

TOWN OF WEST WARWICK, RHODE ISLAND
FINANCIAL STATEMENTS
JUNE 30, 2020



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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	Donald Ouellette
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

To the 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, 2020, 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, 2020 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 19, 2020 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.

CliftonLarsonAllen LLP

Cranston, Rhode Island
December 19, 2020

**TOWN OF WEST WARWICK, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

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, 2020. 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 \$1,602,665 as a result of this year's current operations. 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 \$146,106,745. Net position of the business-type activities decreased by \$991,638, while the net position of Governmental Activities decreased by \$611,027.
- ❖ The Town's Government-wide (governmental and business-type activities) operating expenses were \$121,828,079 while revenues collected were \$120,225,414.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,764,624. 22.38% of this amount, \$3,303,883 is unassigned.
- ❖ At the end of the current fiscal year, the General Fund's unassigned fund balance was \$3,494,374 or 8.6% 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 \$2,007,346.

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 86 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 110.

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 \$146,106,745 as of June 30, 2020.

Town of West Warwick, Rhode Island Statement of Net Position June 30, 2020 and June 30, 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 24,608,274	\$ 20,826,068	\$ 17,025,661	\$ 17,804,712	\$ 41,633,935	\$ 38,630,780
Capital assets	62,341,148	63,139,635	50,997,639	53,610,598	113,338,787	116,750,233
Total Assets	<u>86,949,422</u>	<u>83,965,703</u>	<u>68,023,300</u>	<u>71,415,310</u>	<u>154,972,722</u>	<u>155,381,013</u>
Deferred outflows of resources	<u>33,037,047</u>	<u>28,050,048</u>	<u>710,115</u>	<u>379,694</u>	<u>33,747,162</u>	<u>28,429,742</u>
Other liabilities	10,811,191	8,364,163	3,389,404	3,544,859	14,200,595	11,909,022
Long-term liabilities	276,795,116	269,545,984	25,202,654	27,114,993	301,997,770	296,660,977
Total Liabilities	<u>287,606,307</u>	<u>277,910,147</u>	<u>28,592,058</u>	<u>30,659,852</u>	<u>316,198,365</u>	<u>308,569,999</u>
Deferred inflows of resources	<u>18,306,623</u>	<u>19,421,038</u>	<u>321,641</u>	<u>323,798</u>	<u>18,628,264</u>	<u>19,744,836</u>
Net Position:						
Net investment in capital assets	23,751,810	21,463,147	34,941,717	35,200,040	58,693,527	56,663,187
Restricted	3,278,270	2,980,402			3,278,270	2,980,402
Unrestricted	<u>(212,956,541)</u>	<u>(209,758,983)</u>	<u>4,877,999</u>	<u>5,611,314</u>	<u>(208,078,542)</u>	<u>(204,147,669)</u>
Total Net Position	\$ <u>(185,926,461)</u>	\$ <u>(185,315,434)</u>	\$ <u>39,819,716</u>	\$ <u>40,811,354</u>	\$ <u>(146,106,745)</u>	\$ <u>(144,504,080)</u>

The Town's net position includes \$58,693,527 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 \$146,106,745 at June 30, 2020 is primarily attributable to the legacy costs related to unfunded pension and OPEB liabilities which totaled approximately \$243,000,000 at June 30, 2020

Town of West Warwick, Rhode Island
Statement of Changes in Net Position
June 30, 2020 and June 30, 2019

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 3,716,222	\$ 3,947,896	\$ 8,639,218	\$ 8,635,761	\$ 12,355,440	\$ 12,583,657
Operating grants and contributions	33,287,912	32,655,182	968,983	1,029,384	34,256,895	33,684,566
Capital grants and contributions	1,499,945	802,029		66,786	1,499,945	868,815
General Revenues:						
Property taxes	67,241,206	65,811,147			67,241,206	65,811,147
Motor vehicle phase-out taxes	1,818,002	1,345,609			1,818,002	1,345,609
State aid and in lieu of taxes not restricted for specific programs	1,778,082	1,803,174			1,778,082	1,803,174
Grants and contributions not restricted to specific programs	678,879	949,251			678,879	949,251
Investment income	224,787	108,880	66,887	90,200	291,674	199,080
Miscellaneous	305,291	286,040			305,291	286,040
Total revenues	<u>110,550,326</u>	<u>107,709,208</u>	<u>9,675,088</u>	<u>9,822,131</u>	<u>120,225,414</u>	<u>117,531,339</u>
Program Expenses:						
General government	16,359,729	15,865,460			16,359,729	15,865,460
Public safety	20,616,645	19,195,400			20,616,645	19,195,400
Public works	4,398,652	4,746,642			4,398,652	4,746,642
Public libraries	431,388	347,227			431,388	347,227
Parks, recreation and other	1,062,557	1,020,548			1,062,557	1,020,548
Senior Center	223,000	213,000			223,000	213,000
Education	67,053,994	64,916,429			67,053,994	64,916,429
Debt service	1,015,388	1,103,638			1,015,388	1,103,638
Wastewater			8,525,490	8,842,048	8,525,490	8,842,048
Civic Center			750,161	772,323	750,161	772,323
Municipal Court			122,089	117,298	122,089	117,298
School Lunch Program			1,268,986	1,424,313	1,268,986	1,424,313
Total expenses	<u>111,161,353</u>	<u>107,408,344</u>	<u>10,666,726</u>	<u>11,155,982</u>	<u>121,828,079</u>	<u>118,564,326</u>
Excess (deficiency) before transfers	(611,027)	300,864	(991,638)	(1,333,851)	(1,602,665)	(1,032,987)
Transfers					-	-
Change in net position	(611,027)	300,864	(991,638)	(1,333,851)	(1,602,665)	(1,032,987)
Net Position - Beginning 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>
Net Position - End of Year	<u>\$ (185,926,461)</u>	<u>\$ (185,315,434)</u>	<u>\$ 39,819,716</u>	<u>\$ 40,811,354</u>	<u>\$ (146,106,745)</u>	<u>\$ (144,504,080)</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, 2020. Comparative data for fiscal 2020 and 2019 is presented in the table above. Governmental activities decreased the Town's net position by \$611,027 for the current period, while business-type activities decreased the Town's net position by \$991,638. Overall, the Town's net position decreased by \$1,602,665, over the prior year's net position.

