,860	164,652	522,410	306,079	202,245	198,878	229,191	193,364	377,582
Other revenue	11,581,585	9,909,777	10,309,384	11,045,445	12,074,905	12,415,989	12,246,157	12,228,003	15,316,488	15,280,491
Total revenue	296,499,029	287,179,170	293,771,554	302,147,736	304,974,636	303,190,264	325,912,512	323,851,763	326,066,614	332,276,360
Expenditures:										
Executive and administration	5,816,066	4,957,805	4,519,720	4,508,874	4,645,528	5,256,264	6,231,635	5,631,395	5,722,310	6,331,256
Public safety	40,755,519	42,308,559	43,062,869	44,127,815	45,078,068	48,443,800	51,378,290	48,342,109	48,603,551	46,820,014
Recreation	1,780,946	1,895,427	1,576,349	1,516,612	1,491,348	1,609,025	1,671,852	1,775,404	1,872,055	1,921,951
Public libraries	2,571,020	2,631,152	2,580,684	2,627,093	2,664,349	2,649,211	2,777,726	2,973,205	3,055,225	3,004,479
Social services	1,854,240	1,393,507	1,262,235	1,197,505	1,188,989	1,304,766	1,172,435	1,201,714	1,220,042	1,200,509
Planning and economic development	3,242,502	2,578,289	2,169,881	2,593,625	2,461,805	2,032,789	2,069,975	2,346,268	3,061,573	2,648,053
Public works	12,491,980	14,237,550	12,423,819	13,694,798	14,474,028	14,342,186	15,775,825	13,103,634	14,043,138	14,137,448
Employee benefits, fixed costs and capital	41,079,075	43,757,666	46,057,032	50,772,566	51,176,951	54,065,009	55,241,714	56,103,500	61,737,378	62,828,806
Education	163,419,363	169,004,878	165,316,678	167,622,445	169,221,031	169,089,102	168,197,758	174,954,593	182,304,434	176,120,005
Cafeteria operations*	2,647,559									
State contribution to pension plan	5,928,125	5,747,000	6,251,800	6,223,212	6,342,485	6,968,124	11,053,803	7,250,385	7,409,776	7,946,000
Debt service-principal	6,920,994	5,965,182	5,226,115	4,570,722	5,082,483	5,962,158	5,650,593	6,679,050	6,648,671	5,000,000
Debt service-interest	2,300,365	2,169,590	1,726,854	1,761,508	1,749,891	1,668,544	1,072,561	1,597,661	1,442,950	1,969,191
Bond issuance costs/paying agent fees		200,420	1,500	30,659	24,561	102,828	185,506			
Total expenditures	290,807,754	296,847,025	292,175,536	301,247,434	305,601,517	313,493,806	322,479,673	321,958,918	337,121,103	329,927,712
Excess of Revenues Over (Under) Expenditures										
Before Other Financing Sources (Uses)	5,691,275	(9,667,855)	1,596,018	900,302	(626,881)	(10,303,542)	3,432,839	1,892,845	(11,054,489)	2,348,648
Other Financing Sources (Uses):										
Transfers from other funds	133,734,780	129,552,412	127,682,960	126,600,068	127,325,885	129,885,749	128,876,427	131,428,314	132,059,433	132,657,151
Transfers to other funds	(133,996,780)	(129,552,412)	(127,665,233)	(126,642,590)	(127,623,281)	(129,870,749)	(128,876,427)	(131,428,314)	(132,059,433)	(133,118,300)
Proceeds from bonds	3,908,000	6,047,524		4,353,015		5,055,278	5,500,000	5,243,469	4,889,773	
Proceeds from capital lease						2,900,000	4,252,088	1,527,826	321,207	
Total other financing sources (uses)	3,646,000	6,047,524	17,727	4,310,493	(297,396)	7,970,278	9,752,088	6,771,295	5,210,980	(461,149)
Net Change in Fund Balances	\$ 9,337,275	\$ (3,620,331)	\$ 1,613,745	\$ 5,210,795	\$ (924,277)	\$ (2,333,264)	\$ 13,184,927	\$ 8,664,140	\$ (5,843,509)	\$ 1,887,499
Debt Service as a Percentage of Noncapital Expenditures	3.20%	2.79%	2.42%	2.16%	2.31%	2.54%	2.14%	2.64%	2.46%	2.16%

*During fiscal year 2011, Cafeteria Operations were combined with Education.

