

TOWN OF WEST WARWICK, RHODE ISLAND

FINANCIAL STATEMENTS
JUNE 30, 2019

TOWN OF WEST WARWICK, RHODE ISLAND
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Introductory Section

LIST OF TOWN OFFICIALS
Town of West Warwick, Rhode Island

TOWN COUNCIL

David Gosselin, Jr. President (Ward 2)
John F. D'Amico, Vice President (Ward 5)
Maribeth Q. Williamson (Ward 1)
Jason K. Messier (Ward 3)
Jason E. Licciardi, Sr. (Ward 4)

TOWN MANAGER

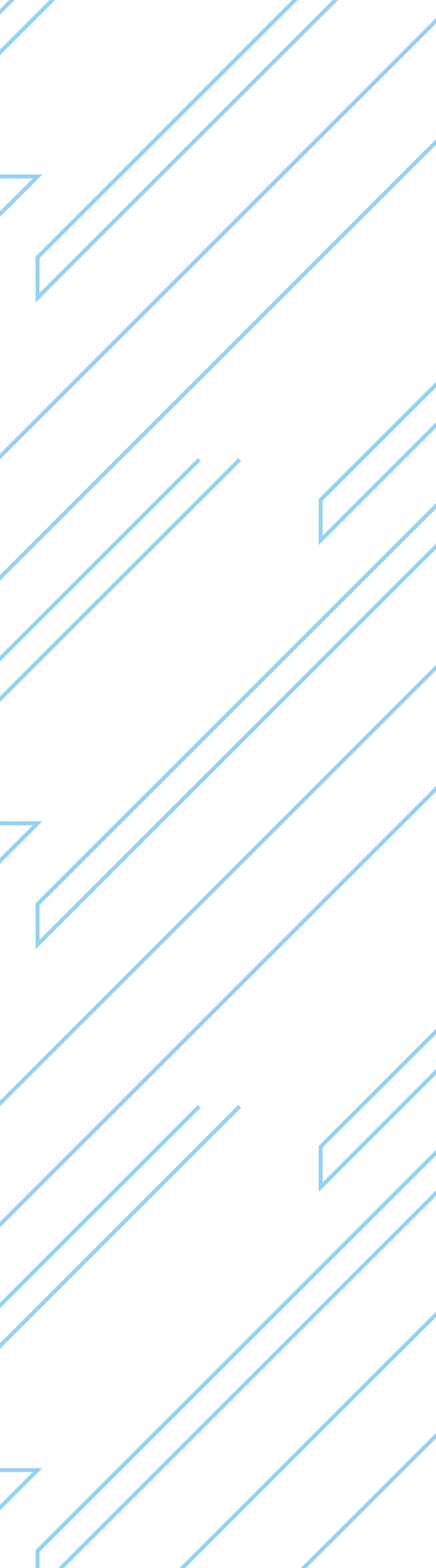
Ernest Zmyslinski

SCHOOL COMMITTEE

Stephen H. Lawton, Chairperson
Luis R. Colon, Jr., Vice Chairman
Rene Coutu, Clerk
Joseph A. DiMartino
Susan St. Amand

DEPARTMENT DIRECTORS

Town Finance Director	Kristen B. Benoit
Superintendent of Schools	Karen Tarasevich
Director of Financial Operations – School Department	Joseph Spagna
Town Solicitor	Timothy Williamson
Town Clerk	Marianne Kelly
Chief of Police	Colonel Mark Knott
Fire Chief	Jeffrey Varone
Tax Assessor	Sal Saccocia
Director of Public Works	David Picozzi
Town Planner/Economic Development Coordinator	Mark Carruolo
Building Official	Robert Assalone
CDBG Coordinator	Elaine Mansour
Superintendent of Sewer Treatment Plant	Harrison Songolo
Director of Human Resources	Melissa Leblanc
Director of Federal Programming and Innovative Practice	Keith Remillard
Director of Property & Maintenance – School Department	Kenneth Townsend
Special Education Director – School Department	Jessica M. Perry
Director of Technology – School Department	Jim Monti



Financial Section

Independent Auditors' Report

The Honorable Town Manager and Members of the West Warwick Town Council
Town of West 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 Town of West 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 Town of West 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Town of West 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 Town of West Warwick, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and Annual Supplemental Transparency Report 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 section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2019 on our consideration of the Town of West 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 Town of West 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 Town of West Warwick, Rhode Island's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

Cranston, Rhode Island
December 17, 2019

**TOWN OF WEST WARWICK, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

As management of the Town of West Warwick, we offer readers of the Town of West Warwick's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the Town's financial statements that follow this section.

Financial Highlights

- ❖ The Town's government-wide net position decreased by \$1,032,987 as a result of this year's current operations. Most of the decrease was attributable to Wastewater Authority activities. On a government-wide basis the liabilities and deferred inflows of resources exceeded the Town's assets and deferred outflows of resource creating a net position deficiency of \$144,504,080. Net position of the business-type activities decreased by \$1,333,851, while the net position of Governmental Activities increased by \$300,864.
- ❖ The Town's Government-wide (governmental and business-type activities) operating expenses were \$118,564,326 while revenues collected were \$117,531,339.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$13,339,541. 13.40% of this amount, \$1,788,072 is unassigned.
- ❖ At the end of the current fiscal year, the General Fund's unassigned fund balance was \$1,987,763 or 5.01% of the total General Fund budgetary expenditures (excluding education) for the fiscal year. In accordance with generally accepted accounting principles (GAAP), the current fiscal year's revenues and other financing sources exceeded expenditures and other financing uses transfers by \$1,335,393.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of West Warwick's basic financial statements. These basic financial statements consist of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

In addition to the basic financial statements, this report also contains other supplementary information. The Town's basic financial statements and other supplementary information provide information about the Town's activities. They provide both a short-term and a long-term view of the Town's financial health as well as information about activities for which the Town acts solely as a trustee for the benefit of those outside of the Town's government.

Government-wide financial statements - are designed to provide readers with a broad overview of the Town's finances in a manner that is similar to a private-sector business. They are presented on the accrual basis of accounting where revenues and expenditures are recognized on the date they occurred rather than on the date they were collected or paid.

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

The *Statement of Activities* presents information which shows how the Town's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. Examples are uncollected taxes and earned but unused compensated absences.

Both of the government-wide financial statements distinguish functions of the Town of West Warwick, which are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Town's governmental activities include general government, public safety, public works, public assistance, development, recreation, public libraries, education, senior center activities, and interest on long-term debt. The business-type activities of the Town include the West Warwick Wastewater Authority, Municipal Court, School Lunch Program, and the Civic Center.

The government-wide financial statements can be found on Exhibit I and II.

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

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

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

The Town of West Warwick maintains 76 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and School Unrestricted Fund which are considered to be major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements which can be found in the supplementary information section of the audited financial statements. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in Exhibits A-1 through A-8.

Proprietary Funds - The Town of West Warwick's Proprietary Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town has four Enterprise Funds. The Wastewater Authority accounts for the Town's Wastewater system. The Municipal Court collects and levies fines and fees. The School Lunch Program which accounts for the activity of the School's food service program. The Civic Center collects admission and concession stand revenues at the Town-owned venue.

The Town's internal service funds represent accounting devices used to accumulate and allocate costs internally among the Town's various functions. The Town is self-insured in its health coverage, and the Healthcare Management Fund reports the actual claims as well as the Town's contribution to the Fund along with employee deductions for the benefit program. The Energy Efficiency Fund reports on the expenses and revenues generated to provide clean and efficient energy to the Town's properties. The Internal Service Funds are combined with the Governmental Activities in the Government-Wide Financial Statements.

Proprietary Funds provide the same type of information as the government-wide financial statements, only in more detail. The Proprietary Fund financial statements provide separate information for the Wastewater Authority, Municipal Court, School Lunch Program, Civic Center, Healthcare Management, and Energy Efficiency, since all of these funds were considered by the Town to be major funds.

The proprietary fund financial statements are presented 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 statement because resources of those funds are *not* available to support the Town of West Warwick's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

The Fiduciary Fund financial statements can be found on Exhibits VIII and IX.

Notes to Financial Statements -The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 24 through 68.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information pertinent to the Town of West Warwick's operations. Required Supplementary information is presented on pages 69 through 79.

The combining statements referred to earlier in connection with non-major governmental funds and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules are presented on pages 80 through 112.

Government-wide Financial Analysis

As noted earlier, over time net position may serve as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town of West Warwick, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$144,504,080 as of June 30, 2019.

Town of West Warwick, Rhode Island Statement of Net Position June 30, 2019 and June 30, 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 20,826,068	\$ 22,418,588	\$ 11,305,514	\$ 19,449,107	\$ 32,131,582	\$ 41,867,695
Capital assets	63,139,635	64,105,583	60,109,796	55,615,030	123,249,431	119,720,613
Other assets					-	-
Total Assets	<u>83,965,703</u>	<u>86,524,171</u>	<u>71,415,310</u>	<u>75,064,137</u>	<u>155,381,013</u>	<u>161,588,308</u>
Deferred outflows of resources	<u>28,050,048</u>	<u>35,875,443</u>	<u>379,694</u>	<u>676,785</u>	<u>28,429,742</u>	<u>36,552,228</u>
Other liabilities	8,364,163	13,254,709	3,544,859	3,856,317	11,909,022	17,111,026
Long-term liabilities	269,545,984	275,479,009	27,114,993	29,548,329	296,660,977	305,027,338
Total Liabilities	<u>277,910,147</u>	<u>288,733,718</u>	<u>30,659,852</u>	<u>33,404,646</u>	<u>308,569,999</u>	<u>322,138,364</u>
Deferred inflows of resources	<u>19,421,038</u>	<u>19,282,194</u>	<u>323,798</u>	<u>191,071</u>	<u>19,744,836</u>	<u>19,473,265</u>
Net Position:						
Net investment in capital assets	21,463,147	19,378,381	35,200,040	34,828,149	56,663,187	54,206,530
Restricted	2,980,402	3,086,443	3,173,435		6,153,837	3,086,443
Unrestricted	<u>(209,758,983)</u>	<u>(208,081,122)</u>	<u>2,437,879</u>	<u>7,317,056</u>	<u>(207,321,104)</u>	<u>(200,764,066)</u>
Total Net Position	\$ <u>(185,315,434)</u>	\$ <u>(185,616,298)</u>	\$ <u>40,811,354</u>	\$ <u>42,145,205</u>	\$ <u>(144,504,080)</u>	\$ <u>(143,471,093)</u>

The Town's net position includes \$56,663,187 invested in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire these assets that are still outstanding and any restricted cash still remaining on these debt obligations. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town'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.

The Town's overall negative net position of \$144,504,080 at June 30, 2019 is primarily attributable to the legacy costs related to unfunded pension and OPEB liabilities which totaled approximately \$233,000,000 at June 30, 2019.

Town of West Warwick, Rhode Island
Statement of Changes in Net Position
June 30, 2019 and June 30, 2018

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 3,947,896	\$ 6,818,350	\$ 8,635,761	\$ 8,730,919	\$ 12,583,657	\$ 15,549,269
Operating grants and contributions	32,655,182	34,593,500	1,029,384	1,024,443	33,684,566	35,617,943
Capital grants and contributions	802,029	310,136	66,786	89,799	868,815	399,935
General Revenues:						
Property taxes	65,811,147	64,383,721			65,811,147	64,383,721
Motor vehicle phase-out taxes	1,345,609	777,694			1,345,609	777,694
State aid and in lieu of taxes not restricted for specific programs	1,803,174	1,469,827			1,803,174	1,469,827
Grants and contributions not restricted to specific programs	949,251				949,251	-
Investment income	108,880	(60,167)	90,200	50,084	199,080	(10,083)
Miscellaneous	286,040	363,946			286,040	363,946
Total revenues	<u>107,709,208</u>	<u>108,657,007</u>	<u>9,822,131</u>	<u>9,895,245</u>	<u>117,531,339</u>	<u>118,552,252</u>
Program Expenses:						
General government	15,865,460	12,266,965			15,865,460	12,266,965
Public safety	19,195,400	21,293,929			19,195,400	21,293,929
Public works	4,746,642	4,643,729			4,746,642	4,643,729
Public libraries	347,227	1,003,736			347,227	1,003,736
Parks, recreation and other	1,020,548	3,354,732			1,020,548	3,354,732
Senior Center	213,000	213,000			213,000	213,000
Education	64,916,429	63,735,246			64,916,429	63,735,246
Debt service	1,103,638	1,379,418			1,103,638	1,379,418
Wastewater			8,842,048	8,534,248	8,842,048	8,534,248
Civic Center			772,323	547,085	772,323	547,085
Municipal Court			117,298	108,002	117,298	108,002
School Lunch Program			1,424,313	1,355,128	1,424,313	1,355,128
Total expenses	<u>107,408,344</u>	<u>107,890,755</u>	<u>11,155,982</u>	<u>10,544,463</u>	<u>118,564,326</u>	<u>118,435,218</u>
Excess (deficiency) before transfers	300,864	766,252	(1,333,851)	(649,218)	(1,032,987)	117,034
Transfers		120,000		(120,000)	-	-
Change in net position	300,864	886,252	(1,333,851)	(769,218)	(1,032,987)	117,034
Net Position - Beginning of Year	<u>(185,616,298)</u>	<u>(186,502,550)</u>	<u>42,145,205</u>	<u>42,914,423</u>	<u>(143,471,093)</u>	<u>(143,588,127)</u>
Net Position - End of Year	<u>\$ (185,315,434)</u>	<u>\$ (185,616,298)</u>	<u>\$ 40,811,354</u>	<u>\$ 42,145,205</u>	<u>\$ (144,504,080)</u>	<u>\$ (143,471,093)</u>

Note: Allocation of certain revenues and expenses across functions have been realigned in the current period.

Analysis of the Town of West Warwick's Operations

The following analysis provides a summary of the Town's operations for the fiscal year ended June 30, 2019. Comparative data for fiscal 2019 and 2018 is presented in the table above. Governmental activities increased the Town's net position by \$300,684 for the current period, while business-type activities decreased the Town's net position by \$1,333,851. Overall, the Town's net position decreased by \$1,032,987, over the prior year's net position.

The net change in fund balance for the fiscal year ended June 30, 2019 was an increase of \$1,019,997 for the Town's governmental fund types. In the statement of activities, expenses for capital items are not recorded as expense but shown on the balance sheet, which resulted in a decrease of \$199,497 net of depreciation to the Town's net position. Governmental Funds report principal repayments on debt obligations as expenditures; however, the repayment has no effect on the net position, which increased the net position by \$2,566,461. Changes to net pension and OPEB liabilities and related deferred inflows and outflows resulted in a decrease to the Town's net position of \$3,021,140. See the reconciliation at Exhibit IV for more detailed explanation of differences between changes in fund balance of the Governmental Funds and changes in net position of the Governmental Activities.

Financial Analysis of the Town of West Warwick's Funds

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$13,339,541. Approximately 13.4% of the total amount, or \$1,788,072 constituted unassigned fund balances. The remainder of the fund balance is nonspendable, restricted, or committed specific purposes.

Proprietary Funds - The Town of West Warwick's proprietary fund statements provide the same type of information as presented in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds totaled \$2,437,879, amounts restricted for debt service totaled \$3,173,435, while the net investment in capital assets for these funds was \$35,200,040 resulting in a total net position of \$40,811,354. This net position consisted of \$38,746,222 for the Wastewater Authority, \$119,136 for the Municipal Court, \$1,352,452 for the School Lunch Program, and \$593,544 for the Civic Center.

The Town also maintains Internal Service Funds for the Town and School Department's self-insured medical and dental claims and activity (Healthcare Management Fund), and for renewable and energy efficiency activities (Energy Efficiency Fund). During the fiscal year ended June 30, 2019 the Internal Service Funds reported a change in net position of \$218,538. As a result, ending net position as of June 30, 2019 was a cumulative deficit of \$547,628. The deficit net position will be covered through future increases in working rates charged to the various departments and potential reduction in claims activity for the Healthcare Management Fund. The \$460,190 cumulative deficit in the Energy Efficiency Fund is expected to be covered thru future renewable energy credits from the Wind Turbines.

General Fund Budgetary Highlights

For the year ended June 30, 2019, the General Fund revenues and other financing sources were over budget by \$1,717,123 (revenue surplus 1.8%) while expenditures and other financing uses were over budget by \$361,730 (0.4% over expended). This resulted in budgetary basis surplus of \$1,355,393 for the fiscal year ended June 30, 2019. See RSI-1 for details.

Revenues

Total tax revenues exceeded budgetary estimates by \$413,109, due to strong tax collection efforts by the Tax Collector's office.

Intergovernmental revenues exceeded budgetary estimates by \$1,060,609, due to an increase to State Aid to Schools and an increase in Motor Vehicle State Aid that was enacted after the budget was passed.

Departmental revenues exceeded budgetary estimates by \$248,405, due to better than anticipated revenues in the town clerk and building offices.

Expenditures

General Government came in under budgetary estimates by \$209,281 as a result of a portion of the cash reserve fund that was attributable to salary increases was not utilized as most salary lines came in at or under budget.

Public Safety expenditures closely mirrored budgetary estimates.

Public Works expenditures came in \$310,240 under budgetary estimates due to poor staffing conditions and the inability to complete projects due to the lack of staff.

Other Financing Uses exceeded budgetary estimates by \$1,066,052, primarily due to an increase in School State Aid (which gets transferred to the School Department).

Capital Assets

The Town of West Warwick's investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$116,750,233 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, plant facilities, infrastructure, extensions and mains, and construction in progress.

Statement of Capital Assets, Net June 30, 2019 and June 30, 2018

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 9,268,414	\$ 9,268,414	\$ 432,700	\$ 432,700	\$ 9,701,114	\$ 9,701,114
Construction in progress	144,767	146,537	363,230		507,997	146,537
Land and improvements	1,260,239	1,322,027	355,070	399,890	1,615,309	1,721,917
Buildings and improvements	16,163,084	16,739,714	37,614,490	38,633,566	53,777,574	55,373,280
Machinery and equipment	21,089,802	21,370,808	5,718,008	6,462,374	26,807,810	27,833,182
Infrastructure	15,213,329	15,258,083	9,127,100	9,686,500	24,340,429	24,944,583
Total	\$ 63,139,635	\$ 64,105,583	\$ 53,610,598	\$ 55,615,030	\$ 116,750,233	\$ 119,720,613

Additional information on the Town's capital assets can be found on pages 40 and 41.

Debt Administration

At the end of the current fiscal year, the Town of West Warwick's Governmental Activities had a total bonded debt of \$40,682,515. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government. The following is a summary of the Town's long-term debt.

Town of West Warwick, Rhode Island Bonds, Notes, and Lease Purchase Obligations June 30, 2019 and June 30, 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Bonds and notes payable	\$ 40,682,515	\$ 43,036,515	\$ 21,503,000	\$ 23,765,000	\$ 62,185,515	\$ 66,801,515
Lease purchase obligations	941,423	1,626,884		134,914	941,423	1,761,798
Unamortized bond premiums	298,356	329,224			298,356	329,224
Total	\$ 41,922,294	\$ 44,992,623	\$ 21,503,000	\$ 23,899,914	\$ 63,425,294	\$ 68,892,537

The Town's general obligation bond rating as assigned by Moody's Investors Service was recently raised to Baa1 as a result of a review and the determination that the Town had a positive outlook. The State of Rhode Island imposes a limit of 3% of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of West Warwick's limit is approximately \$64,000,000 at year end. The Town's outstanding general obligation debt is \$40,682,515 at year-end; of which \$35,017,515 is subject to the legal debt margin.

Additional information on the Town's long-term debt can be found on pages 42-46.

Economic Factors, Next Year's Budgets and Rates, and Other Important Developments

The Town of West Warwick's total General Fund budget for fiscal year 2020 amounts to \$100,658,015 which reflects an increase of \$3,643,131, or 3.76% above the fiscal year 2019 budget of \$97,014,884. Of the Town's 2020 budget, 58.2% is budgeted for education expenditures and 41.8% is budgeted for general government. The State of Rhode Island is budgeted to contribute \$27,043,331 to the Town's education department based on State Aid in fiscal 2020.

The Town's tax rate for Fiscal Year 2020 is \$22.57 per \$1,000 of assessed value with 40% allocated for general government and 60% allocated for education. For fiscal year 2019 the Town's tax rate was \$27.18 per \$1,000 of assessed value with 40% allocated for general government and 60% allocated for education.

Previous to fiscal year 2019, the Town completed several projects as part of our green initiative goals. In August of 2016, West Warwick became the first Town in the state to have all of its electric energy supplied through renewable energy projects. This was made possible by the completion of the \$18 million, 4.5KW wind turbine project and the installation of solar arrays on both the Ice rink and field house.

With the completion of these projects, every Town-owned building, including all schools, Town Hall, Wastewater facility, ice rink, field house, library and senior center are now using 100% renewable energy that we are producing. The estimated savings of this initiative over the next 20 years is in excess of \$20 million after debt service. During Fiscal year 2019, the Town contracted with a consultant to sell excess energy credits. These sales are generating approximately \$180,000 in revenue for the energy fund per year.

Previously, the Town had taken advantage of the state's Efficient Buildings Fund program and completed major building efficiency upgrades and converted all of our street lights to more efficient LED lights. These projects are estimated to save the Town an additional \$150,000 - \$200,000 per year.

On October 24, 2019, Moody's raised the Town's Baa2 rating to a Baa1 due to a positive outlook. According to their Press Release the report notes the Town's plan "has strengthened pension and OPEB funding practices and helped contain expenditures". It also notes that West Warwick will continue to meet required pension funding contributions and maintain balanced operations despite growing personnel and benefit costs. Stabilization and growth of the Town's operating reserves also contributed to the bond rating increase.

Request for Information

The financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Town's finances and to show the Town's accountability for the tax dollars received. If you have questions about this report or need additional financial information, contact the Finance Director's Office, Town of West Warwick, 1170 Main Street, West Warwick, RI 02893.