The net change in fund balance for the fiscal year ended June 30, 2020 was an increase of \$1,425,083 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 \$14,158 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 \$2,271,736. Changes to net pension and OPEB liabilities and related deferred inflows and outflows resulted in a decrease to the Town's net position of \$4,191,134. 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 \$14,764,624. Approximately 22.4% of the total amount, or \$3,303,883 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 \$4,877,99 while the net investment in capital assets for these funds was \$34,941,717 resulting in a total net position of \$39,819,716. This net position consisted of \$37,778,528 for the Wastewater Authority, \$127,187 for the Municipal Court, \$1,423,307 for the School Lunch Program, and \$490,694 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, 2020 the Internal Service Funds reported a change in net position of \$327,397. As a result, ending net position as of June 30, 2020 was a cumulative deficit of \$220,231. The deficit net position in the Healthcare Management Fund of \$57,244 will be covered through future increases in working rates charged to the various departments and potential reduction in claims activity. The \$162,987 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, 2020, the General Fund revenues and other financing sources were under budget by \$418,637 (revenue deficit 0.4%) while expenditures and other financing uses were under budget by \$2,425,983 (2.4% under expended). This resulted in budgetary basis surplus of \$2,007,346 for the fiscal year ended June 30, 2020. See RSI-1 for details.

Revenues

Total tax revenues exceeded budgetary estimates by \$292,836, due to strong tax collection efforts by the Tax Collector's office.

Intergovernmental revenues fell short of budgetary estimates by \$875,220, due to a decrease to State Aid to Schools that occurred at fiscal year-end. This decrease stemmed from financial issues arising from the current Covid-19 Pandemic. These funds are to be paid to the School department in the form of a federal grant in the upcoming fiscal year 2021.

Departmental revenues exceeded budgetary estimates by \$91,156, due to better than anticipated revenues in the town clerk and building offices.

Expenditures

General Government came in under budgetary estimates by \$230,637 as a result of vacant positions that were not filled in the Public Works department and the Personnel Office. The vacancies in the Public Works department lead to less projects completed resulting in less spending.

Public Safety expenditures closely mirrored budgetary estimates.

Public Works expenditures came in \$607,892 under budgetary estimates due to poor staffing conditions and the inability to complete projects due to the lack of staff.

Other Financing Uses fell short of budgetary estimates by \$559,777, primarily due to a decrease in School State Aid (which would be transferred to the School Department if received).

Capital Assets

The Town of West Warwick's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$113,338,787 (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, 2020 and June 30, 2019

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 9,268,414	\$ 9,268,414	\$ 432,700	\$ 432,700	\$ 9,701,114	\$ 9,701,114
Construction in progress	1,155,744	144,767	50,874	363,230	1,206,618	507,997
Land and improvements	1,191,261	1,260,239	634,763	355,070	1,826,024	1,615,309
Buildings and improvements	16,417,885	16,163,084	36,499,499	37,614,490	52,917,384	53,777,574
Machinery and equipment	20,103,351	21,089,802	4,812,103	5,718,008	24,915,454	26,807,810
Infrastructure	14,204,493	15,213,329	8,567,700	9,127,100	22,772,193	24,340,429
Total	<u>\$ 62,341,148</u>	<u>\$ 63,139,635</u>	<u>\$ 50,997,639</u>	<u>\$ 53,610,598</u>	<u>\$ 113,338,787</u>	<u>\$ 116,750,233</u>

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 \$37,937,515. 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, 2020 and June 30, 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Bonds and notes payable	\$ 37,937,515	\$ 40,682,515	\$ 19,216,000	\$ 21,503,000	\$ 57,153,515	\$ 62,185,515
Lease purchase obligations	595,687	941,423	54,641	80,993	650,328	1,022,416
Unamortized bond premiums	274,630	298,356			274,630	298,356
Total	\$ 38,807,832	\$ 41,922,294	\$ 19,270,641	\$ 21,583,993	\$ 58,078,473	\$ 63,506,287

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 \$76,000,000 at year end. The Town's outstanding general obligation debt is \$37,937,515 at year-end; of which \$33,192,515 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 \$101,751,513 which reflects an increase of \$1,093,498, or 1.09% above the fiscal year 2020 budget of \$100,658,015. Of the Town's 2020 budget, 58.3% is budgeted for education expenditures and 41.7% is budgeted for general government. The State of Rhode Island is budgeted to contribute \$27,009,115 to the Town's education department based on State Aid in fiscal 2021.