Source: City of Warwick Comprehensive Annual Financial Report

CITY OF WARWICK, RHODE ISLAND
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Real Property						
Fiscal Year	Residential	Commercial	Less Tax-Exempt Property	Total Taxable Assessed Value	Estimated Actual Value	Tax Rate Res/Comm
2010	\$ 8,097,688,900	\$ 3,203,401,900	\$ 64,803,000	\$ 11,236,287,800	\$ 11,236,287,800	\$14.14/\$21.21
2011	6,286,650,600	2,808,766,770	64,485,000	9,030,932,370	9,030,932,370	\$17.48/ \$26.22
2012	6,261,960,200	2,641,178,770	53,032,287	8,850,106,683	8,850,106,683	\$17.69/ \$26.53
2013	6,265,223,524	2,553,709,270	149,903,604	8,669,029,190	8,669,029,190	\$18.14/\$27.21
2014	5,774,315,608	2,308,836,275	113,410,569	7,969,741,314	7,969,741,314	\$19.79/\$29.68
2015	5,690,034,009	2,243,081,450	177,862,624	7,755,252,835	7,755,252,835	\$20.06/ \$30.09
2016	5,705,887,951	2,203,319,107	187,393,314	7,721,813,744	7,721,813,744	\$20.75/\$31.13
2017	6,085,854,763	2,239,830,661	188,575,915	8,137,109,509	8,137,109,509	\$20.24/\$30.36
2018	6,099,011,724	2,216,165,300	193,343,996	8,121,833,028	8,121,833,028	\$20.24/\$30.36
2019	6,104,997,750	2,217,267,100	191,386,229	8,130,878,621	8,130,878,621	\$20.80/\$31.19
Personal Property Tangible						
Fiscal Year		Tangible Personal Property	Less Tax-Exempt Property	Total Tangible Taxable Assessed Value	Estimated Actual Value	Tax Rate Tangible/ Inventory
2010		\$ 468,844,000	\$ 2,000	\$ 468,842,000	\$ 468,842,000	\$28.28/ \$0.00
2011		449,384,970	12,000	449,372,970	449,372,970	\$34.96/ \$0.00
2012		462,434,140		462,434,140	462,434,140	\$35.38/\$0.00
2013		503,931,303		503,931,303	503,931,303	\$36.28/ \$0.00
2014		525,385,537		525,385,537	525,385,537	\$39.58/ \$0.00
2015		533,705,181		533,705,181	533,705,181	\$40.12/ \$0.00
2016		550,124,141		550,124,141	550,124,141	\$40.12/\$0.00
2017		525,450,291		525,450,291	525,450,291	\$40.48/\$0.00
2018		519,849,116		519,849,116	519,849,116	\$40.48/\$0.01
2019		544,128,554		544,128,554	544,128,554	\$41.59/\$0.00

Notes: Fiscal 2017 reflects the results of a full revaluation.

Source: Tax Assessor's Official Tax Certification List

CITY OF WARWICK, RHODE ISLAND
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (CONTINUED)
LAST TEN FISCAL YEARS
(Unaudited)