Basic Financial Statements

TOWN OF WEST WARWICK, RHODE ISLAND
STATEMENT OF NET POSITION
JUNE 30, 2019

EXHIBIT I

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 12,184,595	\$ 4,121,317	\$ 16,305,912
Restricted cash	362,108	3,173,435	3,535,543
Restricted Investments	2,618,294		2,618,294
Receivables:			
Property taxes, net	3,775,107		3,775,107
Assessment and usage fees receivable, net		1,076,213	1,076,213
Municipal debt service assessments receivable		659,253	659,253
Intergovernmental	1,830,690	45,768	1,876,458
Other receivables	1,079,357	155,348	1,234,705
Internal balances	(2,074,180)	2,074,180	-
Prepaid items	1,050,097		1,050,097
Total current assets	20,826,068	11,305,514	32,131,582
Noncurrent assets:			
Receivables:			
Assessment and usage fees receivable, net		1,330,422	1,330,422
Municipal debt service assessments receivable		5,168,776	5,168,776
Capital assets not being depreciated	9,413,181	795,930	10,209,111
Capital assets, net of accumulated depreciation	53,726,454	52,814,668	106,541,122
Total noncurrent assets	63,139,635	60,109,796	123,249,431
Total assets	83,965,703	71,415,310	155,381,013
Deferred Outflows of Resources:			
Deferred charge on refunding	245,806		245,806
Related to pensions	20,767,807	174,178	20,941,985
Related to OPEB	7,036,435	205,516	7,241,951
Total deferred outflows of resources	28,050,048	379,694	28,429,742
Liabilities:			
Current liabilities:			
Accounts payable	3,492,060	554,594	4,046,654
Accrued liabilities	338,587	283,116	621,703
Accrued interest payable	368,780	158,574	527,354
Accrued compensated absences	1,074,000	212,818	1,286,818
Unearned revenue		22,405	22,405
Current portion of lease purchase obligations	345,736	26,352	372,088
Current portion of bonds and notes payable	2,745,000	2,287,000	5,032,000
Total current liabilities	8,364,163	3,544,859	11,909,022
Noncurrent liabilities:			
Accrued compensated absences	6,001,000		6,001,000
Net pension liability	168,035,247	6,188,933	174,224,180
Net OPEB liability	56,678,179	1,655,419	58,333,598
Lease purchase obligations	595,687	54,641	650,328
Bonds and loans payable	37,937,515	19,216,000	57,153,515
Bond premium	298,356		298,356
Total noncurrent liabilities	269,545,984	27,114,993	296,660,977
Total liabilities	277,910,147	30,659,852	308,569,999
Deferred Inflows of Resources:			
Related to pensions	11,637,450	96,766	11,734,216
Related to OPEB	7,773,113	227,032	8,000,145
Advance tax collections	10,475		10,475
Total deferred inflows of resources	19,421,038	323,798	19,744,836
Net Position:			
Net investment in capital assets	21,463,147	35,200,040	56,663,187
Restricted for:			
Debt service	2,980,402	3,173,435	6,153,837
Unrestricted	(209,758,983)	2,437,879	(207,321,104)
Total Net Position	\$ (185,315,434)	\$ 40,811,354	\$ (144,504,080)

The accompanying notes are an integral part of the financial statements

TOWN OF WEST WARWICK, RHODE ISLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT II

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 15,865,460	\$ 1,024,260	\$ 26,873	\$ 100,000	\$ (14,714,327)		\$ (14,714,327)
Public safety	19,195,400	2,111,389	69,250		(17,014,761)		(17,014,761)
Public works	4,746,642	717,988	79,903	702,029	(3,246,722)		(3,246,722)
Parks	347,227	67,666			(279,561)		(279,561)
Public libraries	1,020,548	18,547	217,601		(784,400)		(784,400)
Senior center	213,000				(213,000)		(213,000)
Education	64,916,429	8,046	32,261,555		(32,646,828)		(32,646,828)
Interest on long-term debt	1,103,638				(1,103,638)		(1,103,638)
Total governmental activities	<u>107,408,344</u>	<u>3,947,896</u>	<u>32,655,182</u>	<u>802,029</u>	<u>(70,003,237)</u>	<u>-</u>	<u>(70,003,237)</u>
Business-Type Activities:							
Wastewater Authority	8,842,048	7,353,386		66,786		(1,421,876)	(1,421,876)
Civic Center	772,323	652,111				(120,212)	(120,212)
Municipal Court	117,298	99,167				(18,131)	(18,131)
School Lunch Program	1,424,313	531,097	1,029,384			136,168	136,168
Total business-type activities	<u>11,155,982</u>	<u>8,635,761</u>	<u>1,029,384</u>	<u>66,786</u>	<u>-</u>	<u>(1,424,051)</u>	<u>(1,424,051)</u>
Total	<u>\$ 118,564,326</u>	<u>\$ 12,583,657</u>	<u>\$ 33,684,566</u>	<u>\$ 868,815</u>	<u>(70,003,237)</u>	<u>(1,424,051)</u>	<u>(71,427,288)</u>
General revenues:							
Property taxes, levied for general purposes					65,811,147		65,811,147
Motor vehicle phase-out taxes					1,345,609		1,345,609
Utilities taxes					361,847		361,847
State Aid to distressed communities					904,159		904,159
Hotel, meals, and beverage tax					537,168		537,168
Grants not restricted to specific program					949,251		949,251
Unrestricted investment earnings					108,880	90,200	199,080
Miscellaneous					286,040		286,040
Total general revenues and transfers					<u>70,304,101</u>	<u>90,200</u>	<u>70,394,301</u>
Change in net position					300,864	(1,333,851)	(1,032,987)
Net Position at Beginning of Year					<u>(185,616,298)</u>	<u>42,145,205</u>	<u>(143,471,093)</u>
Net Position at End of Year					<u>\$ (185,315,434)</u>	<u>\$ 40,811,354</u>	<u>\$ (144,504,080)</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WEST WARWICK, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019**

EXHIBIT III

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 11,711,666	\$ 91,953	\$ 380,976	\$ 12,184,595
Restricted cash			362,108	362,108
Investments			2,406,967	2,406,967
Accounts receivable:				
Real estate and personal property taxes, net	2,727,323			2,727,323
Intergovernmental	488,376	174,700	1,167,415	1,830,491
Other receivables	1,047,784	165,566	199	1,213,549
Due from other funds	236,817	4,900,775	3,801,298	8,938,890
Prepaid items	220,700	223,163	120,354	564,217
Total Assets	\$ <u>16,432,666</u>	\$ <u>5,556,157</u>	\$ <u>8,239,317</u>	\$ <u>30,228,140</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 553,537	\$ 1,069,402	\$ 229,410	\$ 1,852,349
Accrued expenses	324,127		64,182	388,309
Due to other funds	10,980,239		1,301,402	12,281,641
Total liabilities	<u>11,857,903</u>	<u>1,069,402</u>	<u>1,594,994</u>	<u>14,522,299</u>
Deferred inflows of resources:				
Unavailable revenues - taxes	2,183,031			2,183,031
Unavailable revenues - EMS	172,794			172,794
Advance tax collections	10,475			10,475
Total deferred inflows of resources	<u>2,366,300</u>	<u>-</u>	<u>-</u>	<u>2,366,300</u>
Fund balances:				
Nonspendable	220,700	223,163	120,354	564,217
Restricted			4,660,472	4,660,472
Committed		4,263,592	2,063,188	6,326,780
Unassigned	1,987,763		(199,691)	1,788,072
Total fund balances	<u>2,208,463</u>	<u>4,486,755</u>	<u>6,644,323</u>	<u>13,339,541</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>16,432,666</u>	\$ <u>5,556,157</u>	\$ <u>8,239,317</u>	\$ <u>30,228,140</u>

(Continued on next page)

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

EXHIBIT III

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)	\$ 13,339,541
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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	\$ 117,391,061	
Less accumulated depreciation	<u>(71,646,325)</u>	
Net capital assets		45,744,736

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

EMS receivables greater than 60 days	2,183,031
Property tax receivables greater than 60 days	172,794
Forward purchase contract	211,327
Deferred outflows related to pension	20,767,807
Deferred outflows related to OPEB	7,036,435

Internal service funds are used by management to charge the costs of
utilities and 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.

(547,628)

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

Bonds and notes payable	(21,855,515)
Deferred charge on refunding	245,806
Unamortized premium on bonds payable	(298,356)
Interest payable on bonds and notes	(175,000)
Capital leases payable	(941,423)
Accrued compensated absences	(7,075,000)
Net OPEB obligation	(56,678,179)
Net pension liability	(168,035,247)
Deferred inflows related to pension	(11,637,450)
Deferred inflows related to OPEB	<u>(7,773,113)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ (185,315,434)</u>
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The accompanying notes are an integral part of the financial statements

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

EXHIBIT IV

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes, interest and liens	\$ 65,792,959	\$	\$	\$ 65,792,959
Intergovernmental	3,935,526	26,130,629	3,855,471	33,921,626
Charges for services	2,811,060		1,269,463	4,080,523
Contributions and private grants			104,368	104,368
Medicaid		949,251		949,251
State on-behalf pension contributions		2,580,000		2,580,000
Interest income	61,832		85,423	147,255
Other revenue		120,177	1,100	121,277
Total revenues	<u>72,601,377</u>	<u>29,780,057</u>	<u>5,315,825</u>	<u>107,697,259</u>
Expenditures:				
General government	2,985,948		18,159	3,004,107
Public safety	16,105,972		965,223	17,071,195
Public works	4,309,400		105,552	4,414,952
Parks	259,802			259,802
Public libraries	717,245		234,334	951,579
Senior center	213,000		4,079	217,079
Education		60,698,801	2,744,105	63,442,906
Benefits and other miscellaneous	11,528,090			11,528,090
Debt service	3,136,394		557,261	3,693,655
Capital outlay			2,093,897	2,093,897
Total expenditures	<u>39,255,851</u>	<u>60,698,801</u>	<u>6,722,610</u>	<u>106,677,262</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>33,345,526</u>	<u>(30,918,744)</u>	<u>(1,406,785)</u>	<u>1,019,997</u>
Other Financing Sources (Uses):				
Transfers in		31,557,516	432,617	31,990,133
Transfers out	(31,990,133)			(31,990,133)
Total other financing sources (uses)	<u>(31,990,133)</u>	<u>31,557,516</u>	<u>432,617</u>	<u>-</u>
Net Change in Fund Balances	1,355,393	638,772	(974,168)	1,019,997
Fund Balances at Beginning of Year	<u>853,070</u>	<u>3,847,983</u>	<u>7,618,491</u>	<u>12,319,544</u>
Fund Balances at End of Year	<u>\$ 2,208,463</u>	<u>\$ 4,486,755</u>	<u>\$ 6,644,323</u>	<u>\$ 13,339,541</u>

(Continued on next page)

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

EXHIBIT IV

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)	\$ 1,019,997
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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 is reported as depreciation expense.

Capital outlay	2,449,528
Depreciation expense	(2,501,215)
Loss on asset disposal	(147,810)

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

Change in property tax receivable - accrual basis change	15,998
Change in EMS receivable - accrual basis change	34,326
Change in value of forward purchase contract	(38,375)
Change in deferred outflows related to pension	(5,737,775)
Change in deferred outflows related to OPEB	(2,060,309)

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.

Principal payments on bonds and notes	1,881,000
Principal payments on lease purchase obligations	685,461

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:

Amortization of deferred charge on refunding	(27,312)
Amortization of premium	30,868
Change in accrued interest	20,000
Change in compensated absences	(319,000)
Change in net pension liability	(1,442,528)
Change in OPEB obligation	6,347,840
Change in deferred inflows related to pension	5,338,506
Change in deferred inflows related to OPEB	(5,466,874)

Internal service funds are used by management to charge the costs of utilities and risk management to individual funds. The net revenues of the internal service funds are reported with governmental activities.

218,538

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 300,864</u>
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The accompanying notes are an integral part of the financial statements

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

EXHIBIT V

	Business-type Activities			Governmental
	Wastewater Authority	Nonmajor	Total	Internal Service Funds
Assets:				
Current assets:				
Cash and cash equivalents	\$ 3,204,298	\$ 917,019	\$ 4,121,317	\$
Restricted cash and cash equivalents	3,173,435		3,173,435	
Assessment and usage fees receivable, net	1,076,213		1,076,213	
Municipal debt service assessments receivable	659,253		659,253	
Due from other federal and state government		45,768	45,768	
Other receivables		155,348	155,348	913,791
Due from other funds	2,460,448	468,889	2,929,337	1,268,571
Prepaid expenses			-	485,880
Total current assets	<u>10,573,647</u>	<u>1,587,024</u>	<u>12,160,671</u>	<u>2,668,242</u>
Noncurrent assets:				
Assessment and usage fees receivable, net	1,330,422		1,330,422	
Municipal debt service assessments receivable	5,168,776		5,168,776	
Capital assets not being depreciated	664,830	131,100	795,930	
Capital assets, net of accumulated depreciation	51,170,349	1,644,319	52,814,668	17,394,899
Total noncurrent assets	<u>58,334,377</u>	<u>1,775,419</u>	<u>60,109,796</u>	<u>17,394,899</u>
Total assets	<u>68,908,024</u>	<u>3,362,443</u>	<u>72,270,467</u>	<u>20,063,141</u>
Deferred Outflows of Resources:				
Related to pensions	174,178		174,178	
Related to OPEB	205,516		205,516	
Total deferred outflows of resources	<u>379,694</u>	<u>-</u>	<u>379,694</u>	<u>-</u>
Liabilities:				
Current liabilities:				
Accounts payable	242,623	311,971	554,594	1,589,989
Accrued liabilities	270,796	12,320	283,116	
Accrued interest payable	157,684	890	158,574	193,780
Accrued compensated absences	188,940	23,878	212,818	
Due to other funds		855,157	855,157	
Unearned revenue	10,303	12,102	22,405	
Current portion of capital lease obligations		26,352	26,352	
Current portion of bonds and notes payable	2,287,000		2,287,000	819,000
Total current liabilities	<u>3,157,346</u>	<u>1,242,670</u>	<u>4,400,016</u>	<u>2,602,769</u>
Noncurrent liabilities:				
Net pension liability	6,188,933		6,188,933	
Net OPEB liability	1,655,419		1,655,419	
Capital lease obligations		54,641	54,641	
Bonds and loans payable	19,216,000		19,216,000	18,008,000
Total noncurrent liabilities	<u>27,060,352</u>	<u>54,641</u>	<u>27,114,993</u>	<u>18,008,000</u>
Total liabilities	<u>30,217,698</u>	<u>1,297,311</u>	<u>31,515,009</u>	<u>20,610,769</u>
Deferred Inflows of Resources:				
Related to pensions	96,766		96,766	
Related to OPEB	227,032		227,032	
Total deferred outflows of resources	<u>323,798</u>	<u>-</u>	<u>323,798</u>	<u>-</u>
Net Position:				
Net investment in capital assets	33,505,614	1,694,426	35,200,040	(1,432,101)
Restricted for debt service	3,173,435		3,173,435	
Unrestricted	2,067,173	370,706	2,437,879	884,473
Total Net Position	<u>\$ 38,746,222</u>	<u>\$ 2,065,132</u>	<u>\$ 40,811,354</u>	<u>\$ (547,628)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST WARWICK, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT VI

	Business-type Activities			Governmental
	Wastewater Authority	Nonmajor	Total	Internal Service Funds
Operating Revenues:				
Sales and charges for services	\$ 7,352,087	\$ 1,270,861	\$ 8,622,948	\$ 12,355,055
Intergovernmental		1,029,384	1,029,384	
Other revenues	1,299	11,514	12,813	157,535
Total revenues	<u>7,353,386</u>	<u>2,311,759</u>	<u>9,665,145</u>	<u>12,512,590</u>
Operating Expenses:				
Salaries and benefits	2,958,202	512,625	3,470,827	
Operations and supplies	2,927,265	1,686,711	4,613,976	427,790
Claims			-	9,199,453
Administration			-	1,266,622
Depreciation and amortization	2,496,632	112,850	2,609,482	783,979
Total operating expenses	<u>8,382,099</u>	<u>2,312,186</u>	<u>10,694,285</u>	<u>11,677,844</u>
Operating Income (loss)	<u>(1,028,713)</u>	<u>(427)</u>	<u>(1,029,140)</u>	<u>834,746</u>
Nonoperating Revenues (Expenses):				
Contributions from other	66,786		66,786	
Investment income	90,200		90,200	
Interest expense	(459,949)	(1,748)	(461,697)	(616,208)
Net nonoperating expenses	<u>(302,963)</u>	<u>(1,748)</u>	<u>(304,711)</u>	<u>(616,208)</u>
Change in Net Position	(1,331,676)	(2,175)	(1,333,851)	218,538
Net Position at Beginning of Year	<u>40,077,898</u>	<u>2,067,307</u>	<u>42,145,205</u>	<u>(766,166)</u>
Net Position at End of Year	<u>\$ 38,746,222</u>	<u>\$ 2,065,132</u>	<u>\$ 40,811,354</u>	<u>\$ (547,628)</u>

The accompanying notes are an integral part of the financial statements

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

EXHIBIT VII

	Business-type Activities			Governmental
	Wastewater Authority	Nonmajor	Total	Internal Service Funds
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 8,395,291	\$ 1,204,341	\$ 9,599,632	\$ 12,745,417
Operating grants		1,029,384	1,029,384	
Other receipts	1,299	11,514	12,813	
Payments to suppliers	(3,601,013)	(1,525,818)	(5,126,831)	(1,492,292)
Payments to employees	(2,626,894)	(509,430)	(3,136,324)	
Claims paid			-	(9,199,453)
Net cash provided by operating activities	<u>2,168,683</u>	<u>209,991</u>	<u>2,378,674</u>	<u>2,053,672</u>
Cash Flows from Noncapital Financing Activities:				
Interfund loans	858,686		858,686	(994,842)
Interfund transfers		(324,879)	(324,879)	
Net cash provided by (used in) noncapital financing activities	<u>858,686</u>	<u>(324,879)</u>	<u>533,807</u>	<u>(994,842)</u>
Cash Flows from Capital and Related Financing Activities:				
Loan proceeds				117,639
Principal paid on bonds, notes and loans	(2,262,000)	(53,921)	(2,315,921)	(473,000)
Interest paid on bonds, notes and loans	(302,265)	(2,442)	(304,707)	(685,941)
Additions to property, plant and equipment	(529,891)	(75,159)	(605,050)	(17,528)
Other nonoperating	66,786		66,786	
Net cash (used in) capital and related financing activities	<u>(3,027,370)</u>	<u>(131,522)</u>	<u>(3,158,892)</u>	<u>(1,058,830)</u>
Cash Flows from Investing Activities:				
Interest and dividends on investments	90,200		90,200	
Net cash provided by investing activities	<u>90,200</u>	<u>-</u>	<u>90,200</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	90,199	(246,410)	(156,211)	-
Cash and Cash Equivalents at Beginning of Year	<u>6,287,534</u>	<u>1,163,429</u>	<u>7,450,963</u>	<u>-</u>
Cash and Cash Equivalents at End of Year	<u>\$ 6,377,733</u>	<u>\$ 917,019</u>	<u>\$ 7,294,752</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (1,028,713)	\$ (427)	\$ (1,029,140)	\$ 834,746
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,496,632	112,850	2,609,482	783,979
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	1,043,204	(78,622)	964,582	232,827
(Increase) in prepaid expenses			-	(341,557)
(Increase) decrease in deferred outflows related to OPEB	59,042		59,042	
Decrease in deferred outflows related to pensions	238,049		238,049	
Increase (decrease) in accounts payable	(944,544)	160,893	(783,651)	543,677
Increase (decrease) in accrued liabilities	270,796	(1,701)	269,095	
Increase in unearned revenue		12,102	12,102	
Increase in net OPEB liability	69,071		69,071	
(Decrease) in net pension liability	(174,587)		(174,587)	
(Decrease) in deferred inflows related to OPEB	(53,413)		(53,413)	
Increase in deferred inflows related to pension	186,140		186,140	
Increase in accrued compensated absences	7,006	4,896	11,902	
Total adjustments	<u>3,197,396</u>	<u>210,418</u>	<u>3,407,814</u>	<u>1,218,926</u>
Net Cash Provided by Operating Activities	<u>\$ 2,168,683</u>	<u>\$ 209,991</u>	<u>\$ 2,378,674</u>	<u>\$ 2,053,672</u>

The accompanying notes are an integral part of the financial statements

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

EXHIBIT VIII

	Pension and Other-Post Employment Benefit Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$	\$ 188,443
Investments, at fair value:		
Mutual funds	39,092,322	
Alternative investments	4,493,228	
Member contribution receivable	302,452	
Other receivable		40,000
Total assets	<u>43,888,002</u>	<u>228,443</u>
Liabilities:		
Accounts payable	886,058	
Deposits held in custody for others		<u>228,443</u>
Total liabilities	<u>886,058</u>	<u>228,443</u>
Net Position:		
Restricted for Pension Benefits and OPEB Benefits	<u>\$ 43,001,944</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

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

EXHIBIT IX

	<u>Pension and Other-Post Employment Benefit Trust Funds</u>
Additions:	
Contributions:	
Employer contributions	\$ 14,354,422
Plan members contributions	<u>1,974,017</u>
Total contributions	<u>16,328,439</u>
Investments income:	
Net change in fair value of investments	1,939,836
Interest and dividends	<u>(158,505)</u>
Total investment income	<u>1,781,331</u>
Total additions	<u>18,109,770</u>
Deductions:	
Benefits	14,124,373
Administration	<u>85,657</u>
Total deductions	<u>14,210,030</u>
Change in Net Position	3,899,740
Net Position at Beginning of Year	<u>39,102,204</u>
Net Position at End of Year	<u>\$ 43,001,944</u>

The accompanying notes are an integral part of the financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of West Warwick was incorporated in 1913 and is located in Kent County, Rhode Island. The Town is governed largely under the Home Rule Charter approved by the electorate on November 4, 1986 and effective December 5, 1988. In some matters, including the issuance of short and long-term debt, the General Laws of the State of Rhode Island govern the Town. The Town is run under a Town Council/Town Manager form of government. The Town provides the following services as authorized by its charter: Public Safety (police, fire, traffic safety, inspections, zoning and building), Public Works (sanitation, highways and streets, engineering and building maintenance), Parks and Recreation, Education, Social Services, and General Administrative Services.

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

- 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 were no entities deemed to be component units for fiscal year 2019.

B. Basis of Presentation - Government-Wide Financial Statements

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

C. Basis of Presentation - 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 Town 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 type, and

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

- 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 Town reports the following major governmental funds:

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

The *School Unrestricted Fund* accounts for the budgeted resources devoted to financing the general operations of the School Department.

The Town reports the following major proprietary funds:

The *Wastewater Authority* is a proprietary (enterprise) fund used to account for sewer use operations of the Town of West Warwick which also includes services provided to some of the surrounding communities.

Additionally, the Town reports the following fund types:

Internal Service Funds

Used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town on a cost-reimbursement basis. The Town's internal service funds are its Healthcare management Fund and its Energy Efficiency Fund.

Fiduciary Fund Types

These funds account for assets held by the government in a trustee's capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs.

The *Employee Retirement Trust Fund* accounts for the activities of the Pension Plan of the Town of West Warwick, which accumulates resources for pension benefit payments to qualified employees.

The *OPEB Trust Fund* accounts resources held in trust for other post-employment benefit obligations of the Town.

The *Agency Funds* account for assets held by the Town in a purely custodial capacity for student groups.

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

E. Cash and Cash Equivalents

Cash and cash equivalents are carried at cost. Cash equivalents include amounts invested in certificate of deposits as management believes that these certificates can be accessed at any point in time. Substantially, all of the Town's cash and cash equivalents are held in public deposit institutions.

Pursuant to Section 35-10-1 of the Rhode Island General Laws, as of October 1, 1991, public institutions are required to insure accounts which hold public funds in excess of the \$250,000 which is guaranteed by FDIC. At times, the Town pools cash resources of its various funds to facilitate the management of cash and maximize investment returns.

State statutes authorize governments to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

F. Investments

The Town invests in various types of investments, which are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are reported as investment income. The Town invests in Government Securities, Commercial Paper, alternate investments and various corporate stocks and bonds which are held in the Town's Governmental Funds and Fiduciary Funds.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of net position and activities.

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 15th, October 15th, January 15th and April 15th following the levy date. The taxpayer may elect to pay the taxes in full or pay quarterly as noted above. Taxes due and unpaid after the respective due dates are subject to interest at a rate of 12% per annum calculated on the unpaid portion of the total tax dating back to July 15th. An automatic lien is placed on the taxpayer's property if payment has not been received by the tax due date. Property taxes levied are recorded as receivables in the fiscal year of the levy. Property tax revenues are recorded in accordance with the modified accrual basis of accounting in the fund financial statements.

H. Other Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes and intergovernmental receivables. Business-type activities report service and special assessment fees as its major receivables. In addition, at June 30, 2019 the Town's Wastewater Authority also reported a debt service assessments receivable due from local communities. This receivable represents the portion of long-term debt obligations which are reported as a liability of the Town of West Warwick, but which are to be reimbursed by surrounding communities in accordance with provisions of executed inter-municipal agreements.