The Town's tax rate for residential real estate for fiscal year 2021 is \$23.00 per \$1,000 of assessed value with 40% allocated for general government and 60% allocated for education. For fiscal year 2020 the Town's tax rate for residential real estate was \$22.57 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. In FY 2020, sales generated totaled \$286,402 in revenue for the energy fund.

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, 2020

EXHIBIT I

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 15,589,458	\$ 3,788,674	\$ 19,378,132
Restricted cash	524,879	3,214,719	3,739,598
Restricted Investments	2,753,391		2,753,391
Receivables:			
Property taxes, net	3,384,549		3,384,549
Assessment and usage fees receivable, net		954,012	954,012
Municipal debt service assessments receivable		663,494	663,494
Intergovernmental	2,648,307	34,483	2,682,790
Other receivables	1,077,130	243,586	1,320,716
Internal balances	(2,227,293)	2,227,293	-
Prepaid items	857,853		857,853
Total current assets	<u>24,608,274</u>	<u>11,126,261</u>	<u>35,734,535</u>
Noncurrent assets:			
Receivables:			
Assessment and usage fees receivable, net		1,351,218	1,351,218
Municipal debt service assessments receivable		4,548,182	4,548,182
Capital assets not being depreciated	10,424,158	483,574	10,907,732
Capital assets, net of accumulated depreciation	51,916,990	50,514,065	102,431,055
Total noncurrent assets	<u>62,341,148</u>	<u>56,897,039</u>	<u>119,238,187</u>
Total assets	<u>86,949,422</u>	<u>68,023,300</u>	<u>154,972,722</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	218,494		218,494
Related to pensions	24,270,163	481,759	24,751,922
Related to OPEB	8,548,390	228,356	8,776,746
Total deferred outflows of resources	<u>33,037,047</u>	<u>710,115</u>	<u>33,747,162</u>
Liabilities:			
Current liabilities:			
Cash overdraft	67,668		67,668
Accounts payable	5,259,912	335,618	5,595,530
Accrued liabilities	495,705	246,229	741,934
Accrued interest payable	339,379	156,701	496,080
Accrued compensated absences	1,522,000	262,407	1,784,407
Unearned revenue		50,457	50,457
Current portion of lease purchase obligations	353,527	26,992	380,519
Current portion of bonds and notes payable	2,773,000	2,311,000	5,084,000
Total current liabilities	<u>10,811,191</u>	<u>3,389,404</u>	<u>14,200,595</u>
Noncurrent liabilities:			
Accrued compensated absences	6,091,000		6,091,000
Net pension liability	178,143,586	6,750,574	184,894,160
Net OPEB liability	56,879,225	1,519,431	58,398,656
Lease purchase obligations	242,160	27,649	269,809
Bonds and loans payable	35,164,515	16,905,000	52,069,515
Bond premium	274,630		274,630
Total noncurrent liabilities	<u>276,795,116</u>	<u>25,202,654</u>	<u>301,997,770</u>
Total liabilities	<u>287,606,307</u>	<u>28,592,058</u>	<u>316,198,365</u>
Deferred Inflows of Resources:			
Related to pensions	8,877,435	69,756	8,947,191
Related to OPEB	9,429,188	251,885	9,681,073
Total deferred inflows of resources	<u>18,306,623</u>	<u>321,641</u>	<u>18,628,264</u>
Net Position:			
Net investment in capital assets	23,751,810	34,941,717	58,693,527
Restricted for:			
Debt service	3,278,270		3,278,270
Unrestricted	<u>(212,956,541)</u>	<u>4,877,999</u>	<u>(208,078,542)</u>
Total Net Position	<u>\$ (185,926,461)</u>	<u>\$ 39,819,716</u>	<u>\$ (146,106,745)</u>

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, 2020

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	\$ 16,359,729	\$ 953,197	\$ 18,151	\$ 224,765	\$ (15,163,616)		\$ (15,163,616)
Public safety	20,616,645	1,927,665	172,916		(18,516,064)		(18,516,064)
Public works	4,398,652	724,517	99,577		(3,574,558)		(3,574,558)
Parks	431,388	97,705			(333,683)		(333,683)
Public libraries	1,062,557	8,815	213,634		(840,108)		(840,108)
Senior center	223,000				(223,000)		(223,000)
Education	67,053,994	4,323	32,783,634	1,275,180	(32,990,857)		(32,990,857)
Interest on long-term debt	1,015,388				(1,015,388)		(1,015,388)
Total governmental activities	<u>111,161,353</u>	<u>3,716,222</u>	<u>33,287,912</u>	<u>1,499,945</u>	<u>(72,657,274)</u>	<u>-</u>	<u>(72,657,274)</u>
Business-Type Activities:							
Wastewater Authority	8,525,490	7,490,909				(1,034,581)	(1,034,581)
Civic Center	750,161	647,311				(102,850)	(102,850)
Municipal Court	122,089	130,140				8,051	8,051
School Lunch Program	1,268,986	370,858	968,983			70,855	70,855
Total business-type activities	<u>10,666,726</u>	<u>8,639,218</u>	<u>968,983</u>	<u>-</u>	<u>-</u>	<u>(1,058,525)</u>	<u>(1,058,525)</u>
Total	<u>\$ 121,828,079</u>	<u>\$ 12,355,440</u>	<u>\$ 34,256,895</u>	<u>\$ 1,499,945</u>	<u>(72,657,274)</u>	<u>(1,058,525)</u>	<u>(73,715,799)</u>
General revenues:							
Property taxes, levied for general purposes					67,241,206		67,241,206
Motor vehicle phase-out taxes					1,818,002		1,818,002
Utilities taxes					360,627		360,627
State Aid to distressed communities					859,102		859,102
Hotel, meals, and beverage tax					558,353		558,353
Grants not restricted to specific programs					678,879		678,879
Unrestricted investment earnings					224,787	66,887	291,674
Miscellaneous					305,291		305,291
Total general revenues					<u>72,046,247</u>	<u>66,887</u>	<u>72,113,134</u>
Change in net position					(611,027)	(991,638)	(1,602,665)
Net Position at Beginning of Year					<u>(185,315,434)</u>	<u>40,811,354</u>	<u>(144,504,080)</u>
Net Position at End of Year					<u>\$ (185,926,461)</u>	<u>\$ 39,819,716</u>	<u>\$ (146,106,745)</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WEST WARWICK, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020**