		Personal Property Motor Vehicle					
Fiscal Year		Motor Vehicles	Less Tax-Exempt Property	Less M/V Phaseout	Total Motor Vehicle Taxable Assessed Value	Estimated Actual Value	Tax Rate Motor Vehicles
2010	\$	706,836,093	\$ 13,698,497	\$ 357,188,715	\$ 335,948,881	\$ 335,948,881	\$34.60
2011		742,645,169	12,867,015	363,655,976	366,122,178	366,122,178	\$34.60
2012		680,792,673	12,652,167	13,342,221	654,798,285	654,798,285	\$34.60
2013		839,853,603	11,918,651	178,494,733	649,440,219	649,440,219	\$34.60
2014		854,260,308	14,343,446	180,950,469	658,966,393	658,966,393	\$34.60
2015		862,802,922	16,384,579	181,107,718	665,310,625	665,310,625	\$34.60
2016		873,371,912	16,067,882	184,942,595	672,361,435	672,361,435	\$34.60
2017		916,573,616	16,636,180	187,835,342	712,102,094	712,102,094	\$34.60
2018		812,081,178	15,317,856	156,520,338	640,242,984	640,242,984	\$34.60
2019		771,695,891	14,897,412	150,351,187	606,447,292	606,447,292	\$34.60
Total All							
Fiscal Year		Assessed Value		Estimated Actual Value	Ratio		
2010	\$	12,041,078,681	\$	12,041,078,681	100.00%		
2011		9,846,427,518		9,846,427,518	100.00%		
2012		9,967,339,108		9,967,339,108	100.00%		
2013		9,822,400,712		9,822,400,712	100.00%		
2014		9,154,093,244		9,154,093,244	100.00%		
2015		8,954,268,641		8,954,268,641	100.00%		
2016		8,944,299,320		8,944,299,320	100.00%		
2017		9,374,661,894		9,374,661,894	100.00%		
2018		9,281,925,128		9,281,925,128	100.00%		
2019		9,281,454,467		9,281,454,467	100.00%		

Notes: Fiscal 2017 reflects the results of a full revaluation.
 Source: Tax Assessor's Official Tax Certification List

TABLE 6

**CITY OF WARWICK, RHODE ISLAND
PROPERTY TAX RATES
(PER \$1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year</u>		<u>General Fund</u>	<u>Fiscal Year</u>		<u>General Fund</u>
2010	Real Estate Residential	14.14	2015	Real Estate Residential	20.06
	Real Estate Commercial	21.21		Real Estate Commercial	30.09
	Tangible Personal Property	28.28		Tangible Personal Property	40.12
	Motor Vehicles	34.60		Motor Vehicles	34.60
2011	Real Estate Residential	17.48	2016	Real Estate Residential	20.75
	Real Estate Commercial	26.22		Real Estate Commercial	31.13
	Tangible Personal Property	34.96		Tangible Personal Property	41.50
	Motor Vehicles	34.60		Motor Vehicles	34.60
2012	Real Estate Residential	17.69	2017	Real Estate Residential	20.24
	Real Estate Commercial	26.53		Real Estate Commercial	30.36
	Tangible Personal Property	35.38		Tangible Personal Property	40.48
	Motor Vehicles	34.60		Motor Vehicles	34.60
2013	Real Estate Residential	18.14	2018	Real Estate Residential	20.24
	Real Estate Commercial	27.21		Real Estate Commercial	30.36
	Tangible Personal Property	36.28		Tangible Personal Property	40.48
	Motor Vehicles	34.60		Motor Vehicles	34.60
2014	Real Estate Residential	19.79	2019	Real Estate Residential	20.80
	Real Estate Commercial	29.68		Real Estate Commercial	31.19
	Tangible Personal Property	39.58		Tangible Personal Property	41.59
	Motor Vehicles	34.60		Motor Vehicles	34.60

Source: City of Warwick Tax Assessor - Official Tax Certification List

TABLE 7

**CITY OF WARWICK, RHODE ISLAND
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
(Unaudited)**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Median Family Income</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2010	84,760	\$ 2,597,724,480	\$ 75,029	\$ 30,648	10,507	11.50%
2011	82,672	2,477,762,512	72,337	29,971	10,277	10.30%
2012	82,672	2,515,047,584	73,504	30,422	9,977	10.12%
2013	82,698	2,662,958,298	76,695	32,201	9,675	8.80%
2014	81,971	2,639,548,171	76,695	32,201	9,409	8.00%
2015	81,963	2,777,644,107	78,263	33,889	9,277	5.86%
2016	81,699	2,872,291,743	82,937	35,157	9,130	4.73%
2017	81,576	2,916,423,576	84,421	35,751	8,897	4.02%
2018	82,672	3,096,975,792	87,369	37,461	9,124	4.50%
2019	80,847	3,028,609,467	87,369	37,461	8,622	3.20%

Sources: US Census Bureau, Population Finder and FactFinder
US Census Bureau, 2010-2015 American Community Survey (5 Year Estimates)
RI Department of Labor and Training