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

The Town uses the allowance method for reporting potential uncollectable accounts in the government-wide statements as well as the fund statements when deemed appropriate. In the fund statements the allowance may also be applied to the unearned revenue balance rather than impacting the operations.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

I. Interfund Receivables and Payables

During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of year end, balances of interfund amounts receivable or payable have been recorded in the fund financial statements. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

J. Prepaid Items

Prepaid items are accounted for under the allocation method whereby a prepaid asset is established at the date of payment and subsequently amortized over the accounting periods expected to benefit from the initial payment. Prepaid items recorded in the governmental type fund do not reflect current appropriate resources and, as such, an equivalent portion of the fund balance is reported as nonspendable.

K. Capital Assets

The accounting treatment over 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 as discussed below.

In the government-wide financial statements, long-lived assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. The Town established a capitalization threshold of \$10,000 for an individual item with a useful life in excess of one year. The government-wide financial statements include all infrastructure assets.

Depreciation of all exhaustible capital assets is recorded, as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the estimated useful life using the straight-line method of depreciation. The range of estimated useful lives by type of asset is follows:

<u>Description</u>	<u>Useful Life</u>
Land improvements	5-10 years
Infrastructure	25-35 years
Buildings and improvements	10-40 years
Machinery, equipment and vehicles	5-10 years

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

The Town reviews the carrying value of its long-lived assets to ensure that any impairment issues are identified and appropriately reflected in the financial statements. Should the expected cash flows be less than the carrying value, an impairment loss would be recognized to reduce the carrying value. There were no impairment losses recognized in fiscal 2019.

L. 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 Town reports a deferred charge on refunding and deferred outflows related to pension 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 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 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 Town reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet and deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pension 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 and OPEB plans (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes and EMS revenues. These amounts are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available.

M. Compensated Absences

Under the terms of various contracts and agreements, Town employees are granted vacation and sick leave in varying amounts based on length of service. They are allowed to accumulate the vacation and sick leave in accordance with the limits of the contracts. This time will be paid upon separation from Town service.

The entire compensated absence liability is reported in the government-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave has been recorded as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources (i.e. upon an employee's resignation or retirement). The balance of the liability not paid with expendable available financial resources is not recorded in the governmental fund financial statements.

N. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, and debt payments, are reported as debt service expenditures.

O. Net Pension Liability

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

P. Net OPEB Liability

The net OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. The OPEB plan's fiduciary net position is determined using the same valuation methods that are used by the OPEB plan for purposes of preparing its statement of fiduciary net position. The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

Q. Fund Equity

Equity in the government-wide financial statements is defined as "net position." Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The components of net position are detailed below:

Net Investment in Capital Assets

The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Restricted Net Position

Consists of net position with constraints placed on the use either by 1) external groups such as creditors, granters, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

Unrestricted

All other amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

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

Nonspendable Fund Balance

Includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted Fund Balance

Is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for capital projects and debt service obligations and for other items contained in the Rhode Island General Laws.

Committed Fund Balance

Will be reported for amounts that can only be used for specific purposes pursuant to formal action of the Town’s highest level of decision-making authority. The Town Council is the highest level of decision-making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Town Council removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Council.

Assigned Fund Balance

This represents amounts constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by (a) the governing body itself or (b) 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.

Unassigned Fund Balance

This represents the residual classification for the general fund and deficit fund balances in other funds.

R. Fund Balance Flow Assumptions

The Town of West Warwick does not currently have a spending policy regarding the order in which restricted, committed, assigned, and unassigned fund balances are spent when more than one amount is available for the expenditures incurred. Accordingly, by default, the Town is following the policy prescribed by GASB Statement No. 54 which specifies that fund balance is reduced first by committed, then by assigned, then by unassigned when expenditures are incurred for purposes for which any unrestricted fund balance could be used. In all situations, the Town considers restricted fund balance to when available and when expenditures are incurred that meet the requirements of the restricted fund balance.

S. Minimum Fund balance

The Town's Home Rule Charter, Section 509, requires the Town to maintain an unassigned fund balance in the General Fund equal to 5% of the annual operating budget. This unassigned fund balance shall be used as a source of funds to meet Town obligations in anticipation of tax receipts and anticipated state and federal aid. The unassigned fund balance may also be used as a contingency fund for emergency appropriations. In the event that this unassigned fund balance is less than 5%, the Town Manager shall include in the budget recommendations a sum of no less than 0.35% of the operating budget until such time as the unassigned fund balance of the General Fund is restored to 5%.

T. Use of 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.

U. Governmental Accounting Standards Board Statements

The GASB has issued several pronouncements that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements.

GASB Statement No. 84, *Fiduciary Activities*

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

GASB Statement No. 87, *Leases*

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*

This statement requires interest cost incurred before the end of a construction period to be expensed in the period in which the cost is incurred.

GASB Statement No. 90, *Majority Equity Interests*

This statement defines majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment, and measured using the equity method unless it is held by a special-purpose government engaged only in fiduciary activities and then would be measured at fair value.

GASB Statement No. 91, *Conduit Debt Obligations*

Conduit debt obligations are debt instruments issued by a state or local government to provide financing for a specific third party, which is primarily liable for repaying the debt instrument. The GASB's existing standards, Interpretation No. 2, *Disclosure of Conduit Debt Obligations*, allowed variation in practice among governments that issue conduit debt obligations, which adversely affects the comparability of financial statement information. The variation arose from the option for government issuers either to recognize conduit debt obligations as their own debt or to disclose them.

Statement 91 eliminates the option for government issuers to recognize conduit debt obligations, thereby providing a single method of reporting.

Although government issuers will no longer report conduit debt obligations as liabilities, they may need to recognize a liability related to commitments they make or voluntarily provide associated with that conduit debt. Statement 91 requires a government issuer to recognize a liability if qualitative factors indicate that it is more likely than not that it will support one or more debt service payments for a conduit debt obligation.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the West Warwick Home Rule Charter, the Town has formally established budgetary accounting control for its General Fund and the School Unrestricted Fund, which is presented as a Special Revenue Fund. The General Fund is subject to an annual operating budget that is prepared by the administration of the Town Manager and submitted to the Town Council for approval. The General Fund budget is then presented at the Financial Town meeting to the Citizens of the Town for their approval. The School Unrestricted Fund is subject to an annual operating budget approved by the School Committee and adopted in total by the Town Council as part of the General Fund budget. 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 General Fund and School Unrestricted Special Revenue Fund's annual operating budgets are prepared on the budgetary basis of accounting which is not in conformity with accounting principles generally accepted in the United States of America. The budget to actual presentation included in the required supplementary information is reflected utilizing the budgetary basis of accounting. Other than the Town's General Fund, the only other governmental fund that has a legally adopted budget is the School's Unrestricted Fund. Therefore, the required supplementary information includes budget versus actual comparisons for the Town's General Fund and the School's Unrestricted Fund only.

Appropriations, if any, 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 Town Manager with the Director of Finance's certification as to the General Fund surplus to meet such appropriations and with the Town Council's approval and approval of the citizens at a Financial Town Meeting.

Amendments to the operating budgets that do not result in additional appropriations may be made within departments by means of a transfer. The Finance Director has authority to make such transfers within departments for the first nine months of the fiscal year. Any other departmental transfers made and transfers made outside of the departmental level in the last three months of the fiscal year require Town Council approval through passage of an ordinance.

The School Unrestricted Fund revenue budget was amended during the year to reflect additional state aid in excess of the original budgetary estimate of approximately \$987,000. The expenditure budget was amended for the same amount.

B. Legal Debt Margin

The Town's legal debt margin as set forth by State Statute is limited to 3% of total taxable assessed value. The legal debt margin for the Town is approximately \$64,000,000. As of June 30, 2019, \$35,017,515 of the Town's debt was subject to the legal debt margin.

TOWN OF WEST WARWICK, RHODE ISLAND
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June 30, 2019

C. Excess of Expenditures over Appropriations

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

Town planner	\$	18,923
Human resources		2,973
Board of canvassers		14,607
Probate court		11
Fire		16,827
Debt service		53,255
Operating transfers out		1,066,052

D. Fund Deficits

At June 30, 2019, the Town reported deficit fund balance/net position in the following funds:

Nonmajor Governmental Funds:		
Public Highway Safety	\$	1,854
Library Grants		197,837
Internal Service Funds:		
Healthcare Management Fund	\$	87,438
Energy Efficiency Fund		460,190

The fund deficits will be eliminated by future bond issuances, grant funding, and/or transfers from the Town's General Fund.

3. CASH AND INVESTMENTS

Deposits

Substantially all of the Town's cash and cash equivalents are held in public deposit institutions. Pursuant to Section 35-10-1 of the Rhode Island General Laws, as of October 1, 1991, public deposit institutions are required to insure accounts that hold public funds in excess of the \$250,000 that is guaranteed by FDIC. At times, the Town pools cash resources of its various funds to facilitate the management of cash and maximize investment returns.

Deposit Custodial Credit Risk

Custodial credit risk in the case of deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned. The State of Rhode Island requires that certain uninsured deposits be collateralized. Section 35-10.1-7 of the General Laws of the State of Rhode Island, dealing with the collateralization of public deposits, requires that all time deposits with maturities of greater than 60 days and all deposits in institutions that do not meet the minimum capital requirements of its federal regulator must be collateralized. The Town does not have a formal deposit policy for custodial credit risk but is governed by State laws as described above.

As of June 30, 2019, the Town's entire bank balance of \$22,662,750 was covered by either FDIC insurance or collateral held in the Town's name.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Investments

The Town invests in various types of investments, which are stated at fair value. The Pension Board is responsible for all aspects of the Employee Retirement Trust Fund's investments and has an adopted investment policy.

As of June 30, 2019, the Town had the following investments:

	<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:				
U.S. Government Securities	\$ 2,406,967	\$ 2,406,967	\$	\$
Forward purchase contract	211,327		211,327	
Total	2,618,294	\$ 2,406,967	\$ 211,327	\$ -
Other investments:				
Mutual funds	39,092,322			
Alternative instruments	4,493,228			
Total Investments	\$ 46,203,844			

Presented below is the ratings for debt investments:

<u>Average Rating</u>	<u>U.S. Government Securities</u>
Aaa	\$ 2,406,967

Interest Rate Risk

Interest rate risk 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 Town limits its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The Town invests operating funds primarily in shorter-term securities, money market funds, or similar investment pools although the Town does not have a formal policy relating to a specific investment related 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 Town has a formalized investment policy that limits investment choices for its pension funds.

Concentration of Credit Risk

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

Custodial Credit Risk

Custodial credit risk is the risk that in the event of financial institution failure, the Town's deposits and/or investments may not be returned. The Town does not believe that it has significant custodial credit risk as substantially all investments securities are registered and held in the name of the Town. Additionally, the Town 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 Town also ensures that all uninsured deposits greater than \$250,000 are collateralized.

Fair Value

The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Town's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

The three categories within the hierarchy are as follows:

Level 1

Quoted prices in active markets for identical assets and liabilities.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads and market-corroborated inputs.

Level 3

Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

At June 30, 2019, the Town had the following recurring fair value measurements:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
Mutual funds	\$ 39,092,322	\$ 39,092,322	\$	\$
U.S. Government Securities	2,406,967	2,406,967		
Forward purchase contract	211,327		211,327	
Total Investments by Fair Value Level	41,710,616	\$ 41,499,289	\$ 211,327	\$ -
Investments measured at net asset value (NAV):				
Alternative instruments	4,493,228			
Total Investments	\$ 46,203,844			

Alternative Investments

As a practical expedient, a government can use the NAV per share for investments in a nongovernmental entity that does not have a readily determinable fair value, e.g., a hedge fund. The NAV is not permitted for valuation if it is probable the government will sell the investment at a different price. Investments measured at NAV would be excluded from the fair value hierarchy (Level 1, 2 or 3). Alternative investments held by the Town are open-ended limited partnerships. These funds typically use a third party custodian to price the assets on a periodic basis. Liquidity is based on the investment strategy, the liquidity of the underlying investments and may have limited liquidity based on the terms outlined in the private placement memorandum. There are no unfunded commitments impacting the Town's alternative investments.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Derivative Instrument

In connection with the issuance of its Qualified Zone Academy Bonds, Series 2005, the Town entered into a Forward Purchase Contract (Contract) with a financial institution. The contract is considered to be a derivative instrument. The contract provisions require the Town to purchase eligible securities selected by the financial institution on a periodic basis and provides the Town with a stated, fixed rate of return on those investments. The stated investment yield is 4.85% annually during the term of the contract, which was executed on December 15, 2005 and remains in effect until the redemption of the Series 2005 bonds on November 29, 2021.

Pursuant to the contract, the Town will make its annual bond sinking fund deposits of \$155,673 into a fund held in custody of the Town’s fiscal agent, and the financial institution will sell qualified securities to the Fiscal Agent to be held in the fund. These qualified securities will be priced to provide the Town with a fixed yield of 4.85%, and mature annually in coordination with the Town’s next sinking fund deposit, for continued investment in similar manner until redemption of the Series 2005 bonds.

From the Forward Purchase Contract, the Town is exposed to concentration of credit risk since the Town is required to purchase only selected investments but not necessarily diversify such holdings. The fair value of the Forward Purchase Contract is computed based on the present value of its future cash flows and is sensitive to interest rate changes. The term of the Contract coincides with the Town’s outstanding Series 2005 bonds and maintenance of the sinking fund held to retire such indebtedness. The Contract provides for the payment of a termination amount under certain conditions (e.g., defeasance, default). The termination amount payable between the financial institution and the Town would vary depending on prevailing interest rates at the time the termination amount was calculated. Under certain market conditions, the termination amount payable by the Town could be substantial.

4. RECEIVABLES

Receivable balances, including allowances for doubtful accounts, have been disaggregated by type and presented separately in the fund financial statements as of June 30, 2019 as follows:

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:				
Property taxes	\$ 4,275,323	\$	\$ 1,167,415	\$ 4,275,323
Intergovernmental	488,376	174,700	1,167,415	1,830,491
Other receivables	<u>2,026,954</u>	<u>165,566</u>	<u>199</u>	<u>2,192,719</u>
Gross Receivables	6,790,653	340,266	1,167,614	8,298,533
Less allowance for uncollectibles	<u>(2,527,170)</u>	<u></u>	<u></u>	<u>(2,527,170)</u>
Total Receivables	<u>\$ 4,263,483</u>	<u>\$ 340,266</u>	<u>\$ 1,167,614</u>	<u>\$ 5,771,363</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

5. CAPITAL ASSETS

Capital asset activity 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:					
Capital assets not being depreciated:					
Land	\$ 9,268,414	\$	\$	\$	\$ 9,268,414
Construction in progress	146,537	73,929	75,699		144,767
Total capital assets not being depreciated	<u>9,414,951</u>	<u>73,929</u>	<u>75,699</u>	-	<u>9,413,181</u>
Capital assets being depreciated:					
Land improvements	1,452,739	20,620			1,473,359
Buildings and improvements	35,859,249	86,216			35,945,465
Machinery, equipment and vehicles	31,946,892	1,169,583	318,958		32,797,517
Infrastructure	55,984,145	1,116,708			57,100,853
Total capital assets being depreciated	<u>125,243,025</u>	<u>2,393,127</u>	<u>318,958</u>	-	<u>127,317,194</u>
Less accumulated depreciation for:					
Land improvements	130,712	82,408			213,120
Buildings and improvements	19,119,535	662,846			19,782,381
Machinery, equipment and vehicles	10,576,084	1,378,478	246,847		11,707,715
Infrastructure	40,726,062	1,161,462			41,887,524
Total accumulated depreciation	<u>70,552,393</u>	<u>3,285,194</u>	<u>246,847</u>	-	<u>73,590,740</u>
Total capital assets being depreciated, net	<u>54,690,632</u>	<u>(892,067)</u>	<u>72,111</u>	-	<u>53,726,454</u>
Governmental Activities Capital Assets, Net	<u>\$ 64,105,583</u>	<u>\$ (818,138)</u>	<u>\$ 147,810</u>	<u>\$ -</u>	<u>\$ 63,139,635</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 432,700	\$	\$	\$	\$ 432,700
Construction in progress		363,230			363,230
Total capital assets not being depreciated	<u>432,700</u>	<u>363,230</u>	-	-	<u>795,930</u>
Capital assets being depreciated:					
Land improvements	1,024,400				1,024,400
Buildings, pump stations & tanks	52,243,740	84,065			52,327,805
Machinery, equipment and vehicles	16,290,822	157,755			16,448,577
Infrastructure	45,070,000				45,070,000
Total capital assets being depreciated	<u>114,628,962</u>	<u>241,820</u>	-	-	<u>114,870,782</u>
Less accumulated depreciation for:					
Land improvements	624,510	44,820			669,330
Buildings, pump stations & tanks	13,610,174	1,103,141			14,713,315
Machinery, equipment and vehicles	9,828,448	902,121			10,730,569
Infrastructure	35,383,500	559,400			35,942,900
Total accumulated depreciation	<u>59,446,632</u>	<u>2,609,482</u>	-	-	<u>62,056,114</u>
Total capital assets being depreciated, net	<u>55,182,330</u>	<u>(2,367,662)</u>	-	-	<u>52,814,668</u>
Business-Type Activities Capital Assets, Net	<u>\$ 55,615,030</u>	<u>\$ (2,004,432)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,610,598</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,750,605
Public safety	268,640
Public works	323,418
Public libraries	36,603
Parks and recreation	83,346
Education	<u>822,582</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,285,194</u>
Business-type activities:	
Wastewater authority	\$ 2,496,632
Civic center	80,381
School lunch program	<u>32,469</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 2,609,482</u>

6. INTERFUND BALANCES AND TRANSFERS

A summary of interfund balances as of June 30, 2019 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 236,817	\$ 10,980,239
School unrestricted fund	4,900,775	
Nonmajor governmental funds	3,801,298	1,301,402
Wastewater Authority	2,460,448	
Nonmajor business-type activities	468,889	855,157
Internal service funds	<u>1,268,571</u>	
	<u>\$ 13,136,798</u>	<u>\$ 13,136,798</u>

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 on behalf of another fund or may simply be the result of pooling financial resources to maximize investment income/return.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Interfund Transfers

A summary of interfund transfers as of June 30, 2019 is as follows:

	<u>School</u> <u>Unrestricted Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Transfers Out</u>
Transfers out:			
General Fund	\$ 31,557,516	\$ 432,617	\$ 31,990,133
Total Transfers In	<u>\$ 31,557,516</u>	<u>\$ 432,617</u>	<u>\$ 31,990,133</u>

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all operating costs or capital expenditures with revenue generated by the fund.

7. CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due</u> <u>Within One Year</u>
Governmental activities:					
General obligation debt	\$ 23,212,000	\$	\$ 1,015,000	\$ 22,197,000	\$ 1,040,000
Direct borrowing debt	19,824,515		1,339,000	18,485,515	1,705,000
Lease purchase obligations	1,626,884		685,461	941,423	345,736
Unamortized bond premiums	329,224		30,868	298,356	
Accrued compensated absences	6,756,000	319,000		7,075,000	1,074,000
Net pension liability	166,592,719	1,442,528		168,035,247	
Net OPEB liability	<u>63,026,019</u>		<u>6,347,840</u>	<u>56,678,179</u>	
Total Governmental Activities - Long-Term Liabilities	<u>\$ 281,367,361</u>	<u>\$ 1,761,528</u>	<u>\$ 9,418,169</u>	<u>\$ 273,710,720</u>	<u>\$ 4,164,736</u>
Business-type activities:					
Direct borrowing debt	\$ 23,765,000	\$	\$ 2,262,000	\$ 21,503,000	\$ 2,287,000
Lease purchase obligations	134,914		53,921	80,993	26,352
Net pension liability	6,119,862	69,071		6,188,933	
Net OPEB liability	<u>1,830,006</u>		<u>174,587</u>	<u>1,655,419</u>	
Total Business-Type Activities - Long-Term Liabilities	<u>\$ 31,849,782</u>	<u>\$ 69,071</u>	<u>\$ 2,490,508</u>	<u>\$ 29,428,345</u>	<u>\$ 2,313,352</u>

All long-term liabilities for the governmental activities are generally liquidated by the General Fund.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Bonds and Loans Payable

Bonds and notes outstanding as of June 30, 2019 consisted of the following:

<u>Description</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate %</u>	<u>Balance June 30, 2019</u>
Governmental Activities:					
<u>General Obligation Debt</u>					
General Obligation Bonds, Series 2005 (QZAB)	\$ 3,688,000	11/29/05	11/29/21	1.47%	\$ 3,688,000
General Obligation Refunding Bonds	6,890,000	07/19/17	07/15/28	2.40%	6,460,000
General Obligation Bonds	6,159,000	10/03/17	09/01/37	3.96%	6,109,000
General Obligation Bonds, Series 2015A	6,890,000	11/12/15	10/01/35	2.00% - 5.00%	<u>5,940,000</u>
Total general obligation debt					<u>22,197,000</u>
<u>Direct Borrowing Debt</u>					
RHEBC Public Schools Bond Financing Program	9,780,000	08/20/09	05/25/29	3.00% - 4.13%	5,665,000
Municipal Road and Bridge Program	150,515	05/28/15	09/01/24	0.75% - 2.25%	102,515
RIIB Energy Efficient Buildings Fund	7,184,000	07/08/16	09/01/32	1.08% - 2.53%	6,761,000
RIIB Energy Efficient Buildings Fund	5,957,000	12/13/17	09/01/23	1.91% - 3.66%	<u>5,957,000</u>
Total direct borrowing debt					<u>18,485,515</u>
Total Governmental Activities					\$ <u><u>40,682,515</u></u>
Business-Type Activities:					
Wastewater Authority					
<u>Direct Borrowing Debt</u>					
Wastewater System Revenue Bonds - RIIB	20,923,000	06/05/03	09/01/23	2.37% - 3.03%	\$ 5,406,000
Wastewater System Revenue Bonds - RIIB	3,000,000	12/30/04	09/01/25	0.78% - 1.55%	1,176,000
Wastewater System Revenue Bonds - RIIB	7,719,000	03/09/06	09/01/25	1.11% - 1.57%	3,040,000
Wastewater System Revenue Bonds - RIIB	500,000	12/21/06	09/01/26	1.19% - 1.36%	222,000
Wastewater System Revenue Bonds - RIIB	1,675,000	12/12/07	09/01/28	1.19% - 1.65%	917,000
Wastewater System Revenue Bonds - RIIB	5,500,000	07/24/14	09/01/34	0.29% - 2.91%	4,596,000
Wastewater System Revenue Bonds - RIIB	7,000,000	07/30/15	09/01/34	1.95% - 3.30%	<u>6,146,000</u>
Total Water Fund					\$ <u><u>21,503,000</u></u>

TOWN OF WEST WARWICK, RHODE ISLAND
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June 30, 2019

Lease Purchase obligations

Lease purchase obligations outstanding as of June 30, 2019 consisted of the follow:

<u>Description</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate %</u>	<u>Balance June 30, 2019</u>
Governmental Activities:					
Equipment - PNC Equipment Finance	486,442	02/05/16	08/12/20	2.02%	\$ 200,438
Equipment - PNC Equipment Finance	231,724	08/29/16	09/27/20	2.24%	118,429
Equipment - US Bank	522,781	09/27/16	09/27/21	2.33%	320,864
Equipment - Webster Capital Finance	207,693	02/02/17	01/15/22	2.43%	127,488
Equipment - PNC Equipment Finance	545,575	11/09/17	11/09/22	2.45%	<u>174,204</u>
Total Governmental Activities					\$ <u><u>941,423</u></u>
Business-Type Activities:					
Civic Center					
Equipment - Webster Capital Finance	131,947	02/02/17	01/15/22	2.43%	\$ <u><u>80,993</u></u>

Annual debt service requirements of bonds and notes as of June 30, 2019 were as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Debt</u>	
	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 1,040,000	\$ 652,012
2021	1,040,000	622,539
2022	4,743,000	598,005
2023	1,060,000	517,288
2024	1,120,000	487,850
2025-2029	5,365,000	1,965,437
2030-2034	2,850,000	1,331,375
2035-2038	<u>4,979,000</u>	<u>369,592</u>
	\$ <u><u>22,197,000</u></u>	\$ <u><u>6,544,098</u></u>

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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Year Ending June 30,	Direct Borrowing Debt					
	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,705,000	\$ 529,171	\$ 2,287,000	\$ 613,665	\$ 3,992,000	\$ 1,142,836
2021	1,733,000	495,346	2,311,000	550,301	4,044,000	1,045,647
2022	1,791,000	429,117	2,340,000	484,884	4,131,000	914,001
2023	1,019,000	391,625	2,370,000	417,381	3,389,000	809,006
2024	1,040,000	364,462	2,422,000	347,641	3,462,000	712,103
2025-2029	5,497,515	1,391,059	5,080,000	1,169,198	10,577,515	2,560,257
2030-2034	5,700,000	492,028	3,845,000	500,674	9,545,000	992,702
2035-2038			848,000	14,835	-	14,835
	<u>\$ 18,485,515</u>	<u>\$ 4,092,808</u>	<u>\$ 21,503,000</u>	<u>\$ 4,098,579</u>	<u>\$ 39,140,515</u>	<u>\$ 8,191,387</u>

Year Ending June 30,	Lease Purchase Obligations					
	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 345,736	\$ 21,553	\$ 26,352	\$ 1,970	\$ 372,088	\$ 23,523
2021	353,527	13,763	26,992	1,329	380,519	15,092
2022	197,014	5,796	27,649	672	224,663	6,468
2023	45,146	1,107			45,146	1,107
2024					-	-
2025-2029					-	-
2030-2034					-	-
2035-2038					-	-
	<u>\$ 941,423</u>	<u>\$ 42,219</u>	<u>\$ 80,993</u>	<u>\$ 3,971</u>	<u>\$ 1,022,416</u>	<u>\$ 46,190</u>

Lease purchase obligations are secured by the assets they were utilized to purchase.