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	\$ 15,107,707	\$	\$ 481,751	\$ 15,589,458
Restricted cash			524,879	524,879
Investments			2,525,164	2,525,164
Accounts receivable:				
Real estate and personal property taxes, net	2,853,849			2,853,849
Intergovernmental	369,472	257,829	2,021,006	2,648,307
Other receivables	530,700	50,214	7,801	588,715
Due from other funds	1,236,721	5,481,598	3,699,741	10,418,060
Prepaid items	221,435	2,648		224,083
Total Assets	\$ 20,319,884	\$ 5,792,289	\$ 9,260,342	\$ 35,372,515
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Cash overdraft	\$	\$ 67,668	\$	\$ 67,668
Accounts payable	930,522	2,093,237	771,841	3,795,600
Accrued expenditures	486,466		9,239	495,705
Due to other funds	12,260,527		1,561,831	13,822,358
Total liabilities	13,677,515	2,160,905	2,342,911	18,181,331
Deferred inflows of resources:				
Unavailable revenues - taxes	2,279,046			2,279,046
Unavailable revenues - EMS	147,514			147,514
Total deferred inflows of resources	2,426,560	-	-	2,426,560
Fund balances:				
Nonspendable	221,435	2,648		224,083
Restricted			4,516,477	4,516,477
Committed		3,628,736	2,591,445	6,220,181
Assigned	500,000			500,000
Unassigned	3,494,374		(190,491)	3,303,883
Total fund balances	4,215,809	3,631,384	6,917,431	14,764,624
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 20,319,884	\$ 5,792,289	\$ 9,260,342	\$ 35,372,515

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2020

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)	\$	14,764,624
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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	\$	119,797,438	
Less accumulated depreciation		<u>(74,066,860)</u>	
Net capital assets			45,730,578

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

EMS receivables	147,514
Property tax receivables greater than 60 days	2,279,046
Forward purchase contract	228,227
Deferred charge on refunding	218,494
Deferred outflows related to pension	24,270,163
Deferred outflows related to OPEB	8,548,390

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.

(220,231)

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	(19,929,515)
Unamortized premium on bonds payable	(274,630)
Interest payable on bonds and notes	(151,000)
Capital leases payable	(595,687)
Accrued compensated absences	(7,613,000)
Net OPEB obligation	(56,879,225)
Net pension liability	(178,143,586)
Deferred inflows related to pension	(8,877,435)
Deferred inflows related to OPEB	<u>(9,429,188)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u><u>(185,926,461)</u></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, 2020**

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	\$ 67,146,640	\$	\$	\$ 67,146,640
Intergovernmental	4,289,852	26,047,766	5,156,543	35,494,161
Charges for services	2,672,529		1,089,919	3,762,448
Contributions and private grants			101,780	101,780
Medicaid		678,879		678,879
State on-behalf pension contributions		2,788,000		2,788,000
Interest income	82,591		125,296	207,887
Other revenue		211,957	70,939	282,896
Total revenues	<u>74,191,612</u>	<u>29,726,602</u>	<u>6,544,477</u>	<u>110,462,691</u>
Expenditures:				
General government	2,992,292		54,067	3,046,359
Public safety	16,984,800		966,950	17,951,750
Public works	3,994,769		99,577	4,094,346
Parks	317,446			317,446
Public libraries	750,592		213,782	964,374
Senior center	223,000		24,876	247,876
Education		61,139,489	3,290,852	64,430,341
Benefits and other miscellaneous	11,941,183			11,941,183
Debt service	2,639,295		668,243	3,307,538
Capital outlay			2,629,056	2,629,056
Total expenditures	<u>39,843,377</u>	<u>61,139,489</u>	<u>7,947,403</u>	<u>108,930,269</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>34,348,235</u>	<u>(31,412,887)</u>	<u>(1,402,926)</u>	<u>1,532,422</u>
Other Financing Sources (Uses):				
Transfers in		31,557,516	1,676,034	33,233,550
Transfers out	<u>(32,340,889)</u>	<u>(1,000,000)</u>		<u>(33,340,889)</u>
Total other financing sources (uses)	<u>(32,340,889)</u>	<u>30,557,516</u>	<u>1,676,034</u>	<u>(107,339)</u>
Net Change in Fund Balances	2,007,346	(855,371)	273,108	1,425,083
Fund Balances at Beginning of Year	<u>2,208,463</u>	<u>4,486,755</u>	<u>6,644,323</u>	<u>13,339,541</u>
Fund Balances at End of Year	<u>\$ 4,215,809</u>	<u>\$ 3,631,384</u>	<u>\$ 6,917,431</u>	<u>\$ 14,764,624</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, 2020**

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)	\$ 1,425,083
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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	2,406,377
Depreciation expense	(2,420,535)

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	96,015
Change in EMS receivable - accrual basis change	(25,280)
Change in value of forward purchase contract	16,900
Change in deferred outflows related to pension	3,502,356
Change in deferred outflows related to OPEB	1,511,955

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	1,926,000
Principal payments on lease purchase obligations	345,736

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	23,726
Change in accrued interest	24,000
Change in compensated absences	(538,000)
Change in net pension liability	(10,108,339)
Change in OPEB obligation	(201,046)
Change in deferred inflows related to pension	2,760,015
Change in deferred inflows related to OPEB	(1,656,075)

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.