**CITY OF WARWICK, RHODE ISLAND
PRINCIPAL EMPLOYERS
JUNE 30, 2019
(Unaudited)**

Employer	Number of Employees	Rank	Percentage of Total City Employment
Met Life	1,000-4,999	1	2.3%-11.4%
Kent Hospital Acute Rehab	1,000-4,999	2	2.3%-11.4%
J Arthur Trudeau Memorial (Aberdeen Ave)	1,000-4,999	3	2.3%-11.4%
Kent Hospital	1,000-4,999	4	2.3%-11.4%
Community College of RI	500-999	5	1.1%-2.3%
Bentley Providence	500-999	6	1.1%-2.3%
Kenney Manufacturing Co	500-999	7	1.1%-2.3%
J Arthur Trudeau Memorial (Post Road)	500-999	8	1.1%-2.3%
American Psychological Assn	500-999	9	1.1%-2.3%
Securitas Security Svc USA	500-999	10	0.6%-1.1%

Source: Employ RI

R.I. Department of Labor and Training-Total Employment Statistics

(Historical data for nine years prior was unavailable)

TABLE 9

CITY OF WARWICK, RHODE ISLAND
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Municipal Administration	92	93	93	92	90	88	87	86	86	87
Public Safety										
Police Civilians	79	79	79	78	78	78	77	75	75	77
Officers	175	175	175	172	172	167	163	164	163	163
Fire Civilians	12	12	12	12	12	12	12	11	11	11
Firefighters/Officers	212	227	227	220	220	221	220	209	209	209
Municipal	17	17	17	16	16	15	16	16	16	17
Social Services	22	22	22	22	22	22	22	22	22	22
Library/Recreation	68	66	66	65	65	67	67	67	67	66
Developmental Resources	16	16	16	15	16	16	16	16	16	17
Public Works										
Administration	3	3	3	3	3	3	3	3	3	3
Maintenance/Automotive	40	40	40	40	40	39	38	39	39	39
Engineering	4	4	4	4	4	4	4	4	4	4
Sanitation/Recycling	23	23	23	23	23	23	23	23	24	24
Highway	60	61	61	61	61	61	61	62	61	61
Water	33	33	33	33	33	34	35	35	35	35
Sewer	33	33	33	33	29	30	31	32	32	32