Municipal Debt Service Assessment Receivable

The Town of West Warwick has entered into several Inter-Municipal Agreements with surrounding local communities. Under the provisions of these agreements, the participating communities are responsible for certain costs and improvements to the wastewater/sewer treatment facility and operations. In addition to the normal operating costs and assessments these local communities are also responsible for portions of the outstanding debt obligations and interest which is due annually on these debt obligations. The portion of the debt obligations to be paid by the local communities in accordance with the Inter-Municipal Agreements has been recorded as a special assessments receivable and revenue when the project was completed and the obligation entered into. At June 30, 2019, the amount of the municipal debt service assessment receivable which is expected to be collected in future years totaled \$5,828,029. Of this amount, \$659,253 (including interest of \$43,000) is expected to be received in fiscal 2020 to help cover the principal balance due of \$2,287,000 during fiscal 2020.

Qualified Zone Academy Bonds

The 2005 Qualified Zone Academy Bonds outstanding totaling \$3,688,000 at June 30, 2019 requires annual interest and principal payments. However, under the terms of this debt obligation the principal payments are held in escrow until the maturity of the debt in fiscal 2022. Accordingly, the principal payment is not reflected as a current maturity obligation until fiscal 2022 when the payment will be applied to the outstanding debt obligation. As of June 30, 2019, the Town is maintaining a Debt Service Fund to reflect the restricted cash and investments which are being maintained for the future retirement of this debt obligation. As of June 30, 2019, the amount of fund balance available for the future payment of this outstanding principal debt obligation was \$2,769,075. In accordance with the fiscal agent agreement relating to the bonds, the Town is required to deposit \$155,673 into a sinking fund each year until November 2020. These deposits and the investment earnings thereon are expected to provide approximately \$3,500,000 in funding to be applied toward final redemption of the bonds in November 2021. The sinking fund assets, along with a final payment by the town of approximately \$188,000 on November 29, 2021, will fully redeem the bonds.

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2019 is \$6,150,000. In some cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

8. OPERATING LEASES

In December 2016, the Town entered into three Assignment and Assumption of Lease agreements for use of land located in Coventry, Rhode Island, to be used for three Wind Turbines. The initial term of each of these leases is 25 years, with up to three 5-year renewal options. Under the terms of two of the leases, monthly rent payments are \$4,500 (for each lease) for the initial 6-year term, with 5% rent increase commencing at the end of 6 years and on each 5-year anniversary thereafter during the term of the lease. The third lease has one rental payment of \$1 for the entire term of the lease. Rent expense incurred under these lease agreements was \$108,000 for the year ended June 30, 2019.

In January 2018, the Town entered into a 60-month noncancelable operating lease agreement for certain office equipment, with monthly payments of \$252, maturing in January 2023. Lease expense incurred under this agreement was \$1,260 for the year ended June 30, 2019.

TOWN OF WEST WARWICK, RHODE ISLAND
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The School Department leases certain office equipment under various noncancelable operating lease agreements, with expiration dates ranging from June 2019 to June 2022. Total lease expense incurred under these lease agreements was approximately \$69,083 for the year ended June 30, 2019. The following is a schedule of future minimum lease payments due under the above noted lease agreements:

<u>Year ended June 30,</u>	
2020	\$ 198,460
2021	179,988
2022	180,034
2023	144,277
2024	113,400
Thereafter	<u>2,019,616</u>
	<u>\$ 2,835,775</u>

9. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2019 are as follows:

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Prepaid expenditures	\$ 220,700	\$ 223,163	\$ 120,354	\$ 564,217
Restricted for:				
Debt service			2,769,075	2,769,075
Educational programs			150,498	150,498
Public safety			269,624	269,624
Equipment maintenance			45,852	45,852
Recreational purposes			80,697	80,697
Economic development			127,752	127,752
Town committees			2,118	2,118
General government capital improvements			329,507	329,507
Educational capital improvements			885,349	885,349
Committed for:				
General government capital improvements			497,544	497,544
Educational programs		4,263,592		4,263,592
Public safety			910,494	910,494
Fire safety equipment			655,150	655,150
Unassigned	<u>1,987,763</u>		<u>(199,691)</u>	<u>1,788,072</u>
Total Fund Balances	<u>\$ 2,208,463</u>	<u>\$ 4,486,755</u>	<u>\$ 6,644,323</u>	<u>\$ 13,339,541</u>

10. PENSION PLANS

The Town contributes to two defined benefit pension plans. The Retirement Plan of the Town of West Warwick, a single-employer plan, and the Employees' Retirement System of the State of Rhode Island (ERS), a cost-sharing multiple-employer plan.

A. Retirement Plan of the Town of West Warwick

Summary of Significant Accounting Policies

Plan Description

The Retirement Plan of the Town of West Warwick covers all employees of the Town except for Certified School Department personnel which are covered by the Employees' Retirement System administered by the State of Rhode Island (ERS). The plan was established and is maintained in accordance with the Town Charter. The pension plan is reported as a Pension Trust Fund in the Town's financial statements. The Town does not issue a separate publicly available financial report that includes financial statements and required supplementary information (RSI) for the Retirement Plan of the Town of West Warwick.

Benefit Provisions

The Plan pays both normal retirement benefits as well as preretirement and postretirement death benefits. Effective July 1, 2014, Fire personnel receive normal retirement benefits equal to 2.2% of average annual compensation for each of the first 25 years of service and 3% of average annual pay for up to 5 additional years with a maximum benefit of 70% of average annual compensation. Calculation of average annual pay effective July 1, 2014 is the monthly average of the highest three consecutive years of employment. Prior to July 1, 2014, Police hired on or after July 1, 2011 receive a benefit equal to 2.5% of average annual compensation multiplied by credited service up to 20 years, plus 2% of average annual compensation multiplied by up to ten additional years of service with a maximum of 70% of average pay at 30 years of service. These benefits remain unchanged for members who have 20 years of service as of June 30, 2014. For all others the police benefit has changed to 2.5% of average annual pay for the first 20 years of service plus 1% of average annual pay for the next 5 years of service plus 2.5% of average annual pay for up to 6 additional years of service. The maximum benefit of 70% of average annual compensation will be attained at 31 years of service. Effective July 1, 2014, all other employees covered under this plan earn a benefit equal to 2.4% of average annual compensation for each year of service after July 1, 2014 and 2.5% of average annual compensation for years prior to July 1, 2014.

The Plan also provides for cost of living adjustments (COLA) as follows: Police and Fire members 2.25% simple COLA suspended for first 7 years of retirement then continuing for 15 years thereafter. For "civilian" Fire members the 15-year 2.25% simple COLA will be suspended for the first 7 years of retirement or up until age 67, if earlier. Municipal Union, Waste Water, and School (Council 94) receive a COLA of 2% suspended for first 5 years of retirement followed by 15 years of a compounded COLA.

A lump sum preretirement death benefit equal to \$400 times the number of years of service, with a minimum of \$2,000 and a maximum of \$8,000 is payable to the employee's beneficiary. If a survivor's pension is not payable, an additional amount equal to employee contributions with credited interest is payable to the employee's beneficiary. If the employee dies after 10 years of service and while married, his/her spouse will receive a monthly pension equal to the amount which would be payable if he/she had retired with a 50% joint and survivor annuity.

TOWN OF WEST WARWICK, RHODE ISLAND
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A lump sum postretirement death benefit is payable to a participant's beneficiary in an amount equal to the greater of \$400 times years of service, with a maximum of \$8,000, reducing by 25% per year following retirement to a minimum of \$2,000, or the excess of the employee's contributions plus credited interest to the retirement date over any benefits already paid. In addition, a spouse's pension equal to 67.5% of the participant's pension is payable until the earlier of the spouse's death or remarriage, or to surviving dependent children under age 18.

As of June 30, 2019, the following employees and other participants were members of the Retirement Plan of the Town of West Warwick:

Inactive plan members and beneficiaries currently receiving benefits	348
Inactive plan members entitled to but not yet receiving benefits	37
Active Members	<u>321</u>
Total	<u><u>706</u></u>

Plan Administration

In accordance with the Plan Document, management of the Plan is overseen by the West Warwick Pension Board, which consists of seven members. Per the Plan Document, the Pension Board shall hold regular meetings at least once every calendar quarter. The primary responsibilities of the members of the Pension Board are to oversee and administer investment-related actions and decision with respect to the assets of the Town's Retirement Plan.

Contributions

The actual contributions required to be made to the Plan by the Town each year are determined based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by members during the year, with an additional amount to finance the unfunded accrued liability. The Town contributions to the Plan for the fiscal year ended June 30, 2019 were 59.8 %of covered payroll. Police officers, Fire and others are required to contribute between 9% and 13% of their salary to the Plan.

Actuarial Assumptions

The Town's net pension liability has been measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018.

The total pension liability at June 30, 2019 was determined using the following actuarial assumptions, applied to all periods in the measurement:

Actuarial cost method	Entry Age Method
Inflation	2.50%
Salary increases	3.50%
Investment rate of return	7.50%
Mortality rates	Rates were based on the RP-2014 Mortality Tables

The actuarial assumptions used in the July 1, 2018 actuarial valuation have been based on the results of the March 2018 experience study taking into account nine years of data experience.

TOWN OF WEST WARWICK, RHODE ISLAND
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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 a majority vote of the Town’s Pension Board. It is the policy of the Town 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 expected rate of return on pension plan investments can be approximated by using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding the annual expected annual rate of 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 Rate of Return</u>
Domestic equities	33.0%	7.25%
Fixed income	22.5%	3.25%
International equities	22.0%	7.50%
Alternatives	18.5%	6.00%
Cash	4.0%	2.75%
	<u>100.0%</u>	

Discount Rate

The discount rate used to determine the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that Town contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the employee contribution rates. Professional judgment on future contributions has been applied in those cases where contribution patterns deviate from the actuarially determined rates. 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.

Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 4.09% for the year ended June 30, 2019. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF WEST WARWICK, RHODE ISLAND
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Net Pension Liability

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

Total pension liability	\$ 169,636,846
Plan fiduciary net position	<u>40,836,280</u>
Town's Net Pension Liability	<u><u>\$ 128,800,566</u></u>

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 June 30, 2018	\$ <u>165,164,595</u>	\$ <u>37,614,044</u>	\$ <u>127,550,551</u>
Changes for the year:			
Service cost	2,561,513		2,561,513
Interest	12,201,514		12,201,514
Differences between expected and actual experience	508,056		508,056
Changes of assumptions	(720,316)		(720,316)
Employer contributions		9,805,598	(9,805,598)
Member contributions		1,973,630	(1,973,630)
Net investment income		1,604,927	(1,604,927)
Benefit payments, including refunds of member contributions	(10,078,516)	(10,078,516)	-
Administrative expenses		(83,403)	83,403
Net changes	<u>4,472,251</u>	<u>3,222,236</u>	<u>1,250,015</u>
Balances as of June 30, 2019	\$ <u><u>169,636,846</u></u>	\$ <u><u>40,836,280</u></u>	\$ <u><u>128,800,566</u></u>

TOWN OF WEST WARWICK, RHODE ISLAND
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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 (6.50%) or 1 percentage point higher (8.50%) than the single discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net Pension Liability	\$ 148,552,709	\$ 128,800,566	\$ 112,271,232

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

For the year ended June 30, 2019, the Retirement Plan of the Town of West Warwick recognized pension expense of \$11,466,849. As of June 30, 2019, the Town 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>
Differences between expected and actual experience	\$ 1,514,181	\$ 994,399
Changes of assumptions	917,134	1,019,440
Net difference between projected and actual earnings on pension plan investments	<u>1,193,592</u>	<u> </u>
Total	<u>\$ 3,624,907</u>	<u>\$ 2,013,839</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 Resource</u>
2020	\$ 1,170,522
2021	547,409
2022	(35,313)
2023	<u>(71,550)</u>
Total	<u>\$ 1,611,068</u>

B. Employees' Retirement System

Plan Description

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

The System issues a publicly available 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 ending June 30, 2016.

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

TOWN OF WEST WARWICK, RHODE ISLAND
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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, West Warwick School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with 20 or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The state and the West Warwick School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by the West Warwick School Department; the rates were 9.89% and 13.24% of annual covered payroll for the fiscal year ended June 30, 2019 for the state and the West Warwick School Department, respectively. The West Warwick School Department contributed \$3,416,506, \$3,525,678 and \$3,836,809 for the fiscal years ended June 30, 2019, 2018 and 2017, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2019 was \$2,579,909 and is reported as on-behalf payments and included in both revenue and expenditures in the financial statements (School Unrestricted Fund).

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

At June 30, 2019, the West Warwick School Department reported a liability of \$45,423,614 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Town were as follows:

West Warwick School District's proportionate share of the net pension liability	\$ 45,423,614
State of Rhode Island's proportionate share of the net pension liability	<u>33,882,753</u>
Total Net Pension Liability	<u>\$ 79,306,367</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. The West Warwick School Department's proportion of the net pension liability was based on a projection of the West Warwick School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2018, the West Warwick School Department's proportion was 1.404%.

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For the year ended June 30, 2019, the Town's government-wide statement of activities recognized gross pension expense of \$7,221,681 and revenue of \$3,263,104 for support provided by the State. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 664,390	\$ 866,370
Changes of assumptions	3,299,502	534,541
Net difference between projected and actual earnings on pension plan investments	542,567	
Changes in proportion and differences between employer contributions and proproationate share of contributions	9,102,765	8,319,466
Contributions subsequent to measurment date	<u>3,707,854</u>	
 Total	 <u>\$ 17,317,078</u>	 <u>\$ 9,720,377</u>

\$3,707,854 reported as deferred outflows of resources related to pensions resulting from the Town'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:

Year Ended June 30,	Net Deferred Outflows (Inflows) of Resource
<u> </u>	<u> </u>
2020	\$ 1,138,525
2021	584,112
2022	(206,781)
2023	63,086
2024	1,745,824
Thereafter	<u>564,081</u>
 Total	 <u>\$ 3,888,847</u>

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	3.00% to 13.50%
Investment rate of return	7.00%

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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.

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:

<u>Type of Investment</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
	<u>100%</u>	

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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.

Measurement of the Net Pension Liability

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability calculated using the discount rate of 7.00% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net Pension Liability	\$ 57,150,686	\$ 45,423,614	\$ 36,689,020

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Plan

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 between 5% and 7% of their annual covered salary depending upon years of service as of June 30, 2012 and employers contribute between 1% and 3.5% 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.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

The West Warwick School Department recognized pension expense of \$261,204 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>.

11. OTHER POST EMPLOYMENT BENEFITS

Plan Description

In addition to the pension benefits described earlier, the Town maintains a single-employer OPEB plan administered by the Town of West Warwick. The plan provides post-employment health care benefits to employees in accordance with their respective collective bargaining agreements. These benefits are for continued full family or individual health care for the employee groups as described below. The Town has established an OPEB Trust Fund for these benefits. The OPEB benefits include health and dental coverage. The Town's OPEB Plan is presented in the accompanying financial statements as an OPEB trust fund. A separate financial statement is not issued.

A copy of June 30, 2019 actuarial valuation report can be obtained in the Finance Department at West Warwick Town Hall. Management of the post-employment benefits plan is vested with the Finance Director under the direction of the Town Manager. Funds are managed by a third-party investment management firm.

Benefits Provided

Eligibility

Firefighters hired prior to July 1, 2014 are eligible to retire at the earlier of age 62 or age 50 with 25 years of service. Those hired on or after July 1, 2014 are eligible at the earlier of age 62 or age 55 with 25 years of service. Four grandfathered firefighters are eligible to retire upon attaining age 62.5 or 20 years of service. Police officers are eligible to retire once they have 20 years of service. For those hired on or after July 1, 2014 retiree health benefits will commence at age 50. Municipal Union employees (including Wastewater and School Non-Certified personnel) are eligible to retire at the earlier of age 62 with 12 years of service or 25 years of service. For those hired on or after July 1, 2014, if they retire with 25 years of service, retiree health benefits will commence at age 55. School certified employees are eligible to retire once they have 15 years of service or 25 years of service or 28 years of service (with no age requirements). The cost sharing requirements differ at each eligibility requirement. Municipal Non-Union and Library employees are not eligible for health benefits at retirement.

Duration of Retiree Health Benefits

Firefighters and police officers are eligible for lifetime subsidized retiree health benefits. Municipal Union (including Wastewater) employees are eligible for subsidized medical benefits until Medicare eligibility and lifetime free dental benefits. School Non-Certified employees are eligible for lifetime retiree health benefits but they are only eligible for five years of free retiree health benefits if they have 20 years of service at retirement. School Certified employees are eligible to either four years of subsidized retiree health benefits or until Medicare eligibility depending on years of service at retirement.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

The Town provides free lifetime dental benefits to all retiree groups, except for School Certified employees who retire with less than 25 years of service.

Retirees may be required to contribute towards the benefits at various levels dependent upon the terms of the respective collective bargaining agreements.

Employees Covered by Benefit Terms

At June 30, 2019, plan membership consisted of the following:

Total active participants	635
Total retiree participants	<u>234</u>
Total	<u><u>869</u></u>

Contributions

The funding policy provides for actuarially determined contributions (ADC) to the OPEB plan. ADC are based on the Annual Required Contribution (ARC) calculated in the prior GASB 45 actuarial valuations. For fiscal year ended June 30, 2019, the actuarially determined contribution for the Town (including the School Department) was \$5,855,458, and actual contributions made in relation to ADC were \$4,548,824 for the year ended June 30, 2019. Firefighters and Police Officers contribute 1% of salary to the OPEB Trust while actively working.

Investments

Investment Policy

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

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

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 9.62%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Net OPEB Liability of the Town

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

Total OPEB liability	\$	60,506,900
Plan fiduciary net position		<u>2,173,302</u>
Net OPEB Liability	\$	<u>58,333,598</u>
Plan fiduciary net position as a percentage of the total OPEB liability		3.6%

Actuarial Assumptions

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

Inflation	1.80%
Salary increases	3.50% for valuation purposes, 2.50% per year for amortization purposes
Investment rate of return	7.50%,
Healthcare cost trend rates	8.50% for 2019, decreasing 0.5% per year to an ultimate rate of 4.50%

Mortality rates were based on RP-2014 Mortality Tables with generational improvements from 2006 based on assumptions from the 2019 SSA Trustees Report

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset 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>
U.S. equity	48.3%	5.0%
Non U.S. equity	20.7%	7.1%
U.S. aggregate bonds	9.0%	1.7%
Intermediate-Term Credit	5.4%	2.2%
Short-Term Credit	3.6%	2.0%
Intermediate-Term TIPS	5.0%	1.0%
REITs	8.0%	4.1%
	<u>100.0%</u>	
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of June 30, 2018	\$ 66,349,571	\$ 1,493,546	\$ 64,856,025
Changes for the year:			
Service cost	1,181,380		1,181,380
Interest	4,915,859		4,915,859
Differences between expected and actual experience	(6,797,032)		(6,797,032)
Changes of assumptions	(1,097,408)		(1,097,408)
Employer contributions		4,548,824	(4,548,824)
Member contributions			-
Net investment income		182,659	(182,659)
Benefit payments, including refunds of member contributions	(4,045,470)	(4,045,470)	-
Administrative expenses		(6,257)	6,257
Net changes	<u>(5,842,671)</u>	<u>679,756</u>	<u>(6,522,427)</u>
Balances as of June 30, 2019	\$ <u>60,506,900</u>	\$ <u>2,173,302</u>	\$ <u>58,333,598</u>

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	\$ 64,386,730	\$ 58,333,598	\$ 53,117,823

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.50% decreasing to 4.00%) or 1 percentage point higher (9.50% decreasing to 6.00%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 52,570,308	\$ 58,333,598	\$ 65,158,130

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

For the year ended June 30, 2019, the Town recognized OPEB expense of \$5,977,769. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,241,951	\$ 6,041,806
Changes of assumptions		1,837,814
Net difference between projected and actual earnings on OPEB plan investments		<u>120,525</u>
Total	<u>\$ 7,241,951</u>	<u>\$ 8,000,145</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

Amounts reported as deferred outflows of resources and deferred inflows 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 Resource</u>
2020	\$ 4,593
2021	4,595
2022	19,804
2023	35,883
2024	46,353
Thereafter	<u>(869,422)</u>
Total	<u>\$ (758,194)</u>

The following schedule presents the net position held in trust for pension and OPEB benefits at June 30, 2019 and the changes in net position for the year ended June 30, 2019:

	<u>Employee Retirement Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total Pension and OPEB Trust Funds</u>
ASSETS			
Investments, at fair value:			
Mutual funds	\$ 36,225,254	\$ 2,867,068	\$ 39,092,322
Alternative investments	4,493,228		4,493,228
Contributions receivable	<u>117,799</u>	<u>184,653</u>	<u>302,452</u>
Total Assets	<u>40,836,281</u>	<u>3,051,721</u>	<u>43,888,002</u>
LIABILITIES			
Accounts payable	<u>7,639</u>	<u>878,419</u>	<u>886,058</u>
NET POSITION			
Net Position:			
Restricted for pension benefits	40,828,642		40,828,642
Restricted for OPEB benefits	<u> </u>	<u>2,173,302</u>	<u>2,173,302</u>
Total Net Position	<u>\$ 40,828,642</u>	<u>\$ 2,173,302</u>	<u>\$ 43,001,944</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

	<u>Employee Retirement Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total Pension and OPEB Trust Funds</u>
Additions:			
Contributions:			
Employer contributions	\$ 9,805,598	\$ 4,548,824	\$ 14,354,422
Employee contributions	1,974,017		1,974,017
Total contributions	<u>11,779,615</u>	<u>4,548,824</u>	<u>16,328,439</u>
Investment income:			
Net change in fair value of investments	1,757,177	182,659	1,939,836
Investment management fees	<u>(152,248)</u>	<u>(6,257)</u>	<u>(158,505)</u>
Total investment income	<u>1,604,929</u>	<u>176,402</u>	<u>1,781,331</u>
Total additions	<u>13,384,544</u>	<u>4,725,226</u>	<u>18,109,770</u>
Deductions:			
Benefits	10,078,903	4,045,470	14,124,373
Operating expenses	85,657		85,657
Total deductions	<u>10,164,560</u>	<u>4,045,470</u>	<u>14,210,030</u>
Change in Net Position	3,219,984	679,756	3,899,740
Net Position at Beginning of Year	<u>37,608,658</u>	<u>1,493,546</u>	<u>39,102,204</u>
Net Position at End of Year	<u>\$ 40,828,642</u>	<u>\$ 2,173,302</u>	<u>\$ 43,001,944</u>

12. RISK MANAGEMENT

The Town of West Warwick is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and natural disasters. As a result, the Town participates in a nonprofit, public entity risk pool (Rhode Island Inter-local Risk Management Trust, Inc.) that provides coverage for property/liability claims and workers' compensation claims. Upon joining the Trust, the Town signed a participation agreement that outlines the rights and responsibilities of both the Trust and the Town. The agreement states that for premiums paid by the Town, the Trust will assume financial responsibility for the Town's losses up to the maximum amount of insurance purchased, minus the Town's deductible amounts. The policy is not retrospectively rated, but rather, premiums are based on the ultimate cost of the groups experience to date. The pool is allowed to make additional assessments for claims that are reasonably possible and estimable.