<u>327,397</u>

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (611,027)</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, 2020

EXHIBIT V

	Business-type Activities			Governmental
	Wastewater Authority	Nonmajor	Total	Internal Service Funds
Assets:				
Current assets:				
Cash and cash equivalents	\$ 3,229,902	\$ 558,772	\$ 3,788,674	\$
Restricted cash and cash equivalents	3,214,719		3,214,719	
Assessment and usage fees receivable, net	954,012		954,012	
Municipal debt service assessments receivable	663,494		663,494	
Due from other federal and state government		34,483	34,483	
Other receivables		243,586	243,586	1,019,115
Due from other funds	2,446,454	783,022	3,229,476	1,177,005
Prepaid expenses			-	633,770
Total current assets	<u>10,508,581</u>	<u>1,619,863</u>	<u>12,128,444</u>	<u>2,829,890</u>
Noncurrent assets:				
Assessment and usage fees receivable, net	1,351,218		1,351,218	
Municipal debt service assessments receivable	4,548,182		4,548,182	
Capital assets not being depreciated	352,474	131,100	483,574	
Capital assets, net of accumulated depreciation	48,983,000	1,531,065	50,514,065	16,610,570
Total noncurrent assets	<u>55,234,874</u>	<u>1,662,165</u>	<u>56,897,039</u>	<u>16,610,570</u>
Total assets	<u>65,743,455</u>	<u>3,282,028</u>	<u>69,025,483</u>	<u>19,440,460</u>
Deferred Outflows of Resources:				
Related to pensions	481,759		481,759	
Related to OPEB	228,356		228,356	
Total deferred outflows of resources	<u>710,115</u>	<u>-</u>	<u>710,115</u>	<u>-</u>
Liabilities:				
Current liabilities:				
Accounts payable	231,796	103,822	335,618	1,464,312
Accrued liabilities	239,135	7,094	246,229	
Accrued interest payable	156,100	601	156,701	188,379
Accrued compensated absences	223,394	39,013	262,407	
Due to other funds		1,002,183	1,002,183	
Unearned revenue	16,971	33,486	50,457	
Current portion of capital lease obligations		26,992	26,992	
Current portion of bonds and notes payable	2,311,000		2,311,000	831,000
Total current liabilities	<u>3,178,396</u>	<u>1,213,191</u>	<u>4,391,587</u>	<u>2,483,691</u>
Noncurrent liabilities:				
Net pension liability	6,750,574		6,750,574	
Net OPEB liability	1,519,431		1,519,431	
Capital lease obligations		27,649	27,649	
Bonds and loans payable	16,905,000		16,905,000	17,177,000
Total noncurrent liabilities	<u>25,175,005</u>	<u>27,649</u>	<u>25,202,654</u>	<u>17,177,000</u>
Total liabilities	<u>28,353,401</u>	<u>1,240,840</u>	<u>29,594,241</u>	<u>19,660,691</u>
Deferred Inflows of Resources:				
Related to pensions	69,756		69,756	
Related to OPEB	251,885		251,885	
Total deferred outflows of resources	<u>321,641</u>	<u>-</u>	<u>321,641</u>	<u>-</u>
Net Position:				
Net investment in capital assets	33,334,193	1,607,524	34,941,717	(1,397,430)
Unrestricted	4,444,335	433,664	4,877,999	1,177,199
Total Net Position	<u>\$ 37,778,528</u>	<u>\$ 2,041,188</u>	<u>\$ 39,819,716</u>	<u>\$ (220,231)</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, 2020

EXHIBIT VI

	Business-type Activities			Governmental
	Wastewater Authority	Nonmajor	Total	Internal Service Funds
Operating Revenues:				
Sales and charges for services	\$ 7,490,909	\$ 1,127,783	\$ 8,618,692	\$ 12,818,648
Intergovernmental		968,983	968,983	
Other revenues		20,526	20,526	286,402
Total revenues	<u>7,490,909</u>	<u>2,117,292</u>	<u>9,608,201</u>	<u>13,105,050</u>
Operating Expenses:				
Salaries and benefits	2,676,069	519,288	3,195,357	
Operations and supplies	2,865,751	1,506,774	4,372,525	298,419
Claims			-	9,291,283
Administration			-	1,943,123
Depreciation and amortization	2,511,862	113,254	2,625,116	784,329
Total operating expenses	<u>8,053,682</u>	<u>2,139,316</u>	<u>10,192,998</u>	<u>12,317,154</u>
Operating Income (Loss)	<u>(562,773)</u>	<u>(22,024)</u>	<u>(584,797)</u>	<u>787,896</u>
Nonoperating Revenues (Expenses):				
Investment income	66,887		66,887	
Interest expense	(471,808)	(1,920)	(473,728)	(567,838)
Net nonoperating expenses	<u>(404,921)</u>	<u>(1,920)</u>	<u>(406,841)</u>	<u>(567,838)</u>
Income (Loss) Before Transfers	(967,694)	(23,944)	(991,638)	220,058
Transfers In			-	107,339
Change in Net Position	(967,694)	(23,944)	(991,638)	327,397
Net Position at Beginning of Year	<u>38,746,222</u>	<u>2,065,132</u>	<u>40,811,354</u>	<u>(547,628)</u>
Net Position at End of Year	<u>\$ 37,778,528</u>	<u>\$ 2,041,188</u>	<u>\$ 39,819,716</u>	<u>\$ (220,231)</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, 2020**