Source: City of Warwick Finance Department - Personnel Supplements

Note: This count is based on budgeted positions, not all were filled

**CITY OF WARWICK, RHODE ISLAND
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Legislative and Executive										
Number of Resolutions	172	163	161	132	139	124	134	122	158	214
Number of Ordinances	25	18	32	29	19	30	22	21	32	38
Number of Meetings	26	26	28	26	30	27	27	29	22	22
Board of Elections										
Number of Registered Voters	62,284	61,603	61,522	59,546	60,189	59,470	62,059	60,315	60,239	61,133
Purchasing										
Number of bid contracts	328	353	338	358	323	364	327	301	329	317
Number of purchase orders issued	3,721	3,687	3,711	3,985	4,027	3,950	3,673	3,665	3,549	3,374
Building Department										
Number of Permits Issued	6,129	5,894	5,523	5,966	4,959	4,797	4,553	4,521	4,709	5,210
Permit Value	98,398,143	106,449,751	102,000,006	85,372,333	57,740,168	54,478,286	52,690,863	63,980,377	59,519,775	53,664,975
Public Safety										
Calls for Service	90,360	80,224	80,341	84,736	109,587	90,490	90,469	84,669	93,796	90,509
Arrests	1,946	2,561	2,733	2,990	3,057	3,431	3,325	3,325	3,284	3,290
Accidents	3,602	3,844	4,449	4,851	4,795	5,180	4,374	4,374	4,607	4,653
Parking Violations	226	141	130	213	6,304	215	12,085	12,085	12,477	10,973
EMS Responses	13,686	13,972	13,031	12,888	11,774	11,833	11,084	9,637	10,932	9,953
Highway and Sanitation										
Miles of Streets-Local Paved	396	396	396	396	396	396	400	400	398	398
Miles of Streets-State Paved	69	69	69	69	69	69	70	70	68	68
Miles of Streets-Private Paved	20	20	20	20	20	20	20	20	19	19
Refuse Collected (Annual Tonnage)	26,072	25,785	25,367	25,344	24,520	24,855	25,305	23,797	24,747	27,050
Recyclables Collected (Annual Tonnage)	9,388	10,056	10,281	10,152	9,863	10,074	10,476	8,940	8,801	8,939
Public Skating Admissions-Thayer Arena										
McDermott Pool Daily Passes	4,710	5,144	5,144	5,144	6,322	7,233	6,313	6,940	6,578	6,137
McDermott Pool Monthly Passes	6,316	4,177	4,177	4,177	6,136	6,217	944	1,119	1,225	1,082
McDermott Pool Seasonal Passes	1,188	770	770	770	626	488				
McDermott Pool Seasonal Passes	297	293	293	293						
Library										
Registered Borrowers	29,490	30,897	34,895	35,554	35,120	36,813	38,121	39,336	40,827	45,451
Print Materials	131,615	132,321	140,565	141,369	143,787	148,106	176,576	166,323	180,516	185,293
Non-Print	22,003	20,849	18,000	17,373	16,683	15,384	14,751	13,168	22,827	11,920
Ebooks and AV Materials	100,129	87,743	73,156	55,799	46,024					
Circulation	650,124	574,553	570,575	573,079	603,897	558,313	523,382	521,543	494,773	445,656
Programs	1,141	1,196	1,022	969	1,302	743	709	574	841	864
Program Attendance	26,146	28,062	32,883	18,616	13,952	12,342	11,826	11,119	14,942	15,013
Water										
Total Connections	26,952	26,966	26,969	26,896	26,959	26,903	26,967	26,827	26,657	27,132
New Connections	61	72	97	57	146	36	188	42	14	25
Water Main Breaks	26	34	30	29	34	26	21	21	47	28
Average Daily Consumption (Gallons)	5.526	5.712M	5.875M	5.479M	5.477M	4.395M	4.87	6.248M	5.513M	5.554M
Wastewater										
Average Daily Sewer Treatment (Gallons)	5.1M	4.9M	4.8M	4.5M	4.6M	4.8M	4.8M	4.71M	5.41M	4.82M
Accounts Billed	22,408	22,635	22,405	22,222	21,966	21,728	21,544	20,999	20,532	20,133

Source: Various City Departments

**CITY OF WARWICK, RHODE ISLAND
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
City Hall	2	2	2	2	2	2	2	2	2	2
Human Services	2	2	2	8	8	8	8	8	8	8
Public Works	2	2	2	2	2	2	2	2	2	2
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	10	10	10	10	10	9	9	9	9	9
Highway										
Streets (miles)	490	490	490	490	490	490	490	490	490	490
Streetlights	8834	8834	8834	8,834	8834	8834	8834	8834	8834	8834
Traffic Lights (City)	27	27	27	27	27	27	27	27	27	27
Library										
Main	1	1	1	1	1	1	1	1	1	1
Branches	3	3	3	3	3	3	3	3	3	3
Recreation										
Parks	9	9	9	9	9	9	9	9	9	9
Bathing Beaches	6	6	6	6	6	6	6	6	6	6
Ice Arenas	2	2	2	2	2	2	2	2	2	2
Pools	1	1	1	1	2	2	2	2	2	2
Water/Wastewater										
Fire Hydrants	2012	1996	1996	1,772	1772	1772	1772	1772	1772	1772
Max Daily Capacity (Gallons)-Water	13.0M	13.0M	13.0M	12.0M	13.3M	13.3M	13.3M	13.3M	13.3M	13.3M
Max Daily Capacity (Gallons)-Sewer	7.7M	7.7M	7.7M	7.7M	7.7M	7.7M	7.7M	7.7M	7.7M	7.7M
Education										
Elementary Schools	13	16	16	16	17	17	17	17	17	17
Middle Schools	2	2	2	2	3	3	3	3	3	3
High Schools	2	2	2	2	3	3	3	3	3	3
Career/Technical	1	1	1	1	1	1	1	1	1	1

Source: Various City Departments

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