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 losses the Trust retains internally for payment from the pooled contributions of its members. Under the participation agreement, the Town is insured for a maximum of \$4,000,000 per occurrence. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past three fiscal years, and are not expected to increase the Trust coverage in future fiscal years. There were no reductions in the insurance coverage during the fiscal year up to and through the date of this report.

Health Care

The Town has a cost-plus financing plan in order to finance the costs of its health and dental insurance benefits. Under this cost-plus plan the Town pays for the actual cost of covered health care and dental services plus a fee to the provider for the administration of the program.

The Town currently maintains stop loss insurance to protect the taxpayers from catastrophic loss resulting from excessive health insurance claims. At June 30, 2019, the stop loss insurance contract covered all claims exceeding \$175,000 per individual on an annual basis.

The Town's Finance Department oversees the self-insured program for all employees and claims payment services are provided by Blue Cross and Blue Shield of Rhode Island (Plan Administrator). At June 30, 2019 the Town has estimated a liability for incurred but not reported claims (IBNR) based on actual claims paid subsequent to year end but related to claims incurred prior to June 30, 2019. Approximate changes in the balances of self-insured claims liabilities were as follows:

Medical Insurance							
	Liability July 1,		Current Year Claims and Changes in Estimates		Claim Payments		Liability June 30,
2017-18	\$ 663,600	\$	11,372,397	\$	(11,267,991)	\$	768,006
2018-19	768,006		11,099,703		(11,157,412)		710,297

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

The IBNR claims outstanding at June 30, 2019 are comprised of \$215,305 and \$494,992 related to Town and School employees, respectively.

At June 30, 2019, the Town has a deposit with the Plan Administrator totaling \$220,700. This deposit was required as part of the contract with the Plan Administrator to ensure reimbursement of claims is made in a timely manner. This deposit has been classified as a prepaid of the General Fund and as such has been included in non-spendable fund balance in the governmental activities of the Fund Statements.

Unemployment

The Town is self-insured for unemployment benefits. As of June 30, 2019, management does not believe that there are any incurred but not reported claims that are required to be accrued in the Fund Statements of the Government-wide Statement of Net Position.

13. TAX ABATEMENTS

The Town enters into property tax abatement agreements, under its Tax Incentive Program as prescribed in the Town’s Code of Ordinances, Section 18-31, with commercial and industrial developers to help promote economic development. The intent of these agreements is to attract or retain businesses within the Town.

For the fiscal year ended June 30, 2019, the Town abated property taxes totaling \$59,314 under this program, which includes the following tax abatement agreements to new businesses located in a commercially zoned property or existing businesses that are expanding:

<u>Purpose</u>	<u>Amount of Taxes Abated</u>
Expansion of car dealership in a central business area	\$ 41,595
Redevelopment of building into multi-family residential units	<u>17,719</u>
Total	<u>\$ 59,314</u>

14. COMMITMENTS AND CONTINGENCIES

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. The government-wide statements would include all estimated claims regardless of when they are expected to be settled. At June 30, 2019, the Town (including the School Department) had a number of legal cases and claims in process. These cases include claims made by Unions. Management and legal counsel have reviewed these outstanding claims and determined that the estimated liability, if any, that may result from these claims would not materially affect the basic financial statements of the Town. As such, the statement of net position at June 30, 2019 does not include any liability for claims, judgments or unasserted claims.

The Town (including the School Department) has received grants from various federal and state agencies for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursement to the grantor agencies for expenditures disallowed under the terms of the grant agreement. Town officials are of the opinion that such disallowances, if any, would be immaterial.



Required Supplementary Information

TOWN OF WEST WARWICK, RHODE ISLAND
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

RSI-1

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Tax Revenues:				
Current tax collections	\$ 63,179,850	\$ 63,179,850	\$ 63,778,225	\$ 598,375
Prior year taxes	1,700,000	1,700,000	1,448,478	(251,522)
Tax interest and liens	500,000	500,000	530,768	30,768
Tax sale fees and other			35,488	35,488
Total tax revenues	<u>65,379,850</u>	<u>65,379,850</u>	<u>65,792,959</u>	<u>413,109</u>
Intergovernmental Revenues:				
State aid for education	25,155,280	25,155,280	26,130,628	975,348
School housing aid	786,743	786,743	786,743	-
Distressed community relief	904,159	904,159	904,159	-
State meals tax distribution	390,497	390,497	394,660	4,163
State hotel tax distribution	166,822	166,822	142,508	(24,314)
Public utilities tax	360,940	360,940	361,847	907
Motor vehicle phase out	1,241,104	1,241,104	1,345,609	104,505
Total intergovernmental revenues	<u>29,005,545</u>	<u>29,005,545</u>	<u>30,066,154</u>	<u>1,060,609</u>
Departmental and Other Revenues:				
Town Clerk	640,000	640,000	805,037	165,037
Building Official	320,000	320,000	343,906	23,906
DPW	5,000	5,000	6,042	1,042
Recycling			14,037	14,037
Planning and engineering fees	10,000	10,000	6,766	(3,234)
Animal shelter	3,000	3,000	2,412	(588)
Police department	15,000	15,000	15,211	211
Municipal court	10,000	10,000	10,000	-
Fire rescue fees	915,000	915,000	908,564	(6,436)
Fire plans review	20,000	20,000	19,742	(258)
Road opening permits	10,000	10,000	8,100	(1,900)
Tax assessor eval / miscellaneous	126,400	126,400	126,400	-
Field rental - parks and recreation	15,000	15,000	17,666	2,666
Sewer administrative fees	315,873	315,873	323,749	7,876
School crossing guards	100,000	100,000	104,032	4,032
QSCB subsidy	54,214	54,214		(54,214)
Pilot - West Warwick Housing	60,000	60,000	59,648	(352)
Sales of town assets			13,513	13,513
Miscellaneous	5,000	5,000	26,235	21,235
Total departmental and other revenues	<u>2,624,487</u>	<u>2,624,487</u>	<u>2,811,060</u>	<u>186,573</u>
Investment Income	<u>5,000</u>	<u>5,000</u>	<u>61,832</u>	<u>56,832</u>
Total Revenues	<u>97,014,882</u>	<u>97,014,882</u>	<u>98,732,005</u>	<u>1,717,123</u>

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
SCHEDULE OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

RSI-1

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Expenditures:				
General government:				
Town manager	\$ 237,170	\$ 237,170	\$ 235,045	\$ 2,125
Town planner	99,868	99,868	118,791	(18,923)
Human resources	81,442	81,442	84,415	(2,973)
Town council	53,889	53,889	47,505	6,384
Town clerk	260,325	260,325	257,304	3,021
Board of canvassers	109,630	109,630	124,237	(14,607)
Legal	370,000	370,000	319,496	50,504
Probate court	69,962	69,962	69,973	(11)
EMA	8,690	8,690	2,537	6,153
Town sergeant	754	754	592	162
Finance	458,099	458,099	435,580	22,519
Tax collector	348,869	348,869	330,352	18,517
Tax assessor	392,836	392,836	380,341	12,495
Board of assessment review	2,196	2,196	1,846	350
Town engineer	20,000	20,000	1,788	18,212
Street lighting	155,000	155,000	74,094	80,906
Building official	511,703	511,703	493,250	18,453
Zoning	7,637	7,637	7,327	310
Housing board	7,159	7,159	1,475	5,684
Total general government	<u>3,195,229</u>	<u>3,195,229</u>	<u>2,985,948</u>	<u>209,281</u>
Public safety:				
Police	7,287,514	7,287,514	7,216,415	71,099
Fire	8,872,730	8,872,730	8,889,557	(16,827)
Total public safety	<u>16,160,244</u>	<u>16,160,244</u>	<u>16,105,972</u>	<u>54,272</u>
Public works	<u>4,619,640</u>	<u>4,619,640</u>	<u>4,309,400</u>	<u>310,240</u>
Parks	<u>345,805</u>	<u>345,805</u>	<u>259,802</u>	<u>86,003</u>
Public libraries	<u>717,245</u>	<u>717,245</u>	<u>717,245</u>	<u>-</u>
Senior center	<u>213,000</u>	<u>213,000</u>	<u>213,000</u>	<u>-</u>
Benefits and other miscellaneous	<u>11,625,871</u>	<u>11,625,871</u>	<u>11,528,090</u>	<u>97,781</u>
Debt service	<u>3,083,139</u>	<u>3,083,139</u>	<u>3,136,394</u>	<u>(53,255)</u>
Total Expenditures	<u>39,960,173</u>	<u>39,960,173</u>	<u>39,255,851</u>	<u>704,322</u>
Excess of Revenues over Expenditures	<u>57,054,709</u>	<u>57,054,709</u>	<u>59,476,154</u>	<u>2,421,445</u>
Other Financing Sources (Uses):				
Transfer out to debt service fund	155,673	155,673	155,673	-
Transfer out to cover fund deficits			90,704	(90,704)
Transfer out to Town Capital Projects Fund	186,240	186,240	186,240	-
Operating transfer to school unrestricted	56,712,796	56,712,796	57,688,144	(975,348)
Total other financing uses	<u>57,054,709</u>	<u>57,054,709</u>	<u>58,120,761</u>	<u>(1,066,052)</u>
Net Change in Fund Balances - Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,355,393</u>	<u>\$ 1,355,393</u>

TOWN OF WEST WARWICK, RHODE ISLAND
BUDGETARY COMPARISON SCHEDULE - SCHOOL UNRESTRICTED FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

RSI-2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
State aid	\$ 25,155,280	\$ 26,142,912	\$ 26,130,629	\$ (12,283)
Medicaid reimbursements	400,000	400,000	949,251	549,251
Other revenue	59,745	59,745	120,177	60,432
Total revenues	<u>25,615,025</u>	<u>26,602,657</u>	<u>27,200,057</u>	<u>597,400</u>
Expenditures:				
Salaries	32,484,372	33,048,294	33,810,735	(762,441)
Employee benefits	16,281,653	16,281,653	14,922,312	1,359,341
Purchased services	6,836,205	7,024,630	7,144,535	(119,905)
Supplies and materials	1,143,805	1,303,490	1,205,919	97,571
Capital outlay	353,855	404,455	847,895	(443,440)
Other	72,651	97,651	187,405	(89,754)
Total expenditures	<u>57,172,541</u>	<u>58,160,173</u>	<u>58,118,801</u>	<u>41,372</u>
Deficiency of Revenues Over Expenditures	<u>(31,557,516)</u>	<u>(31,557,516)</u>	<u>(30,918,744)</u>	<u>638,772</u>
Other Financing Sources:				
Transfers in	<u>31,557,516</u>	<u>31,557,516</u>	<u>31,557,516</u>	<u>-</u>
Net Change in Fund Balances - Budgetary Basis	\$ <u>-</u>	\$ <u>-</u>	638,772	\$ <u>638,772</u>
Budgetary revenues are different than GAAP revenues because:				
State of Rhode Island on-behalf contributions to State pension plans are not budgeted.			2,580,000	
Budgetary expenditures are different than GAAP expenditures because:				
State of Rhode Island on-behalf contributions to State pension plans are not budgeted.			<u>(2,580,000)</u>	
Net Change in Fund Balances - GAAP Basis			\$ <u>638,772</u>	

TOWN OF WEST WARWICK, RHODE ISLAND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEE RETIREMENT TRUST FUND
LAST SIX FISCAL YEARS*

RSI-3

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:						
Service cost	\$ 2,561,513	\$ 2,502,614	\$ 2,549,974	\$ 2,441,566	\$ 2,258,766	\$ 2,815,702
Interest	12,201,514	11,980,238	11,562,789	10,941,637	10,651,438	11,467,012
Changes of benefit terms			38,333			(12,421,981)
Differences between expected and actual experience	508,056	(1,491,599)	1,685,538	1,300,570		(493,359)
Changes of assumptions	(720,316)	(215,129)	(749,423)	2,751,398		(2,583,350)
Benefit payments, including refunds of member contributions	(10,078,516)	(9,690,832)	(9,256,920)	(9,266,182)	(9,181,180)	(9,021,629)
Net change in total pension liability	4,472,251	3,085,292	5,830,291	8,168,989	3,729,024	(10,237,605)
Total pension liability - beginning	165,164,595	162,079,303	156,249,012	148,080,023	144,350,999	154,588,604
Total pension liability - ending	<u>169,636,846</u>	<u>165,164,595</u>	<u>162,079,303</u>	<u>156,249,012</u>	<u>148,080,023</u>	<u>144,350,999</u>
Plan fiduciary net position:						
Contributions - employer	9,805,598	9,247,549	8,739,745	8,179,980	8,062,234	6,000,000
Contributions - employee	1,973,630	2,065,202	1,966,741	1,885,444	1,748,791	1,318,539
Net investment income	1,604,927	2,402,891	3,604,321	(918,239)	592,127	3,265,405
Benefit payments, including refunds of member contributions	(10,078,516)	(9,690,832)	(9,256,920)	(9,266,182)	(9,181,180)	(9,021,629)
Pension plan administrative expense	(83,403)	(108,358)	(68,194)	(133,947)	(185,951)	(198,764)
Net change in plan fiduciary net position	3,222,236	3,916,452	4,985,693	(252,944)	1,036,021	1,363,551
Plan fiduciary net position - beginning	37,614,044	33,697,592	28,711,899	28,964,843	27,928,822	26,565,271
Plan fiduciary net position - ending	<u>40,836,280</u>	<u>37,614,044</u>	<u>33,697,592</u>	<u>28,711,899</u>	<u>28,964,843</u>	<u>27,928,822</u>
Net Pension Liability - Ending	<u>\$ 128,800,566</u>	<u>\$ 127,550,551</u>	<u>\$ 128,381,711</u>	<u>\$ 127,537,113</u>	<u>\$ 119,115,180</u>	<u>\$ 116,422,177</u>
Plan fiduciary net position as a percentage of the total pension liability	24.07%	22.77%	20.79%	18.38%	19.56%	19.35%
Covered-employee payroll	\$ 16,387,887	\$ 15,781,633	\$ 16,091,817	\$ 15,208,402	\$ 14,203,313	\$ 13,956,326
Net pension liability as a percentage of covered payroll	785.95%	808.22%	797.81%	838.60%	838.64%	834.19%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF WEST WARWICK, RHODE ISLAND
SCHEDULE OF CONTRIBUTIONS
EMPLOYEE RETIREMENT TRUST FUND
LAST TEN FISCAL YEARS**

RSI-4

	<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>
Actuarially-determined contribution	\$ 9,620,720	\$ 9,257,300	\$ 8,739,745	\$ 8,309,706	\$ 8,103,839	\$ 10,322,474	\$ 9,264,065	\$ 8,708,689	\$ 6,912,110	\$ 5,799,056
Contributions in relation to the actuarially-determined contribution	<u>9,805,598</u>	<u>9,247,549</u>	<u>8,739,745</u>	<u>8,179,980</u>	<u>8,062,234</u>	<u>6,000,000</u>	<u>5,301,532</u>	<u>1,100,592</u>	<u>1,289,098</u>	<u>2,500,000</u>
Contribution Deficiency (Excess)	\$ <u>(184,878)</u>	\$ <u>9,751</u>	\$ <u>-</u>	\$ <u>129,726</u>	\$ <u>41,605</u>	\$ <u>4,322,474</u>	\$ <u>3,962,533</u>	\$ <u>7,608,097</u>	\$ <u>5,623,012</u>	\$ <u>3,299,056</u>
Covered-employee payroll	\$ 16,387,887	\$ 15,781,633	\$ 16,091,817	\$ 15,208,402	\$ 14,203,313	\$ 13,956,326	\$ 14,855,258	\$ 15,164,989	\$ 16,303,378	\$ 16,891,909
Contributions as a percentage of covered-employee payroll	59.83%	58.60%	54.31%	53.79%	56.76%	42.99%	35.69%	7.26%	7.91%	14.80%

Notes to Schedule

Valuation date July 1, 2018
Measurement date June 30, 2019

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	25-year closed level % of pay amortization of the excess of the entry age actuarial accrued liability over the actuarial value of plan assets beginning 7/1/14. For this purpose, pay is assumed to grow at 3.50% annually.
Asset valuation method	Market value of assets
Inflation	2.50%
Salary increases	3.50%
Investment rate of return	7.50%
Mortality - Healthy - Police and Fire	RP-2014 Blue Collar Mortality Table with generational improvements from 2006 based on assumptions from the 2019 Trustee's Report
Mortality - Healthy - Other	RP-2014 Mortality Table with generational improvements from 2006 based on assumptions from the 2019 Trustee's Report
Mortality - Disabled	RP-2014 Disabled Mortality Table with generational improvements from 2006 based on assumptions from the 2019 Trustee's Report

**TOWN OF WEST WARWICK, RHODE ISLAND
 SCHEDULE OF INVESTMENT RETURNS
 EMPLOYEE RETIREMENT TRUST FUND
 LAST SIX FISCAL YEARS***

RSI-5

	<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	4.09%	6.97%	12.30%	5.92%	5.01%	15.20%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

RSI-6

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	1.43%	1.64%	1.12%	1.62%	1.46%
Town's proportionate share of the net pension liability	\$ 45,423,614	\$ 45,162,030	\$ 33,324,429	\$ 44,563,281	\$ 35,463,093
State's proportionate share of the net pension liability associated with the school district	<u>33,882,753</u>	<u>39,113,803</u>	<u>22,822,341</u>	<u>30,444,235</u>	<u>24,318,677</u>
Total	<u>\$ 79,306,367</u>	<u>\$ 84,275,833</u>	<u>\$ 56,146,770</u>	<u>\$ 75,007,516</u>	<u>\$ 59,781,770</u>
Town's covered employee payroll	\$ 25,635,430	\$ 26,628,988	\$ Not available	\$ 23,509,337	\$ 22,772,066
Town's proportionate share of the net pension liability as a percentage of its covered employee payroll	177.19%	169.60%	Not available	189.56%	155.73%
Plan fiduciary net position as a percentage of the total pension liability	54.30%	54.00%	54.06%	57.55%	61.40%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Notes to Schedule

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

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

RSI-7

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially-determined contribution	\$ 3,707,854	\$ 3,525,678	\$ 3,461,000	\$ 3,227,832	\$ 3,053,734
Contributions in relation to the actuarially-determined contribution	<u>3,707,854</u>	<u>3,525,678</u>	<u>3,461,000</u>	<u>3,227,832</u>	<u>3,053,734</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 25,635,430	\$ 26,628,988	Not available	\$ 23,509,337	\$ 22,772,066
Contributions as a percentage of covered-employee payroll	14.46%	13.24%	Not available	13.73%	13.41%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Notes to Schedule

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

- 1) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.
- 2) In May 2017, the Employees' Retirement System of Rhode Island Board voted to lower the investment rate of return assumption from 7.5% to 7.0% which will be reflected in the determination of the net pension liability for the various plans administered by the System beginning with the June 30, 2017 measurement date valuations.

TOWN OF WEST WARWICK, RHODE ISLAND
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OTHER POST-EMPLOYMENT BENEFITS PLAN
LAST THREE FISCAL YEARS*

RSI-8

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:			
Service cost	\$ 1,181,380	\$ 1,000,384	\$ 1,063,571
Interest	4,915,859	4,247,890	4,066,880
Changes of assumptions	(1,097,408)		(1,379,744)
Differences between expected and actual experience	(6,797,032)	7,929,261	1,719,595
Benefit payments	<u>(4,045,470)</u>	<u>(4,844,657)</u>	<u>(3,297,753)</u>
Net change in total OPEB liability	(5,842,671)	8,332,878	2,172,549
Total OPEB liability - beginning	<u>66,349,571</u>	<u>58,016,693</u>	<u>55,844,144</u>
Total OPEB liability - ending	<u>60,506,900</u>	<u>66,349,571</u>	<u>58,016,693</u>
Plan fiduciary net position:			
Contributions - employer	4,548,824	4,270,977	3,646,994
Net investment income	182,659	199,561	189,167
Benefit payments	(4,045,470)	(4,844,657)	(3,297,753)
Administrative expense	<u>(6,257)</u>	<u>(5,568)</u>	<u>(3,990)</u>
Net change in plan fiduciary net position	679,756	(379,687)	534,418
Plan fiduciary net position - beginning	<u>1,493,546</u>	<u>1,873,233</u>	<u>1,338,815</u>
Plan fiduciary net position - ending	<u>2,173,302</u>	<u>1,493,546</u>	<u>1,873,233</u>
Net OPEB Liability - Ending	<u>\$ 58,333,598</u>	<u>\$ 64,856,025</u>	<u>\$ 56,143,460</u>
Plan fiduciary net position as a percentage of the total OPEB liability	3.6%	2.3%	3.2%
Covered-employee payroll	\$ 39,892,830	\$ 40,918,261	\$ 39,534,552
Net OPEB liability as a percentage of covered-employee payroll	146.2%	158.5%	142.0%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**TOWN OF WEST WARWICK, RHODE ISLAND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFITS PLAN
LAST TEN FISCAL YEARS**

RSI-9

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 5,855,458	\$ 4,956,467	\$ 4,759,537	\$ 4,485,667	\$ 4,712,809	\$ 4,803,612	\$ 7,552,618	\$ 7,552,618	\$ 7,529,803	\$ 5,327,511
Contributions in relation to the actuarially determined contribution	4,548,824	4,270,977	3,646,994	4,111,091	4,019,034	3,467,681	5,303,716	4,865,794	4,231,074	3,573,395
Contribution Deficiency (Excess)	\$ 1,306,634	\$ 685,490	\$ 1,112,543	\$ 374,576	\$ 693,775	\$ 1,335,931	\$ 2,248,902	\$ 2,686,824	\$ 3,298,729	\$ 1,754,116
Covered-employee payroll	\$ 39,892,830	\$ 40,918,261	\$ 39,534,552	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered-employee payroll	11.4%	10.4%	9.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Valuation date: June 30, 2019
Measurement date: June 30, 2019

Methods and assumptions used to determine contribution rates:


Actuarial cost method	Entry age
Amortization method	Level percentage of salary
Amortization period	25 years
Asset valuation method	Market value
Inflation	1.80% per year
Healthcare cost trend rates - medical	9.00% initial, decreasing 0.50% per year to an ultimate rate of 4.50%
Healthcare cost trend rates - dental	4.50% initial, decreasing 0.25% per year to an ultimate rate of 4.00%
Payroll growth	3.50% for valuation purposes, 2.50% for amortization purposes
Investment rate of return	7.50%
Mortality - Healthy Retirees - Public Safety	RPH-2014 Blue Collar Mortality Table with generational improvements from 2006 based on the 2019 SSA Trustee's Report
Mortality - Healthy Retirees - All Others	RPH-2014 Mortality Table with generational improvements from 2006 based on the 2019 SSA Trustee's Report
Mortality - Disabled Retirees	RPH-2014 Disabled Mortality Table with generational improvements from 2006 based on the 2019 SSA Trustee's Report

**TOWN OF WEST WARWICK, RHODE ISLAND
SCHEDULE OF INVESTMENT RETURNS
OTHER POST-EMPLOYMENT BENEFITS PLAN
LAST THREE FISCAL YEARS***

RSI-10

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	9.62%	11.52%	11.53%

*Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.