EXHIBIT VII

	Business-type Activities			Governmental
	Wastewater Authority	Nonmajor	Total	Internal Service Funds
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 8,208,667	\$ 1,072,214	\$ 9,280,881	\$ 12,999,726
Operating grants		968,983	968,983	
Other receipts		20,526	20,526	
Payments to suppliers	(2,908,239)	(1,714,923)	(4,623,162)	(2,515,109)
Payments to employees	(2,548,540)	(509,379)	(3,057,919)	
Claims paid			-	(9,291,283)
Net cash provided by (used in) operating activities	<u>2,751,888</u>	<u>(162,579)</u>	<u>2,589,309</u>	<u>1,193,334</u>
Cash Flows from Noncapital Financing Activities:				
Interfund loans	20,662	(167,107)	(146,445)	91,566
Interfund transfers				107,339
Net cash provided by (used in) noncapital financing activities	<u>20,662</u>	<u>(167,107)</u>	<u>(146,445)</u>	<u>198,905</u>
Cash Flows from Capital and Related Financing Activities:				
Principal paid on bonds, notes and loans	(2,287,000)	(26,352)	(2,313,352)	(819,000)
Interest paid on bonds, notes and loans	(473,392)	(2,209)	(475,601)	(573,239)
Additions to property, plant and equipment	<u>(12,157)</u>		<u>(12,157)</u>	<u>-</u>
Net cash (used in) capital and related financing activities	<u>(2,772,549)</u>	<u>(28,561)</u>	<u>(2,801,110)</u>	<u>(1,392,239)</u>
Cash Flows from Investing Activities:				
Interest and dividends on investments	<u>66,887</u>		<u>66,887</u>	
Net cash provided by investing activities	<u>66,887</u>	<u>-</u>	<u>66,887</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	66,888	(358,247)	(291,359)	-
Cash and Cash Equivalents at Beginning of Year	<u>6,377,733</u>	<u>917,019</u>	<u>7,294,752</u>	<u>-</u>
Cash and Cash Equivalents at End of Year	<u>\$ 6,444,621</u>	<u>\$ 558,772</u>	<u>\$ 7,003,393</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (562,773)	\$ (22,024)	\$ (584,797)	\$ 787,896
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,511,862	113,254	2,625,116	784,329
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	717,758	(76,953)	640,805	(105,324)
(Increase) in prepaid expenses			-	(147,890)
(Increase) decrease in deferred outflows related to OPEB	(307,581)		(307,581)	
Decrease in deferred outflows related to pensions	(22,840)		(22,840)	
Increase (decrease) in accounts payable	(10,827)	(208,149)	(218,976)	(125,677)
Increase (decrease) in accrued liabilities	(31,661)	(5,226)	(36,887)	
Increase in unearned revenue		21,384	21,384	
Increase in net OPEB liability	561,641		561,641	
(Decrease) in net pension liability	(135,988)		(135,988)	
(Decrease) in deferred inflows related to OPEB	(27,010)		(27,010)	
Increase in deferred inflows related to pension	24,853		24,853	
Increase in accrued compensated absences	34,454	15,135	49,589	
Total adjustments	<u>3,314,661</u>	<u>(140,555)</u>	<u>3,174,106</u>	<u>405,438</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,751,888</u>	<u>\$ (162,579)</u>	<u>\$ 2,589,309</u>	<u>\$ 1,193,334</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, 2020

EXHIBIT VIII

	Pension and Other-Post Employment Benefit Trust Funds	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$	\$ 193,926
Investments, at fair value:		
Mutual funds	43,864,690	
Alternative investments	4,237,292	
Member contribution receivable	355,816	
Other receivable		40,000
Total assets	<u>48,457,798</u>	<u>233,926</u>
Liabilities:		
Accounts payable	256,750	
Deposits held in custody for others		<u>233,926</u>
Total liabilities	<u>256,750</u>	<u>233,926</u>
Net Position:		
Restricted for Pension Benefits and OPEB Benefits	<u>\$ 48,201,048</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, 2020**

EXHIBIT IX

	Pension and Other-Post Employment Benefit Trust Funds
Additions:	
Contributions:	
Employer contributions	\$ 15,256,101
Plan members contributions	2,037,223
Total contributions	<u>17,293,324</u>
Investments income:	
Net change in fair value of investments	2,550,318
Investment management fees	(146,561)
Total investment income	<u>2,403,757</u>
Total additions	<u>19,697,081</u>
Deductions:	
Benefits	14,377,192
Administration	120,785
Total deductions	<u>14,497,977</u>
Change in Net Position	5,199,104
Net Position at Beginning of Year	<u>43,001,944</u>
Net Position at End of Year	<u>\$ 48,201,048</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 2020.

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, 2020

- 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, 2020

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, 2020 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, 2020

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 acquisition 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 2020.

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 deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension 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, 2020

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.

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.

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 \$75,763,325. As of June 30, 2020, \$33,192,515 of the Town's debt was subject to the legal debt margin.

**TOWN OF WEST WARWICK, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2020**

C. Excess of Expenditures over Appropriations

For the year ended June 30, 2020, expenditures exceeded appropriations in the following categories:

General Fund

Legal	\$	6,041
EMA		20,261
Finance		822
Town engineer		4,999
Fire		59,307
Transfer out to Energy Efficiency Fund		107,339
Transfer out to Town Capital Projects Fund		328,449

School Unrestricted Fund

Employee benefits	\$	316,642
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D. Fund Deficits

At June 30, 2020, the Town reported deficit fund balance/net position in the following funds:

Nonmajor Governmental Funds:

Library Grants	\$	189,170
Perkins		725
Preschool Expansion - Supplemental		596

Internal Service Funds:

Energy Efficiency Fund	\$	162,987
Healthcare Management Fund		57,244

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.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020, the Town's entire bank balance of \$19,605,465 was covered by either FDIC insurance or collateral held in the Town's name.

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, 2020, 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	\$ 2,525,164	\$ 2,525,164	\$	\$
Forward purchase contract	<u>228,227</u>		<u>228,227</u>	
Total	2,753,391	<u>\$ 2,525,164</u>	<u>\$ 228,227</u>	<u>\$ -</u>
Other investments:				
Mutual funds	43,864,690			
Alternative instruments	<u>4,237,292</u>			
Total Investments	<u>\$ 50,855,373</u>			

Presented below is the ratings for debt investments:

<u>Average Rating</u>	<u>U.S. Government Securities</u>
Aaa	<u>\$ 2,525,164</u>

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.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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.

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, 2020, the Town had the following recurring fair value measurements:

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Mutual funds	\$ 43,864,690	\$ 43,864,690	\$	\$
U.S. Government Securities	2,525,164	2,525,164		
Forward purchase contract	<u>228,227</u>		<u>228,227</u>	
Total Investments by Fair Value Level	46,618,081	<u>\$ 46,389,854</u>	<u>\$ 228,227</u>	<u>\$ -</u>
Investments measured at net asset value (NAV):				
Alternative instruments	<u>4,237,292</u>			
Total Investments	<u>\$ 50,855,373</u>			

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.

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.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

4. RECEIVABLES

Receivable balances of the governmental activities, including allowances for doubtful accounts, have been disaggregated by type and presented separately in the fund financial statements as of June 30, 2020 as follows:

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:				
Property taxes	\$ 4,536,849	\$	\$ 2,021,006	\$ 4,536,849
Intergovernmental	369,472	257,829	2,021,006	2,648,307
Other receivables	<u>1,366,700</u>	<u>50,214</u>	<u>7,801</u>	<u>1,424,715</u>
Gross Receivables	6,273,021	308,043	2,028,807	8,609,871
Less allowance for uncollectibles	<u>(2,519,000)</u>	<u></u>	<u></u>	<u>(2,519,000)</u>
Total Receivables	<u>\$ 3,754,021</u>	<u>\$ 308,043</u>	<u>\$ 2,028,807</u>	<u>\$ 6,090,871</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 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	144,767	1,109,159	98,182		1,155,744
Total capital assets not being depreciated	<u>9,413,181</u>	<u>1,109,159</u>	<u>98,182</u>	<u>-</u>	<u>10,424,158</u>
Capital assets being depreciated:					
Land improvements	1,473,359	14,303			1,487,662
Buildings and improvements	35,945,465	930,100			36,875,565
Machinery, equipment and vehicles	32,797,517	412,432			33,209,949
Infrastructure	57,100,853	38,565			57,139,418
Total capital assets being depreciated	<u>127,317,194</u>	<u>1,395,400</u>	<u>-</u>	<u>-</u>	<u>128,712,594</u>
Less accumulated depreciation for:					
Land improvements	213,120	83,281			296,401
Buildings and improvements	19,782,381	675,299			20,457,680
Machinery, equipment and vehicles	11,707,715	1,398,883			13,106,598
Infrastructure	41,887,524	1,047,401			42,934,925
Total accumulated depreciation	<u>73,590,740</u>	<u>3,204,864</u>	<u>-</u>	<u>-</u>	<u>76,795,604</u>
Total capital assets being depreciated, net	<u>53,726,454</u>	<u>(1,809,464)</u>	<u>-</u>	<u>-</u>	<u>51,916,990</u>
Governmental Activities Capital Assets, Net	<u>\$ 63,139,635</u>	<u>\$ (700,305)</u>	<u>\$ 98,182</u>	<u>\$ -</u>	<u>\$ 62,341,148</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 432,700	\$	\$	\$	\$ 432,700
Construction in progress	363,230	12,157		(324,513)	50,874
Total capital assets not being depreciated	<u>795,930</u>	<u>12,157</u>	<u>-</u>	<u>(324,513)</u>	<u>483,574</u>
Capital assets being depreciated:					
Land improvements	1,024,400			324,513	1,348,913
Buildings, pump stations & tanks	52,327,805				52,327,805
Machinery, equipment and vehicles	16,448,577				16,448,577
Infrastructure	45,070,000				45,070,000
Total capital assets being depreciated	<u>114,870,782</u>	<u>-</u>	<u>-</u>	<u>324,513</u>	<u>115,195,295</u>
Less accumulated depreciation for:					
Land improvements	669,330	44,820			714,150
Buildings, pump stations & tanks	14,713,315	1,114,991			15,828,306
Machinery, equipment and vehicles	10,730,569	905,905			11,636,474
Infrastructure	35,942,900	559,400			36,502,300
Total accumulated depreciation	<u>62,056,114</u>	<u>2,625,116</u>	<u>-</u>	<u>-</u>	<u>64,681,230</u>
Total capital assets being depreciated, net	<u>52,814,668</u>	<u>(2,625,116)</u>	<u>-</u>	<u>324,513</u>	<u>50,514,065</u>
Business-Type Activities Capital Assets, Net	<u>\$ 53,610,598</u>	<u>\$ (2,612,959)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,997,639</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,636,637
Public safety	277,329
Public works	310,950
Public libraries	36,603
Parks and recreation	89,066
Education	<u>854,279</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u>3,204,864</u>
Business-type activities:	
Wastewater authority	\$ 2,511,862
Civic center	80,383
School lunch program	<u>32,871</u>
 Total Depreciation Expense - Business-Type Activities	 \$ <u>2,625,116</u>