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



**Nonmajor
Governmental Funds**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Special Revenue Funds are used to account for revenues and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following is a list of special revenue funds in this section:

Fund	Funding Source	Function
Tricentennial Committee	Donations	Town celebration
Benjamin R. Vaughn	Miscellaneous Grant	Community Improvement
Annie Livsey Fund	RI Foundation	Crompton Library-Pawtuxet Historical Society
Greene Cemetery Fund	RI Foundation	Cemetery maintenance
Drug Evidence	State and Federal	Police operations
Police Highway Grant	Federal grants	Police operations
Police Highway Safety	Federal grants	Police Operations
Brambley Bill Fund	State grants	Police operations
LEAP Fund	State grants	Road Work
JAG Peer to Peer	Federal grants	Kids safe program
Police Grants	Federal and state grants	Police programs
JAG Grant 2015	Federal grants	Police equipment
Riverwalk Fund	Federal and State Grants	Community Improvement
Open Space Recreation	Federal grants	Police programs
JAG ARRA Fund	Federal grants	Police programs
JAG Fund	Federal grants	Police programs
Hazard Mitigation Plan Grant	Federal grants	Hazard mitigation
Economic Development Revolving Loan Fund	Fees	Economic development
Library Grants	Miscellaneous grant	Library operations
Health Equity Zone Grant	State grants	Community Outreach
Homeland Security	Federal grants	Police Operations
Assistance to Firefighters	Federal grants	Fire Operations
Meds Contract Fund	Federal grant	E.M.A
Community Development Block Grant	Federal grants	Community Improvements
Revolving Fund	Fees and Donations	P&F Operations and Community Activities
DARE Fund	State and federal grants	Drug awareness and prevention
Tower Rent Revolving Fund	Rent Charges	To supplement General Fund
Police Detail Car Fund	Charges for services	Police Operations
Demolition Revolving Fund	Fines	Community Improvement
Stormwater Utility Grant	State grants	Special Project
Animal Shelter Fund	Donations and fees	Community Safety
Recreation Fund	Miscellaneous Grant	Community Improvement

School Restricted Funds - Funds established to account for federal, state and private grant monies used for the benefit of the West Warwick School Department.

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS:

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. Funding sources include debt proceeds, intergovernmental sources, third party contributions and General Fund transfers. The following capital project funds are reported as nonmajor governmental funds.

Fund	Funding Source	Function
Road Bond Fund	Bonds	Road projects
Bond Fund	Bonds	Various projects
EMS Rescue Fund	Charges for services	EMS equipment
Town Capital Projects Fund	Appropriations	Capital purchases
School Fire Code Renovations	Bonds	Fire code improvements
School Bond Fund	Bonds	School capital improvements
School Capital Projects Fund	Appropriations	School capital improvements
School Capital Other	Appropriations	School capital improvements

DEBT SERVICE FUND:

This fund is used to account for the resources that will be used to payoff the Town's Qualified Zone Academy Bonds (QZAB) debt obligation upon maturity. The fund balance is deemed legally restricted for future retirement of the bond.

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

EXHIBIT A-1

	<u>Special Revenue Funds</u>				
	<u>Special Revenue Funds - Town</u>	<u>Special Revenue Funds - School Restricted</u>	<u>Capital Project Funds</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 265,497	\$	\$ 115,479	\$	\$ 380,976
Restricted cash				362,108	362,108
Restricted investments				2,406,967	2,406,967
Accounts receivable:					
Intergovernmental	39,094	1,122,154	6,167		1,167,415
Other receivables	199				199
Due from other funds	1,207,657	151,358	2,442,283		3,801,298
Prepaid expenditures			120,354		120,354
Total Assets	<u>\$ 1,512,447</u>	<u>\$ 1,273,512</u>	<u>\$ 2,684,283</u>	<u>\$ 2,769,075</u>	<u>\$ 8,239,317</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 24,324	\$ 14,874	\$ 190,212	\$	\$ 229,410
Accrued expenses	14,460	49,722			64,182
Due to other funds	236,817	1,058,418	6,167		1,301,402
Total liabilities	<u>275,601</u>	<u>1,123,014</u>	<u>196,379</u>	<u>-</u>	<u>1,594,994</u>
Fund balances:					
Nonspendable			120,354		120,354
Restricted	526,043	150,498	1,214,856	2,769,075	4,660,472
Committed	910,494		1,152,694		2,063,188
Unassigned	(199,691)				(199,691)
Total fund balances	<u>1,236,846</u>	<u>150,498</u>	<u>2,487,904</u>	<u>2,769,075</u>	<u>6,644,323</u>
Total Liabilities and Fund Balances	<u>\$ 1,512,447</u>	<u>\$ 1,273,512</u>	<u>\$ 2,684,283</u>	<u>\$ 2,769,075</u>	<u>\$ 8,239,317</u>

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

EXHIBIT A-2

	<u>Special Revenue Funds</u>				<u>Total Nonmajor Governmental Funds</u>
	<u>Special Revenue Funds - Town</u>	<u>Special Revenue Funds - School Restricted</u>	<u>Capital Projects Funds</u>	<u>Debt Service Fund</u>	
Revenues:					
Intergovernmental	\$ 1,052,612	\$ 2,673,047	\$ 129,812	\$	\$ 3,855,471
Charges for services	1,076,650	8,046	184,767		1,269,463
Contributions and private grants	43,044	61,324			104,368
Investment and interest income	1			85,422	85,423
Other revenue	1,100				1,100
Total revenues	<u>2,173,407</u>	<u>2,742,417</u>	<u>314,579</u>	<u>85,422</u>	<u>5,315,825</u>
Expenditures:					
General government	18,159				18,159
Public safety	965,223				965,223
Public works	105,552				105,552
Library	234,334				234,334
Parks and recreation	4,079				4,079
Education		2,744,105			2,744,105
Debt service			557,261		557,261
Capital outlay	702,029		1,391,868		2,093,897
Total expenditures	<u>2,029,376</u>	<u>2,744,105</u>	<u>1,949,129</u>	<u>-</u>	<u>6,722,610</u>
Excess (Deficiency) of Revenues over Expenditures	144,031	(1,688)	(1,634,550)	85,422	(1,406,785)
Other Financing Sources:					
Transfers in	51,230		225,714	155,673	432,617
Net Change in Fund Balances	195,261	(1,688)	(1,408,836)	241,095	(974,168)
Fund Balances at Beginning of Year	1,041,585	152,186	3,896,740	2,527,980	7,618,491
Fund Balances at End of Year	<u>\$ 1,236,846</u>	<u>\$ 150,498</u>	<u>\$ 2,487,904</u>	<u>\$ 2,769,075</u>	<u>\$ 6,644,323</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING BALANCE SHEET
JUNE 30, 2019

EXHIBIT A-3

	<u>Tricentennial Committee</u>	<u>Benjamin R. Vaughn</u>	<u>Annie Livsey Fund</u>	<u>Greene Cemetery Fund</u>	<u>Drug Evidence</u>	<u>Police Highway Grant</u>	<u>Police Highway Safety</u>
ASSETS							
Cash and cash equivalents	\$ 1,012	\$ 1,106	\$	\$	\$ 218,369	\$	\$
Accounts receivable:							
Intergovernmental							
Accounts receivable							199
Due from other funds					581	800	
Total Assets	<u>\$ 1,012</u>	<u>\$ 1,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,950</u>	<u>\$ 800</u>	<u>\$ 199</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$	\$	\$	\$	\$ 8,732	\$	\$
Accounts payroll and related liabilities							
Due to other funds							2,053
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,732</u>	<u>-</u>	<u>2,053</u>
Fund balances:							
Restricted	1,012	1,106			210,218	800	
Committed							
Unassigned							(1,854)
Total fund balances	<u>1,012</u>	<u>1,106</u>	<u>-</u>	<u>-</u>	<u>210,218</u>	<u>800</u>	<u>(1,854)</u>
Total Liabilities and Fund Balances	<u>\$ 1,012</u>	<u>\$ 1,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,950</u>	<u>\$ 800</u>	<u>\$ 199</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2019

EXHIBIT A-3

	<u>Brambley Bill Fund</u>	<u>LEAP Fund</u>	<u>JAG Peer to Peer</u>	<u>Police Grants</u>	<u>JAG Grant 2015</u>	<u>Riverwalk Fund</u>	<u>Open Space Recreation</u>
ASSETS							
Cash and cash equivalents	\$ 1,004	\$	\$	\$	\$	\$	\$
Accounts receivable:							
Intergovernmental							
Accounts receivable							
Due from other funds	<u>5,573</u>		<u>433</u>	<u>669</u>	<u>12,785</u>	<u>10,124</u>	<u>68,703</u>
Total Assets	<u>\$ 6,577</u>	<u>\$ -</u>	<u>\$ 433</u>	<u>\$ 669</u>	<u>\$ 12,785</u>	<u>\$ 10,124</u>	<u>\$ 68,703</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$	\$	\$	\$	\$	\$	\$ 170
Accounts payroll and related liabilities							
Due to other funds							
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170</u>
Fund balances:							
Restricted	6,577		433	669	12,785	10,124	68,533
Committed							
Unassigned							
Total fund balances	<u>6,577</u>	<u>-</u>	<u>433</u>	<u>669</u>	<u>12,785</u>	<u>10,124</u>	<u>68,533</u>
Total Liabilities and Fund Balances	<u>\$ 6,577</u>	<u>\$ -</u>	<u>\$ 433</u>	<u>\$ 669</u>	<u>\$ 12,785</u>	<u>\$ 10,124</u>	<u>\$ 68,703</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2019

EXHIBIT A-3

	<u>JAG ARRA Fund</u>	<u>JAG Fund</u>	<u>Hazard Mitigation Plan Grant</u>	<u>Economic Development Revolving Loan Fund</u>	<u>Library Grants</u>	<u>Health Equity Zone Grant</u>
ASSETS						
Cash and cash equivalents	\$	\$	\$	\$	\$ 34,661	\$
Accounts receivable:						
Intergovernmental			18,985			
Accounts receivable						
Due from other funds	<u>5,699</u>	<u>2,865</u>				<u>8,931</u>
Total Assets	<u>\$ 5,699</u>	<u>\$ 2,865</u>	<u>\$ 18,985</u>	<u>\$ -</u>	<u>\$ 34,661</u>	<u>\$ 8,931</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenses	\$	\$	\$ 4,068	\$	\$ 10,482	\$
Accounts payroll and related liabilities					2,169	
Due to other funds			14,917		219,847	
Total liabilities	<u>-</u>	<u>-</u>	<u>18,985</u>	<u>-</u>	<u>232,498</u>	<u>-</u>
Fund balances:						
Restricted	5,699	2,865				8,931
Committed						
Unassigned					(197,837)	
Total fund balances	<u>5,699</u>	<u>2,865</u>	<u>-</u>	<u>-</u>	<u>(197,837)</u>	<u>8,931</u>
Total Liabilities and Fund Balances	<u>\$ 5,699</u>	<u>\$ 2,865</u>	<u>\$ 18,985</u>	<u>\$ -</u>	<u>\$ 34,661</u>	<u>\$ 8,931</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2019

EXHIBIT A-3

	<u>Homeland Security</u>	<u>Assistance to Firefighters</u>	<u>Meds Contract Fund</u>	<u>Community Development Block Grant</u>	<u>Revolving Fund</u>	<u>DARE Fund</u>	<u>Tower Rent Revolving Fund</u>
ASSETS							
Cash and cash equivalents	\$	\$	\$	\$	\$	\$ 9,345	\$
Accounts receivable:							
Intergovernmental				2,236	14,153		
Accounts receivable							
Due from other funds		13	3,966	17,154	749,498		45,852
Total Assets	\$ -	\$ 13	\$ 3,966	\$ 19,390	\$ 763,651	\$ 9,345	\$ 45,852
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$	\$	\$	\$	\$ 337	\$	\$
Accounts payroll and related liabilities				207	12,084		
Due to other funds							
Total liabilities	-	-	-	207	12,421	-	-
Fund balances:							
Restricted		13	3,966	19,183		9,345	45,852
Committed					751,230		
Unassigned							
Total fund balances	-	13	3,966	19,183	751,230	9,345	45,852
Total Liabilities and Fund Balances	\$ -	\$ 13	\$ 3,966	\$ 19,390	\$ 763,651	\$ 9,345	\$ 45,852

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2019

EXHIBIT A-3

	<u>Police Detail Car Fund</u>	<u>Demolition Revolving Fund</u>	<u>Stormwater Utility Grant fund</u>	<u>Animal Shelter Fund</u>	<u>Recreation Fund</u>	<u>Total Special Revenue Funds - Town</u>
ASSETS						
Cash and cash equivalents	\$	\$	\$	\$	\$	\$ 265,497
Accounts receivable:						
Intergovernmental	3,720					39,094
Accounts receivable						199
Due from other funds	<u>155,544</u>	<u>108,569</u>		<u>7,858</u>	<u>2,040</u>	<u>1,207,657</u>
Total Assets	<u>\$ 159,264</u>	<u>\$ 108,569</u>	<u>\$</u>	<u>\$ 7,858</u>	<u>\$ 2,040</u>	<u>\$ 1,512,447</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenses	\$	\$	\$	\$ 535	\$	\$ 24,324
Accounts payroll and related liabilities						14,460
Due to other funds						236,817
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>535</u>	<u>-</u>	<u>275,601</u>
Fund balances:						
Restricted		108,569		7,323	2,040	526,043
Committed	159,264					910,494
Unassigned						(199,691)
Total fund balances	<u>159,264</u>	<u>108,569</u>	<u>-</u>	<u>7,323</u>	<u>2,040</u>	<u>1,236,846</u>
Total Liabilities and Fund Balances	<u>\$ 159,264</u>	<u>\$ 108,569</u>	<u>\$ -</u>	<u>\$ 7,858</u>	<u>\$ 2,040</u>	<u>\$ 1,512,447</u>

CITY OF EAST PROVIDENCE, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-4

	Tricentennial Committee	Benjamin R. Vaughn	Annie Livsey Fund	Greene Cemetery Fund	Drug Evidence	Police Highway Grant	Police Highway Safety
Revenues:							
Intergovernmental	\$	\$	\$ 9,978	\$ 600	\$	\$	\$ 16,171
Charges for services					91,109		
Investment and interest income		1					
Contributions and private grants							
Other revenue							
Total revenues	<u>-</u>	<u>1</u>	<u>9,978</u>	<u>600</u>	<u>91,109</u>	<u>-</u>	<u>16,171</u>
Expenditures:							
General government			9,978	600			
Public safety					52,846		18,297
Public works							
Library							
Parks and recreation							
Capital outlay							
Total expenditures	<u>-</u>	<u>-</u>	<u>9,978</u>	<u>600</u>	<u>52,846</u>	<u>-</u>	<u>18,297</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>38,263</u>	<u>-</u>	<u>(2,126)</u>
Other Financing Sources:							
Transfers in							
Transfers out							
Net other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances		1			38,263		(2,126)
Fund Balances at Beginning of Year	<u>1,012</u>	<u>1,105</u>	<u>-</u>	<u>-</u>	<u>171,955</u>	<u>800</u>	<u>272</u>
Fund Balances at End of Year	<u>\$ 1,012</u>	<u>\$ 1,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,218</u>	<u>\$ 800</u>	<u>\$ (1,854)</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-4

	<u>Brambley Bill Fund</u>	<u>LEAP Fund</u>	<u>JAG Peer to Peer</u>	<u>Police Grants</u>	<u>JAG Grant 2015</u>	<u>Riverwalk Fund</u>	<u>Open Space Recreation</u>
Revenues:							
Intergovernmental	\$ 18,309	\$	\$	\$	\$ 12,785	\$	\$
Charges for services							50,000
Investment and interest income							
Contributions and private grants							
Other revenue							
Total revenues	<u>18,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,785</u>	<u>-</u>	<u>50,000</u>
Expenditures:							
General government							
Public safety	18,350						
Public works							
Library							
Parks and recreation							4,079
Capital outlay							
Total expenditures	<u>18,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,079</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(41)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,785</u>	<u>-</u>	<u>45,921</u>
Other Financing Sources:							
Transfers in		22,407					
Transfers out							
Net other financing uses	<u>-</u>	<u>22,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(41)	22,407			12,785		45,921
Fund Balances at Beginning of Year	<u>6,618</u>	<u>(22,407)</u>	<u>433</u>	<u>669</u>		<u>10,124</u>	<u>22,612</u>
Fund Balances at End of Year	\$ <u>6,577</u>	\$ <u>-</u>	\$ <u>433</u>	\$ <u>669</u>	\$ <u>12,785</u>	\$ <u>10,124</u>	\$ <u>68,533</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-4

	<u>JAG ARRA Fund</u>	<u>JAG Fund</u>	<u>Hazard Mitigation Plan Grant</u>	<u>Economic Development Revolving Loan Fund</u>	<u>Library Grants</u>	<u>Health Equity Zone Grant</u>
Revenues:						
Intergovernmental	\$	\$	\$ 18,985	\$	\$ 183,852	\$ 10,000
Charges for services					18,547	
Investment and interest income						
Contributions and private grants					33,749	
Other revenue						
Total revenues	<u>-</u>	<u>-</u>	<u>18,985</u>	<u>-</u>	<u>236,148</u>	<u>10,000</u>
Expenditures:						
General government				5,865		
Public safety			18,985			1,069
Public works						
Library					234,334	
Parks and recreation						
Capital outlay						
Total expenditures	<u>-</u>	<u>-</u>	<u>18,985</u>	<u>5,865</u>	<u>234,334</u>	<u>1,069</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,865)</u>	<u>1,814</u>	<u>8,931</u>
Other Financing Sources:						
Transfers in						
Transfers out						
Net other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances				(5,865)	1,814	8,931
Fund Balances at Beginning of Year	<u>5,699</u>	<u>2,865</u>	<u>-</u>	<u>5,865</u>	<u>(199,651)</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 5,699</u>	<u>\$ 2,865</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (197,837)</u>	<u>\$ 8,931</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-4

	<u>Homeland Security</u>	<u>Assistance to Firefighters</u>	<u>Meds Contract Fund</u>	<u>Community Development Block Grant</u>	<u>Revolving Fund</u>	<u>DARE Fund</u>	<u>Tower Rent Revolving Fund</u>
Revenues:							
Intergovernmental	\$	\$	\$	\$ 781,932	\$	\$	\$
Charges for services				23,488	727,884		
Investment and interest income							
Contributions and private grants					3,000		
Other revenue						1,100	
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>805,420</u>	<u>730,884</u>	<u>1,100</u>	<u>-</u>
Expenditures:							
General government						815	
Public safety					693,147		
Public works				105,552			
Library							
Parks and recreation							
Capital outlay				702,029			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>807,581</u>	<u>693,147</u>	<u>815</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,161)</u>	<u>37,737</u>	<u>285</u>	<u>-</u>
Other Financing Sources:							
Transfers in	924						
Transfers out							
Net other financing uses	<u>924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	924			(2,161)	37,737	285	
Fund Balances at Beginning of Year	<u>(924)</u>	<u>13</u>	<u>3,966</u>	<u>21,344</u>	<u>713,493</u>	<u>9,060</u>	<u>45,852</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 3,966</u>	<u>\$ 19,183</u>	<u>\$ 751,230</u>	<u>\$ 9,345</u>	<u>\$ 45,852</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-4

	Police Detail Car Fund	Demolition Revolving Fund	Stormwater Utility Grant fund	Animal Shelter Fund	Recreation Fund	Total Special Revenue Funds - Town
Revenues:						
Intergovernmental	\$	\$	\$	\$	\$	\$ 1,052,612
Charges for services	139,786	24,750		1,086		1,076,650
Investment and interest income						1
Contributions and private grants				6,295		43,044
Other revenue						1,100
Total revenues	<u>139,786</u>	<u>24,750</u>	<u>-</u>	<u>7,381</u>	<u>-</u>	<u>2,173,407</u>
Expenditures:						
General government		901				18,159
Public safety	153,218			9,311		965,223
Public works						105,552
Library						234,334
Parks and recreation						4,079
Capital outlay						702,029
Total expenditures	<u>153,218</u>	<u>901</u>	<u>-</u>	<u>9,311</u>	<u>-</u>	<u>2,029,376</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(13,432)</u>	<u>23,849</u>	<u>-</u>	<u>(1,930)</u>	<u>-</u>	<u>144,031</u>
Other Financing Sources:						
Transfers in			27,899			51,230
Transfers out						
Net other financing uses	<u>-</u>	<u>-</u>	<u>27,899</u>	<u>-</u>	<u>-</u>	<u>51,230</u>
Net Change in Fund Balances	(13,432)	23,849	27,899	(1,930)		195,261
Fund Balances at Beginning of Year	<u>172,696</u>	<u>84,720</u>	<u>(27,899)</u>	<u>9,253</u>	<u>2,040</u>	<u>1,041,585</u>
Fund Balances at End of Year	\$ <u>159,264</u>	\$ <u>108,569</u>	\$ <u>-</u>	\$ <u>7,323</u>	\$ <u>2,040</u>	\$ <u>1,236,846</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET
JUNE 30, 2019

EXHIBIT A-5

	<u>IDEA</u>	<u>Title I</u>	<u>Title II</u>	<u>Title III</u>	<u>Title IV</u>	<u>Perkins</u>	<u>Fresh Fruits & Vegetables</u>
ASSETS							
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$
Accounts receivable:							
Intergovernmental	386,851	471,940	123,263	6,329	46,350	40,626	11,643
Due from other funds							
Total Assets	<u>\$ 386,851</u>	<u>\$ 471,940</u>	<u>\$ 123,263</u>	<u>\$ 6,329</u>	<u>\$ 46,350</u>	<u>\$ 40,626</u>	<u>\$ 11,643</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$ 2,059	\$ 4,793	\$	\$	\$ 7,142	\$	\$
Accrued expenses	20,418	125	23,947		5,232		
Due to other funds	364,374	467,022	99,316	6,329	33,976	40,626	11,643
Total liabilities	<u>386,851</u>	<u>471,940</u>	<u>123,263</u>	<u>6,329</u>	<u>46,350</u>	<u>40,626</u>	<u>11,643</u>
Fund balances:							
Restricted							
Total Liabilities and Fund Balances	<u>\$ 386,851</u>	<u>\$ 471,940</u>	<u>\$ 123,263</u>	<u>\$ 6,329</u>	<u>\$ 46,350</u>	<u>\$ 40,626</u>	<u>\$ 11,643</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2019

EXHIBIT A-5

	<u>RI Emergency Management</u>	<u>ARRA Energy</u>	<u>US Dept. of Health & Human Services</u>	<u>Preschool Expansion - Supplemental</u>	<u>US Department of Justice</u>	<u>State Grants</u>	<u>Big Yellow School Bus</u>
ASSETS							
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$
Accounts receivable:							
Intergovernmental			6,871	1,631	18,997		
Due from other funds	311	1,162				3,649	564
Total Assets	\$ 311	\$ 1,162	\$ 6,871	\$ 1,631	\$ 18,997	\$ 3,649	\$ 564
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$	\$	\$	\$	\$	\$	\$
Accrued expenses							
Due to other funds			6,871	1,631	18,997		
Total liabilities	-	-	6,871	1,631	18,997	-	-
Fund balances:							
Restricted	311	1,162				3,649	564
Total Liabilities and Fund Balances	\$ 311	\$ 1,162	\$ 6,871	\$ 1,631	\$ 18,997	\$ 3,649	\$ 564

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2019

EXHIBIT A-5

	<u>RISCA Pottery Grant</u>	<u>RI Council of Humanities</u>	<u>RI Department of Health</u>	<u>CTE Categorical Fund - 00</u>	<u>CTE Categorical Fund - 01</u>	<u>English Learner Categorical</u>
ASSETS						
Cash and cash equivalents	\$	\$	\$	\$	\$	\$
Accounts receivable:						
Intergovernmental			3,069			4,584
Due from other funds	240	1,959		54,187	234	
Total Assets	<u>\$ 240</u>	<u>\$ 1,959</u>	<u>\$ 3,069</u>	<u>\$ 54,187</u>	<u>\$ 234</u>	<u>\$ 4,584</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenses	\$	\$	\$	\$	\$	\$
Accrued expenses						
Due to other funds			3,069			4,564
Total liabilities	<u>-</u>	<u>-</u>	<u>3,069</u>	<u>-</u>	<u>-</u>	<u>4,564</u>
Fund balances:						
Restricted	240	1,959		54,187	234	20
Total Liabilities and Fund Balances	<u>\$ 240</u>	<u>\$ 1,959</u>	<u>\$ 3,069</u>	<u>\$ 54,187</u>	<u>\$ 234</u>	<u>\$ 4,584</u>

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2019

EXHIBIT A-5

	<u>RI Learning Champion</u>	<u>Champlain Foundation</u>	<u>Champlain Foundation - DMS Music</u>	<u>Sparks Reading Grant</u>	<u>Nordson Corp</u>	<u>RI Interlocal Risk Management Grant</u>
ASSETS						
Cash and cash equivalents	\$	\$	\$	\$	\$	\$
Accounts receivable:						
Intergovernmental						
Due from other funds		78	8	344	112	202
Total Assets	\$ -	\$ 78	\$ 8	\$ 344	\$ 112	\$ 202
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenses	\$	\$	\$	\$	46	\$
Accrued expenses						
Due to other funds						
Total liabilities	-	-	-	-	46	-
Fund balances:						
Restricted		78	8	344	66	202
Total Liabilities and Fund Balances	\$ -	\$ 78	\$ 8	\$ 344	\$ 112	\$ 202

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2019

EXHIBIT A-5

	<u>Corporate Grants</u>	<u>Private Grants</u>	<u>Google Donations</u>	<u>Summer School</u>	<u>DMS Play</u>	<u>Pre school</u>	<u>Total Special Revenue Funds - School Restricted</u>
ASSETS							
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$ -
Accounts receivable:							
Intergovernmental							1,122,154
Due from other funds	19,144	29,378	935	13,100	2,183	23,568	151,358
Total Assets	<u>\$ 19,144</u>	<u>\$ 29,378</u>	<u>\$ 935</u>	<u>\$ 13,100</u>	<u>\$ 2,183</u>	<u>\$ 23,568</u>	<u>\$ 1,273,512</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$ 94	\$ 6	\$	\$	\$	\$ 734	\$ 14,874
Accrued expenses							49,722
Due to other funds							1,058,418
Total liabilities	<u>94</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>734</u>	<u>1,123,014</u>
Fund balances:							
Restricted	<u>19,050</u>	<u>29,372</u>	<u>935</u>	<u>13,100</u>	<u>2,183</u>	<u>22,834</u>	<u>150,498</u>
Total Liabilities and Fund Balances	<u>\$ 19,144</u>	<u>\$ 29,378</u>	<u>\$ 935</u>	<u>\$ 13,100</u>	<u>\$ 2,183</u>	<u>\$ 23,568</u>	<u>\$ 1,273,512</u>

**TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT A-6

	<u>IDEA</u>	<u>Title I</u>	<u>Title II</u>	<u>Title III</u>	<u>Title IV</u>	<u>Perkins</u>	<u>Fresh Fruits & Vegetables</u>	<u>RI Emergency Management</u>
Revenues:								
Intergovernmental	\$ 965,596	\$ 1,138,736	\$ 272,077	\$ 10,230	\$ 92,488	\$ 40,626	\$ 43,208	\$
Charges for services								
Contributions and private grants								
Other revenue								
Total revenues	<u>965,596</u>	<u>1,138,736</u>	<u>272,077</u>	<u>10,230</u>	<u>92,488</u>	<u>40,626</u>	<u>43,208</u>	<u>-</u>
Expenditures:								
Education	<u>965,596</u>	<u>1,138,736</u>	<u>272,077</u>	<u>10,230</u>	<u>92,488</u>	<u>40,626</u>	<u>43,208</u>	
Net Change in Fund Balances	-	-	-	-	-	-	-	-
Fund Balances at Beginning of Year	-	-	-	-	-	-	-	311
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311</u>

(Continued on next page)

**TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT A-6

	<u>ARRA Energy</u>	<u>US Dept. of Health & Human Services</u>	<u>Preschool Expansion - Supplemental</u>	<u>US Department of Justice</u>	<u>State Grants</u>	<u>Big Yellow School Bus</u>	<u>RISCA Pottery Grant</u>
Revenues:							
Intergovernmental	\$	\$ 6,871	\$ 2,670	\$ 18,997	\$	\$ 400	\$
Charges for services							
Contributions and private grants							
Other revenue							
Total revenues	<u>-</u>	<u>6,871</u>	<u>2,670</u>	<u>18,997</u>	<u>-</u>	<u>400</u>	<u>-</u>
Expenditures:							
Education		<u>6,871</u>	<u>2,670</u>	<u>18,997</u>		<u>909</u>	
Net Change in Fund Balances	-	-	-	-	-	(509)	-
Fund Balances at Beginning of Year	<u>1,162</u>		<u>-</u>	<u>-</u>	<u>3,649</u>	<u>1,073</u>	<u>240</u>
Fund Balances at End of Year	<u>\$ 1,162</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,649</u>	<u>\$ 564</u>	<u>\$ 240</u>

(Continued on next page)

**TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT A-6

	<u>RI Council of Humanities</u>	<u>RI Department of Health</u>	<u>CTE Categorical Fund - 00</u>	<u>CTE Categorical Fund - 01</u>	<u>English Learner Categorical</u>	<u>RI Learning Champion</u>
Revenues:						
Intergovernmental	\$	\$ 8,029	\$ 54,056	\$ 12,934	\$ 6,129	
Charges for services						
Contributions and private grants						1,107
Other revenue						
Total revenues	<u>-</u>	<u>8,029</u>	<u>54,056</u>	<u>12,934</u>	<u>6,129</u>	<u>1,107</u>
Expenditures:						
Education		<u>8,029</u>		<u>12,700</u>	<u>6,109</u>	<u>1,107</u>
Net Change in Fund Balances	-	-	54,056	234	20	
Fund Balances at Beginning of Year	<u>1,959</u>	<u>-</u>	<u>131</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 1,959</u>	<u>\$ -</u>	<u>\$ 54,187</u>	<u>\$ 234</u>	<u>\$ 20</u>	<u>\$ -</u>

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-6

	<u>Champlain Foundation</u>	<u>Champlain Foundation - DMS Music</u>	<u>Sparks Reading Grant</u>	<u>Nordson Corp</u>	<u>RI Interlocal Risk Management Grant</u>	<u>Corporate Grants</u>
Revenues:						
Intergovernmental	\$	\$	\$	\$	\$	\$
Charges for services						
Contributions and private grants		19,490			1,000	37,419
Other revenue						
Total revenues	<u>-</u>	<u>19,490</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>37,419</u>
Expenditures:						
Education		<u>19,482</u>			<u>798</u>	<u>88,080</u>
Net Change in Fund Balances	-	8	-	(407)	202	(50,661)
Fund Balances at Beginning of Year	<u>78</u>	<u>-</u>	<u>344</u>	<u>473</u>	<u>-</u>	<u>69,711</u>
Fund Balances at End of Year	<u>\$ 78</u>	<u>\$ 8</u>	<u>\$ 344</u>	<u>\$ 66</u>	<u>\$ 202</u>	<u>\$ 19,050</u>

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT A-6

	<u>Private Grants</u>	<u>Google Donations</u>	<u>Summer School</u>	<u>DMS Play</u>	<u>Pre school</u>	<u>Total Special Revenue Funds - School Restricted</u>
Revenues:						
Intergovernmental	\$	\$	\$	\$	\$	\$ 2,673,047
Charges for services					8,046	8,046
Contributions and private grants	2,308					61,324
Other revenue						
Total revenues	<u>2,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,046</u>	<u>2,742,417</u>
Expenditures:						
Education	<u>11,745</u>				<u>3,240</u>	<u>2,744,105</u>
Net Change in Fund Balances	(9,437)	-	-	-	4,806	(1,688)
Fund Balances at Beginning of Year	<u>38,809</u>	<u>935</u>	<u>13,100</u>	<u>2,183</u>	<u>18,028</u>	<u>152,186</u>
Fund Balances at End of Year	<u>\$ 29,372</u>	<u>\$ 935</u>	<u>\$ 13,100</u>	<u>\$ 2,183</u>	<u>\$ 22,834</u>	<u>\$ 150,498</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

EXHIBIT A-7

	Road Bond Fund	Bond Fund	EMS Rescue Fund	Town Capital Projects Fund	School Fire Code Renovations Fund	School Bond Fund	School Capital Projects Fund	School Capital Other	Total Capital Projects Funds
ASSETS									
Cash and cash equivalents	\$	\$	\$ 115,479	\$	\$	\$	\$	\$	\$ 115,479
Accounts receivable:									
Intergovernmental								6,167	6,167
Due from other funds		398,259	655,150	497,544	44		883,867	7,419	2,442,283
Prepaid expenditures						120,354			120,354
Total Assets	\$ -	\$ 398,259	\$ 770,629	\$ 497,544	\$ 44	\$ 120,354	\$ 883,867	\$ 13,586	\$ 2,684,283
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued expenses	\$	\$ 68,752	\$ 115,479	\$	\$	\$	\$ 5,981	\$	\$ 190,212
Due to other funds								6,167	6,167
Total liabilities	-	68,752	115,479	-	-	-	5,981	6,167	196,379
Fund balances:									
Nonspendable						120,354			120,354
Restricted		329,507			44		877,886	7,419	1,214,856
Committed			655,150	497,544					1,152,694
Total fund balances	-	329,507	655,150	497,544	44	120,354	877,886	7,419	2,487,904
Total Liabilities and Fund Balances	\$ -	\$ 398,259	\$ 770,629	\$ 497,544	\$ 44	\$ 120,354	\$ 883,867	\$ 13,586	\$ 2,684,283

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

EXHIBIT A-8

	Road Bond Fund	Bond Fund	EMS Rescue Fund	Town Capital Projects Fund	School Fire Code Renovations Fund	School Bond Fund	School Capital Projects Fund	School Capital Other	Total Capital Projects Funds
Revenues:									
Intergovernmental	\$	\$	\$	\$ 100,000	\$	\$	\$ 29,812	\$	\$ 129,812
Charges for services			184,767						184,767
Total revenues	-	-	184,767	100,000	-	-	29,812	-	314,579
Expenditures:									
Capital outlay		459,148	545,575	278,965		17,487	90,693		1,391,868
Debt service			557,261						557,261
Total expenditures	-	459,148	1,102,836	278,965	-	17,487	90,693	-	1,949,129
Excess (Deficiency) of Revenues over Expenditures	-	(459,148)	(918,069)	(178,965)	-	(17,487)	(60,881)	-	(1,634,550)
Other Financing Sources:									
Transfers in	39,474			186,240					225,714
Net Change in Fund Balances	39,474	(459,148)	(918,069)	7,275	-	(17,487)	(60,881)	-	(1,408,836)
Fund Balances at Beginning of Year	(39,474)	788,655	1,573,219	490,269	44	137,841	938,767	7,419	3,896,740
Fund Balances at End of Year	\$ -	\$ 329,507	\$ 655,150	\$ 497,544	\$ 44	\$ 120,354	\$ 877,886	\$ 7,419	\$ 2,487,904



Nonmajor Proprietary Funds

NONMAJOR PROPRIETARY FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Civic Center

This fund is used to account for the activity associated with the Civic Center

Municipal Court

This fund is used to account for the activity associated with the Town's municipal court operations.

School Lunch Program

This fund is used to account for the activity associated with the School's lunch program.

TOWN OF WEST WARWICK, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION - NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2019

EXHIBIT B-1

	Enterprise Funds			
	Civic Center	Municipal Court	School Lunch Program	Total
Assets:				
Current assets:				
Cash and cash equivalents	\$ 200	\$	\$ 916,819	\$ 917,019
Receivables:				
Intergovernmental			45,768	45,768
Other receivables	41,569	26,417	87,362	155,348
Due from other funds		125,643	343,246	468,889
Total current assets	<u>41,769</u>	<u>152,060</u>	<u>1,393,195</u>	<u>1,587,024</u>
Noncurrent assets:				
Capital assets not being depreciated	131,100			131,100
Capital assets, net of accumulated depreciation	1,403,426		240,893	1,644,319
Total noncurrent assets	<u>1,534,526</u>	<u>-</u>	<u>240,893</u>	<u>1,775,419</u>
Total assets	<u>1,576,295</u>	<u>152,060</u>	<u>1,634,088</u>	<u>3,362,443</u>
Liabilities:				
Current liabilities:				
Accounts payable	11,960	30,477	269,534	311,971
Accrued liabilities	9,873	2,447		12,320
Accrued compensated absences	23,878			23,878
Accrued interest payable	890			890
Due to other funds	855,157			855,157
Unearned revenue			12,102	12,102
Current portion of capital lease obligations	26,352			26,352
Total current liabilities	<u>928,110</u>	<u>32,924</u>	<u>281,636</u>	<u>1,242,670</u>
Noncurrent liabilities:				
Capital lease obligations	54,641			54,641
Total noncurrent liabilities	<u>54,641</u>	<u>-</u>	<u>-</u>	<u>54,641</u>
Total liabilities	<u>982,751</u>	<u>32,924</u>	<u>281,636</u>	<u>1,297,311</u>
Net Position:				
Net investment in capital assets	1,453,533		240,893	1,694,426
Unrestricted	<u>(859,989)</u>	<u>119,136</u>	<u>1,111,559</u>	<u>370,706</u>
Total Net Position	<u>\$ 593,544</u>	<u>\$ 119,136</u>	<u>\$ 1,352,452</u>	<u>\$ 2,065,132</u>

TOWN OF WEST WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET POSITION - NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT B-2

	Enterprise Funds			Total
	Civic Center	Municipal Court	School Lunch Program	
Operating Revenues:				
Sales and charges for service	\$ 640,597	\$ 99,167	\$ 531,097	\$ 1,270,861
Intergovernmental			1,029,384	1,029,384
Other	11,514			11,514
Total revenues	<u>652,111</u>	<u>99,167</u>	<u>1,560,481</u>	<u>2,311,759</u>
Operating Expenses:				
Salaries and benefits	387,041	89,242	36,342	512,625
Operations and supplies	303,153	28,056	1,355,502	1,686,711
Depreciation and amortization	80,381		32,469	112,850
Total operating expenses	<u>770,575</u>	<u>117,298</u>	<u>1,424,313</u>	<u>2,312,186</u>
Operating Income (Loss)	(118,464)	(18,131)	136,168	(427)
Nonoperating Revenues (Expenses):				
Interest expense	<u>(1,748)</u>			<u>(1,748)</u>
Change in Net Position	(120,212)	(18,131)	136,168	(2,175)
Net Position at Beginning of Year	<u>713,756</u>	<u>137,267</u>	<u>1,216,284</u>	<u>2,067,307</u>
Net Position at End of Year	<u>\$ 593,544</u>	<u>\$ 119,136</u>	<u>1,352,452</u>	<u>\$ 2,065,132</u>

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

EXHIBIT B-3

	Enterprise Funds			
	<u>Civic Center</u>	<u>Municipal Court</u>	<u>School Lunch Program</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 623,983	\$ 101,285	\$ 479,073	\$ 1,204,341
Operating grants			1,029,384	1,029,384
Other receipts	11,514			11,514
Payments to suppliers	(306,835)	(15,158)	(1,203,825)	(1,525,818)
Payments to employees	(379,788)	(93,300)	(36,342)	(509,430)
Net cash provided by (used in) operating activities	<u>(51,126)</u>	<u>(7,173)</u>	<u>268,290</u>	<u>209,991</u>
Cash Flows from Noncapital Financing Activities:				
Interfund loans	107,489	7,173	(439,541)	(324,879)
Net cash provided by (used in) noncapital financing activities	<u>107,489</u>	<u>7,173</u>	<u>(439,541)</u>	<u>(324,879)</u>
Cash Flows from Capital and Related Financing Activities:				
Principal paid on bonds, notes and loans	(53,921)			(53,921)
Interest paid on bonds, notes and loans	(2,442)			(2,442)
Additions to property, plant and equipment			(75,159)	(75,159)
Net cash provided (used in) capital and related financing activities	<u>(56,363)</u>	<u>-</u>	<u>(75,159)</u>	<u>(131,522)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	(246,410)	(246,410)
Cash and Cash Equivalents at Beginning of Year	200	-	1,163,229	1,163,429
Cash and Cash Equivalents at End of Year	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 916,819</u>	<u>\$ 917,019</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (118,464)	\$ (18,131)	\$ 136,168	\$ (427)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	80,381		32,469	112,850
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(16,614)	2,118	(64,126)	(78,622)
Increase (decrease) in accounts payable	(3,682)	12,898	151,677	160,893
Increase (decrease) in accrued liabilities	2,357	(4,058)		(1,701)
Increase in accrued compensated absences	4,896			4,896
Increase in unearned revenue			12,102	12,102
Total adjustments	<u>67,338</u>	<u>10,958</u>	<u>132,122</u>	<u>210,418</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (51,126)</u>	<u>\$ (7,173)</u>	<u>\$ 268,290</u>	<u>\$ 209,991</u>



Internal Service Funds

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost-reimbursement basis.

Healthcare Management Fund

This fund is used to account for the Town's self-insured medical and dental care programs.

Energy Efficiency Fund

This fund is used to account for the activity associated with providing clean and efficient energy to the Town's departments.

TOWN OF WEST WARWICK, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
JUNE 30, 2019

EXHIBIT C-1

	<u>Healthcare Management Fund</u>	<u>Energy Efficiency Fund</u>	<u>Total Internal Service Funds</u>
Assets:			
Current assets:			
Other receivables	\$ 586,293	\$ 327,498	\$ 913,791
Due from other funds	908,308	360,263	1,268,571
Prepaid expenses		485,880	485,880
Total current assets	<u>1,494,601</u>	<u>1,173,641</u>	<u>2,668,242</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation		17,394,899	17,394,899
Total noncurrent assets	<u>-</u>	<u>17,394,899</u>	<u>17,394,899</u>
Total assets	<u>1,494,601</u>	<u>18,568,540</u>	<u>20,063,141</u>
Liabilities:			
Current liabilities:			
Accounts payable	1,582,039	7,950	1,589,989
Accrued interest payable		193,780	193,780
Current portion of long-term obligations		819,000	819,000
Total current liabilities	<u>1,582,039</u>	<u>1,020,730</u>	<u>2,602,769</u>
Noncurrent liabilities:			
Bonds and loans payable		18,008,000	18,008,000
Total noncurrent liabilities	<u>-</u>	<u>18,008,000</u>	<u>18,008,000</u>
Total liabilities	<u>1,582,039</u>	<u>19,028,730</u>	<u>20,610,769</u>
Net Position:			
Net investment in capital assets		(1,432,101)	(1,432,101)
Unrestricted	<u>(87,438)</u>	<u>971,911</u>	<u>884,473</u>
Total Net Position	<u>\$ (87,438)</u>	<u>\$ (460,190)</u>	<u>\$ (547,628)</u>

**TOWN OF WEST WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND NET POSITION - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT C-2

	<u>Healthcare Management Fund</u>	<u>Energy Efficiency Fund</u>	<u>Total Internal Service Funds</u>
Operating Revenues:			
Charges for services	\$ 10,521,874	\$ 1,833,181	\$ 12,355,055
Other revenues		157,535	157,535
Total revenues	<u>10,521,874</u>	<u>1,990,716</u>	<u>12,512,590</u>
Operating Expenses:			
Operations and supplies		427,790	427,790
Claims	9,199,453		9,199,453
Administration	1,266,622		1,266,622
Depreciation and amortization		783,979	783,979
Total operating expenses	<u>10,466,075</u>	<u>1,211,769</u>	<u>11,677,844</u>
Operating Income	55,799	778,947	834,746
Nonoperating Revenues (Expenses):			
Interest expense		<u>(616,208)</u>	<u>(616,208)</u>
Change in Net Position	55,799	162,739	218,538
Net Position at Beginning of Year	<u>(143,237)</u>	<u>(622,929)</u>	<u>(766,166)</u>
Net Position at End of Year	<u>\$ (87,438)</u>	<u>\$ (460,190)</u>	<u>\$ (547,628)</u>

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

EXHIBIT C-3

	<u>Healthcare Management Fund</u>	<u>Energy Efficiency Fund</u>	<u>Total Internal Service Funds</u>
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 10,839,747	\$ 1,905,670	\$ 12,745,417
Payments to suppliers	(728,829)	(763,463)	(1,492,292)
Claims paid	(9,199,453)		(9,199,453)
Net cash provided by operating activities	<u>911,465</u>	<u>1,142,207</u>	<u>2,053,672</u>
Cash Flows from Noncapital Financing Activities:			
Interfund loans	<u>(911,465)</u>	<u>(83,377)</u>	<u>(994,842)</u>
Net cash (used in) noncapital financing activities	<u>(911,465)</u>	<u>(83,377)</u>	<u>(994,842)</u>
Cash Flows from Capital and Related Financing Activities:			
Loan proceeds		117,639	117,639
Principal paid on bonds, notes and loans		(473,000)	(473,000)
Interest paid on bonds, notes and loans		(685,941)	(685,941)
Additions to property, plant and equipment		<u>(17,528)</u>	<u>(17,528)</u>
Net cash (used in) capital and related financing activities	<u>-</u>	<u>(1,058,830)</u>	<u>(1,058,830)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 55,799	\$ 778,947	\$ 834,746
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization		783,979	783,979
Change in assets and liabilities:			
(Increase) decrease in other receivable	317,873	(85,046)	232,827
(Increase) in prepaid expenses		(341,557)	(341,557)
Increase in accounts payable	537,793	5,884	543,677
Total adjustments	<u>855,666</u>	<u>363,260</u>	<u>1,218,926</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 911,465</u>	<u>\$ 1,142,207</u>	<u>\$ 2,053,672</u>



Fiduciary Funds

FIDUCIARY FUND TYPES

The Fiduciary Funds are used to account for assets held by the Town in an agency capacity on behalf of others. The agency funds of the Town are as follows:

TRUST FUNDS:

Employee Retirement Trust Fund

This fund is used to account for the accumulation of resources to be used for payment of retirement benefits for retired Town employees.

OPEB Trust Fund

This fund is used to account for the accumulation of resources to be used for payment of healthcare benefits for retired Town employees.

AGENCY FUNDS:

Student Activities Fund

This fund is used to account for monies received and expended for various student activities and groups.

Centennial Scholarship Fund

This fund is used to account for monies to be awarded for scholarships.

**TOWN OF WEST WARWICK, RHODE ISLAND
PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019**

EXHIBIT D-1

	<u>Employee Retirement Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total Pension and OPEB Trust Funds</u>
ASSETS			
Investments, at fair value:			
Mutual funds	\$ 36,225,254	\$ 2,867,068	\$ 39,092,322
Alternative investments	4,493,228		4,493,228
Contributions receivable	<u>117,799</u>	<u>184,653</u>	<u>302,452</u>
Total Assets	<u>40,836,281</u>	<u>3,051,721</u>	<u>43,888,002</u>
LIABILITIES			
Accounts payable	<u>7,639</u>	<u>878,419</u>	<u>886,058</u>
NET POSITION			
Net Position:			
Restricted for pension benefits	40,828,642		40,828,642
Restricted for OPEB benefits	<u> </u>	<u>2,173,302</u>	<u>2,173,302</u>
Total Net Position	<u>\$ 40,828,642</u>	<u>\$ 2,173,302</u>	<u>\$ 43,001,944</u>

**TOWN OF WEST WARWICK, RHODE ISLAND
PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

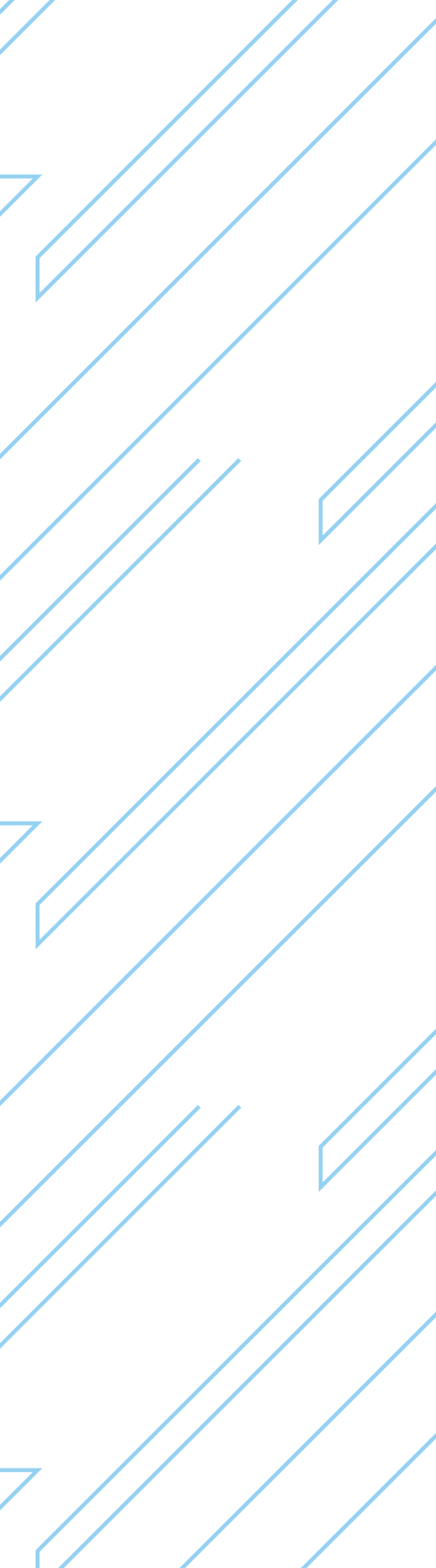
EXHIBIT D-2

	Employee Retirement Trust Fund	OPEB Trust Fund	Total Pension and OPEB Trust Funds
Additions:			
Contributions:			
Employer contributions	\$ 9,805,598	\$ 4,548,824	\$ 14,354,422
Employee contributions	1,974,017		1,974,017
Total contributions	<u>11,779,615</u>	<u>4,548,824</u>	<u>16,328,439</u>
Investment income:			
Net change in fair value of investments	1,757,177	182,659	1,939,836
Investment management fees	<u>(152,248)</u>	<u>(6,257)</u>	<u>(158,505)</u>
Total investment income	<u>1,604,929</u>	<u>176,402</u>	<u>1,781,331</u>
Total additions	<u>13,384,544</u>	<u>4,725,226</u>	<u>18,109,770</u>
Deductions:			
Benefits	10,078,903	4,045,470	14,124,373
Operating expenses	<u>85,657</u>		<u>85,657</u>
Total deductions	<u>10,164,560</u>	<u>4,045,470</u>	<u>14,210,030</u>
Change in Net Position	3,219,984	679,756	3,899,740
Net Position at Beginning of Year	<u>37,608,658</u>	<u>1,493,546</u>	<u>39,102,204</u>
Net Position at End of Year	<u>\$ 40,828,642</u>	<u>\$ 2,173,302</u>	<u>\$ 43,001,944</u>

TOWN OF WEST WARWICK, RHODE ISLAND
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
JUNE 30, 2019

EXHIBIT E

	<u>Balance</u> <u>July 01, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
Student Activities Fund				
Assets:				
Cash	\$ 194,629	\$ 314,878	\$ 321,064	\$ 188,443
Total Assets	<u>\$ 194,629</u>	<u>\$ 314,878</u>	<u>\$ 321,064</u>	<u>\$ 188,443</u>
Liabilities:				
Deposits held for others	\$ 194,629	\$ 314,878	\$ 321,064	\$ 188,443
Total Liabilities	<u>\$ 194,629</u>	<u>\$ 314,878</u>	<u>\$ 321,064</u>	<u>\$ 188,443</u>
Centennial Scholarship Fund				
Assets:				
Other receivable	\$ 40,000	\$ -	\$ -	\$ 40,000
Total Assets	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>
Liabilities:				
Deposits held for others	\$ 40,000	\$ -	\$ -	\$ 40,000
Total Liabilities	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>
Total				
Assets:				
Cash and cash equivalents	\$ 194,629	\$ 314,878	\$ 321,064	\$ 188,443
Other receivable	40,000	-	-	40,000
Total Assets	<u>\$ 234,629</u>	<u>\$ 314,878</u>	<u>\$ 321,064</u>	<u>\$ 228,443</u>
Liabilities:				
Deposits held for others	\$ 234,629	\$ 314,878	\$ 321,064	\$ 228,443
Total Liabilities	<u>\$ 234,629</u>	<u>\$ 314,878</u>	<u>\$ 321,064</u>	<u>\$ 228,443</u>



Other Schedules

TOWN OF WEST WARWICK, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

Tax Roll Year	Mill Rate	Balance July 1, 2018	Current Year Assessment	Transfers Addendums (Net)	Abatements and Adjustments	Amount to be Collected	Collections Net of Refunds	Balance June 30, 2019
2018		\$	\$ 65,382,727	\$ 27,251	\$ 77,893	\$ 65,332,085	\$ 63,222,357	\$ 2,109,728
2017	26.31	2,001,970		(11,994)	(7,284)	1,997,260	1,610,403	386,857
2016	25.84	307,383		(2,914)	537	303,932	106,913	197,019
2015	25.96	225,776		(299)	401	225,076	33,603	191,473
2014	25.39	214,482		214	466	214,230	20,464	193,766
2013	24.67	215,386		8	246	215,148	18,680	196,468
2012	21.40	156,585		179	675	156,089	13,575	142,514
2011	21.40	117,136			412	116,724	9,155	107,569
2010	16.82	104,141			82	104,059	4,041	100,018
2009	15.92	62,882				62,882	477	62,405
2008	15.26	68,901				68,901	509	68,392
2007	18.63	65,347				65,347	813	64,534
2006 and prior	various	457,695			93	457,602	3,022	454,580
Total		3,997,684	\$ 65,382,727	\$ 12,445	\$ 73,521	\$ 69,319,335	\$ 65,044,012	4,275,323
Less allowance for uncollectible accounts		(1,415,600)						(1,548,000)
Net property taxes receivable		\$ 2,582,084						\$ 2,727,323

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

EXHIBIT E

Collections Summary

<u>Year</u>	<u>Subject to 60 Day Rule July 1, 2018 August 31, 2018</u>	<u>Not Subject to 60 Day Rule July 1, 2018 June 30, 2019</u>	<u>Subject to 60 Day Rule July 1, 2019 August 31, 2019</u>	<u>Tax Revenue Recognized Fiscal Year End June 30, 2019</u>
2018	\$	\$ 63,222,357	\$ 567,088	\$ 63,789,445
2017	396,034	1,214,369	33,545	1,247,914
2016	21,094	85,819	3,214	89,033
2015	7,847	25,756	3,208	28,964
2014	1,801	18,663	2,232	20,895
2013	519	18,161	1,610	19,771
2012	1,235	12,340	560	12,900
2011	891	8,264	595	8,859
2010	617	3,424	310	3,734
2009		477	148	625
2008	163	346		346
2007	90	723		723
2006 and prior	349	2,673	821	3,494
	<u>\$ 430,640</u>	<u>\$ 64,613,372</u>	<u>\$ 613,331</u>	<u>\$ 65,226,703</u>

(Continued on next page)

**TOWN OF WEST WARWICK, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2019**

EXHIBIT E

**Schedule of Net Assessed Property Value by Category
Assessed December 31, 2017**

Description of Property	Valuations	Levy
Real property	\$ 1,878,260,620	\$
Exemptions and adjustments	<u>(25,020,050)</u>	
	1,853,240,570	55,513,976
Motor vehicle	248,348,340	
Exemptions and adjustments	<u>(95,675,646)</u>	
	152,672,694	4,346,085
Tangible property	127,957,110	
Exemptions and adjustments	<u>(5,100)</u>	
	127,952,010	5,522,666
Net Assessed Value	\$ <u>2,133,865,274</u>	\$ <u>65,382,727</u>

Reconciliation of Current Year Property Tax Revenue

Current year collections	\$ 65,044,012
Revenue received 60 days subsequent to fiscal year ended June 30, 2019	<u>613,331</u>
Subtotal	65,657,343
Prior year revenue received in current year (2018 60 day rule)	<u>(430,640)</u>
Current Year Property Tax Revenue	\$ <u>65,226,703</u>

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

EXHIBIT G-1

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 63,776,036	\$ -
Last Year's Levy Tax Collection	1,232,643	-
Prior Years Property Tax Collection	215,835	-
Interest & Penalty	532,957	-
PILOT & Tax Treaty (excluded from levy) Collection	59,648	-
Other Local Property Taxes	37,678	-
Licenses and Permits	1,148,943	-
Fines and Forfeitures	-	-
Investment Income	147,253	-
Departmental	565,318	-
Rescue Run Revenue	908,564	-
Police & Fire Detail	836,469	-
Other Local Non-Property Tax Revenues	34,201	-
Tuition	-	78,170
Impact Aid	-	-
Medicaid	-	949,251
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	1,008,199
CDBG	47,427	-
COPS Grants	-	-
SAFER Grants	16,171	-
Other Federal Aid Funds	-	2,591,501
MV Excise Tax Reimbursement	238,429	-
State PILOT Program	-	-
Distressed Community Relief Fund	904,159	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	361,849	-
Meals & Beverage Tax / Hotel Tax	537,168	-
LEA Aid	-	26,136,758
Group Home	-	-
Housing Aid Capital Projects	-	29,812
Housing Aid Bonded Debt	786,743	-
State Food Service Revenue	-	21,185
Incentive Aid	-	-
Property Revaluation Reimbursement	126,394	-
Other State Revenue	-	75,413
Motor Vehicle Phase Out	1,107,180	-
Other Revenue	-	642,478
Local Appropriation for Education	-	31,557,516
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 73,621,066	\$ 63,090,283
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ -	\$ -

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

EXHIBIT G-1

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public	Parks and	Police
	Government	Finance	Services	IT			Works	Rec	Department
Compensation- Group A	\$ 838,271	\$ 595,325	\$ -	\$ -	\$ 98,516	\$ 487,093	\$ 1,225,526	\$ 121,303	\$ 3,688,392
Compensation - Group B	-	-	-	-	-	-	-	-	269,201
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	5,026	6,754	-	-	-	-	160,987	32,796	841,323
Overtime - Group B	-	-	-	-	-	-	-	-	226,510
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	798,992
Active Medical Insurance - Group A	192,041	175,136	-	-	-	77,355	384,134	37,596	629,048
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	169,359
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	13,857	12,638	-	-	1,281	2,940	32,917	2,934	50,387
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	13,566
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	96,304	44,771	-	-	7,395	12,830	102,677	11,192	388,984
Life Insurance	2,530	1,997	-	-	396	-	4,038	397	21,400
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	881,074	1,950	-	-	-	800	5,400	600	259,310
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	813,481	320,148	-	-	-	181,783	962,290	32,493	2,203,886
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	522,705
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	27,762	17,410	-	-	5,042	4,129	4,522	-	-
Purchased Services	417,897	60,261	-	-	2,170	15,782	30,884	-	45,748
Materials/Supplies	48,142	30,423	-	-	2,017	-	68,934	52,338	42,845
Software Licenses	43,984	38,000	-	-	1,974	-	-	-	26,079
Capital Outlays	-	-	-	-	-	1,129	-	-	-
Insurance	524,898	-	-	-	-	-	-	-	-
Maintenance	36,767	-	-	-	-	9,138	-	-	4,199
Vehicle Operations	-	-	-	-	-	-	250,862	-	52,212
Utilities	129,266	-	-	-	-	52,546	-	-	102,608
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	74,094	-	-
Revaluation	-	158,000	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	164,523	-	-
Trash Removal & Recycling	-	-	-	-	-	-	1,234,827	-	-
Claims & Settlements	9,678	-	-	-	-	-	-	-	-
Community Support	16,803	-	-	-	-	-	-	-	-
Other Operation Expenditures	172,088	1,938	213,000	-	39,130	3,503	139,960	6,105	110,442
Tipping Fees	-	-	-	-	-	-	494,142	-	-
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	\$ 4,269,870	\$ 1,464,749	\$ 213,000	\$ -	\$ 157,922	\$ 849,028	\$ 5,340,716	\$ 297,755	\$ 10,467,195

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

EXHIBIT G-1

EXPENDITURES	Fire	Centralized	Public Safety	Education	Debt	OPEB	Total	Education
	Department	Dispatch	Other	Appropriation			Municipal	Department
Compensation- Group A	\$ 4,610,136	\$ -	\$ 2,225	\$ -	\$ -	\$ -	\$ 11,666,788	\$ 26,546,220
Compensation - Group B	153,229	-	-	-	-	-	422,430	2,345,678
Compensation - Group C	-	-	-	-	-	-	-	5,189,283
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	1,157,039	-	-	-	-	-	2,203,925	-
Overtime - Group B	122,716	-	-	-	-	-	349,226	-
Overtime - Group C	-	-	-	-	-	-	-	102,714
Police & Fire Detail	59,566	-	-	-	-	-	858,558	-
Active Medical Insurance - Group A	928,943	-	-	-	-	-	2,424,253	4,611,218
Active Medical Insurance- Group B	98,524	-	-	-	-	-	267,883	342,564
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,491,472
Active Dental insurance- Group A	74,077	-	-	-	-	-	191,031	295,511
Active Dental Insurance- Group B	7,857	-	-	-	-	-	21,422	21,382
Active Dental Insurance- Group C	-	-	-	-	-	-	-	117,001
Payroll Taxes	461,888	-	312	-	-	-	1,126,353	2,579,451
Life Insurance	29,001	-	-	-	-	-	59,759	369,629
State Defined Contribution- Group A	-	-	-	-	-	-	-	145,524
State Defined Contribution - Group B	-	-	-	-	-	-	-	11,149
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	155,997	-	-	-	-	-	1,305,131	188,710
Other Benefits- Group B	-	-	-	-	-	-	-	49,994
Other Benefits- Group C	-	-	-	-	-	-	-	95,355
Local Defined Benefit Pension- Group A	2,444,288	-	-	-	-	-	6,958,368	42,357
Local Defined Benefit Pension - Group B	236,291	-	-	-	-	-	758,996	82,411
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	1,415,808
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	3,563,543
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	267,311
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	5,832	-	-	-	-	-	64,696	-
Purchased Services	87,178	-	-	-	-	-	659,920	8,131,637
Materials/Supplies	46,353	-	-	-	-	-	291,054	599,973
Software Licenses	12,802	-	-	-	-	-	122,839	138,604
Capital Outlays	-	-	-	-	-	-	1,129	913,611
Insurance	-	-	-	-	-	-	524,898	222,923
Maintenance	-	-	-	-	-	-	50,104	330,081
Vehicle Operations	124,318	-	-	-	-	-	427,392	10,608
Utilities	520,338	-	-	-	-	-	804,758	833,629
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	74,094	-
Revaluation	-	-	-	-	-	-	158,000	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	164,523	-
Trash Removal & Recycling	-	-	-	-	-	-	1,234,827	-
Claims & Settlements	-	-	-	-	-	-	9,678	-
Community Support	-	-	-	-	-	-	16,803	-
Other Operation Expenditures	63,806	-	-	-	-	-	749,971	225,720
Tipping Fees	-	-	-	-	-	-	494,142	-
Local Appropriation for Education	-	-	-	31,557,516	-	-	31,557,516	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	1,569,271	-	1,569,271	-
Municipal Debt- Interest	-	-	-	-	400,444	-	400,444	-
School Debt- Principal	-	-	-	-	900,000	-	900,000	-
School Debt- Interest	-	-	-	-	266,679	-	266,679	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	2,568,593	2,568,593	1,157,018
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 11,400,181	\$ -	\$ 2,537	\$ 31,557,516	\$ 3,136,394	\$ 2,568,593	\$ 71,725,456	\$ 62,438,089

Financing Uses: Transfer to Capital Funds	\$ 186,240	\$ -
Financing Uses: Transfer to Other Funds	90,704	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 276,944	\$ -
Net Change in Fund Balance¹	1,618,667	652,194
Fund Balance1- beginning of year	\$4,758,213	\$6,198,018
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	(490,269)	-
Misc. Adjustment	-	(95,740)
Fund Balance¹ - beginning of year adjusted	4,267,944	6,102,278
Rounding	-	-
Fund Balance¹ - end of year	\$ 5,886,611	\$ 6,754,472

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

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

EXHIBIT G-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						\$ 4,758,213	(490,269)	\$ 4,267,944	
<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>\$ 4,758,213</u>	<u>(490,269)</u>	<u>\$ 4,267,944</u>	
General Fund (100)	\$ 72,601,377	\$ -	\$ 39,255,851	\$ 31,990,133	\$ 1,355,393	\$ 1,343,339	\$ (490,269)	\$ 853,070	\$ 2,208,463
Debt Service Fund (190)	85,422	155,673	-	-	241,095	2,527,980	-	2,527,980	2,769,075
Police Highway Grant Fund (419)	16,171	-	18,297	-	(2,126)	272	-	272	(1,854)
JAG Peer to Peer Fund (455)	-	-	-	-	-	433	-	433	433
Bulletproof Vest Partnership Fund (474)	-	-	-	-	-	-	-	-	-
CDBG Community Development (606)	805,419	-	807,581	-	(2,162)	21,344	-	21,344	19,182
Revolving Fund (800)	730,884	-	693,147	-	37,737	713,493	-	713,493	751,230
Police Detail Car fund (805)	139,786	-	153,218	-	(13,432)	172,696	-	172,696	159,264
Totals per audited financial statements	<u>\$ 74,379,059</u>	<u>\$ 155,673</u>	<u>\$ 40,928,094</u>	<u>\$ 31,990,133</u>	<u>\$ 1,616,505</u>	<u>\$ 4,779,557</u>	<u>\$ (490,269)</u>	<u>\$ 4,289,288</u>	<u>\$ 5,905,793</u>
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as on state report.	\$ -	\$ -	\$ 31,557,516	\$ (31,557,516)	\$ -	\$ -	\$ -	\$ -	\$ -
Program activity in CDBG Funds that are not reported on the MTP2 because they are for program revenues & expenses and not for administration.	(757,993)	-	(760,155)	-	2,162	(21,344)	-	(21,344)	(19,182)
Reclassify proceeds to non-major funds with deficits	-	-	-	-	-	-	-	-	-
Reclassify transfer of appropriation to Debt Service Sinking Fund.	-	(155,673)	-	(155,673)	-	-	-	-	-
Rounding	-	-	1	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 73,621,066</u>	<u>\$ -</u>	<u>\$ 71,725,456</u>	<u>\$ 276,944</u>	<u>\$ 1,618,667</u>	<u>\$ 4,758,213</u>	<u>\$ (490,269)</u>	<u>\$ 4,267,944</u>	<u>\$ 5,886,611</u>

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

City of West 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 G-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						\$ 6,198,018	-	\$ 6,198,018	
Miscellaneous Variance between UCOA & FS for FY 18						\$ 7,308	-	\$ 7,308	
<i>Difference in Depreciation expense from fiscal 18 impacting FY 19</i>						(103,048)	-	(103,048)	
Fund Balance¹ - per MTP-2 at June 30, 2018 adjusted						<u>\$ 6,102,278</u>	-	<u>\$ 6,102,278</u>	
School Unrestricted Fund	\$ 29,780,057	\$ 31,557,516	\$ 60,698,801	\$ -	\$ 638,772	\$ 3,847,983	\$ -	\$ 3,847,983	\$ 4,486,755
Enterprise Fund1	1,560,481	-	1,424,313	-	136,168	1,216,284	-	1,216,284	1,352,452
Capital Projects Fund	29,812	-	90,693	-	(60,881)	938,767	-	938,767	877,886
School Bond Fund	-	-	17,487	-	(17,487)	137,841	-	137,841	120,354
School QZAB Bond Fund	-	-	-	-	-	7,419	-	7,419	7,419
School Special Revenue Funds	2,742,417	-	2,744,105	-	(1,688)	152,186	-	152,186	150,498
Totals per audited financial statements	<u>\$ 34,112,767</u>	<u>\$ 31,557,516</u>	<u>\$ 64,975,399</u>	<u>\$ -</u>	<u>\$ 694,884</u>	<u>\$ 6,300,480</u>	<u>\$ -</u>	<u>\$ 6,300,480</u>	<u>\$ 6,995,364</u>
<u>Reconciliation from financial statements to MTP2</u>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 31,557,516	\$ (31,557,516)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,580,000)	-	(2,580,000)	-	-	-	-	-	-
Add FY19 Capital Purchases that are not expensed in the Audit. Audit shows as a capital addition in the cash flow statement	-	-	75,159	-	(75,159)	-	-	-	(75,159)
Remove depreciation expense which is not included in UCOA file	-	-	(32,469)	-	32,469	(198,203)	-	(198,203)	(165,734)
Rounding	-	-	-	-	-	1	-	1	1
Totals Per MTP2	<u>\$ 63,090,283</u>	<u>\$ -</u>	<u>\$ 62,438,089</u>	<u>\$ -</u>	<u>\$ 652,194</u>	<u>\$ 6,102,278</u>	<u>\$ -</u>	<u>\$ 6,102,278</u>	<u>\$ 6,754,472</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Student Revenue written off in FS as of 6/28/19-after file	(29,989)	-	-	-	-	-	-	-	-
Misc. expense variance	-	-	(35,915)	-	-	-	-	-	-
Totals per UCOA Validated Totals Report	<u>\$ 63,060,294</u>	<u>\$ -</u>	<u>\$ 62,402,174</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.

**TOWN OF WEST 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/>.