6. INTERFUND BALANCES AND TRANSFERS

A summary of interfund balances as of June 30, 2020 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,236,721	\$ 12,260,527
School unrestricted fund	5,481,598	
Nonmajor governmental funds	3,699,741	1,561,831
Wastewater Authority	2,446,454	
Nonmajor business-type activities	783,022	1,002,183
Internal service funds	<u>1,177,005</u>	
	 \$ <u>14,824,541</u>	 \$ <u>14,824,541</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, 2020**

Interfund Transfers

A summary of interfund transfers as of June 30, 2020 is as follows:

	<u>School Unrestricted Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Internal Service</u>	<u>Total Transfers Out</u>
Transfers out:				
General Fund	\$ 31,557,516	\$ 676,034	\$ 107,339	\$ 32,340,889
School Unrestricted		1,000,000		1,000,000
Total Transfers In	<u>\$ 31,557,516</u>	<u>\$ 1,676,034</u>	<u>\$ 107,339</u>	<u>\$ 33,340,889</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, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
General obligation debt	\$ 22,197,000		\$ 1,040,000	\$ 21,157,000	\$ 1,040,000
Direct borrowing debt	18,485,515		1,705,000	16,780,515	1,733,000
Lease purchase obligations	941,423		345,736	595,687	353,527
Unamortized bond premiums	298,356		23,726	274,630	
Accrued compensated absences	7,075,000	538,000		7,613,000	1,522,000
Net pension liability	168,035,247	10,108,339		178,143,586	
Net OPEB liability	56,678,179	201,046		56,879,225	
Total Governmental Activities - Long-Term Liabilities	<u>\$ 273,710,720</u>	<u>\$ 10,847,385</u>	<u>\$ 3,114,462</u>	<u>\$ 281,443,643</u>	<u>\$ 4,648,527</u>
Business-type activities:					
Direct borrowing debt	\$ 21,503,000		\$ 2,287,000	\$ 19,216,000	\$ 2,311,000
Lease purchase obligations	80,993		26,352	54,641	26,992
Net pension liability	6,188,933	561,641		6,750,574	
Net OPEB liability	1,655,419		135,988	1,519,431	
Total Business-Type Activities - Long-Term Liabilities	<u>\$ 29,428,345</u>	<u>\$ 561,641</u>	<u>\$ 2,449,340</u>	<u>\$ 27,540,646</u>	<u>\$ 2,337,992</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, 2020

Bonds and Loans Payable

Bonds and notes outstanding as of June 30, 2020 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, 2020</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%	5,600,000
General Obligation Bonds	6,159,000	10/03/17	09/01/37	3.96%	6,059,000
General Obligation Bonds, Series 2015A	6,890,000	11/12/15	10/01/35	2.00% - 5.00%	<u>5,810,000</u>
Total general obligation debt					<u>21,157,000</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%	4,745,000
Municipal Road and Bridge Program	150,515	05/28/15	09/01/24	0.75% - 2.25%	86,515
RIIB Energy Efficient Buildings Fund	7,184,000	07/08/16	09/01/32	1.08% - 2.53%	6,334,000
RIIB Energy Efficient Buildings Fund	5,957,000	12/13/17	09/01/23	1.91% - 3.66%	<u>5,615,000</u>
Total direct borrowing debt					<u>16,780,515</u>
Total Governmental Activities					<u>\$ 37,937,515</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%	\$ 4,329,000
Wastewater System Revenue Bonds - RIIB	3,000,000	12/30/04	09/01/25	0.78% - 1.55%	1,018,000
Wastewater System Revenue Bonds - RIIB	7,719,000	03/09/06	09/01/25	1.11% - 1.57%	2,631,000
Wastewater System Revenue Bonds - RIIB	500,000	12/21/06	09/01/26	1.19% - 1.36%	196,000
Wastewater System Revenue Bonds - RIIB	1,675,000	12/12/07	09/01/28	1.19% - 1.65%	833,000
Wastewater System Revenue Bonds - RIIB	5,500,000	07/24/14	09/01/34	0.29% - 2.91%	4,362,000
Wastewater System Revenue Bonds - RIIB	7,000,000	07/30/15	09/01/34	1.95% - 3.30%	<u>5,847,000</u>
Total Water Fund					<u>\$ 19,216,000</u>

**TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

Lease Purchase obligations

Lease purchase obligations outstanding as of June 30, 2020 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, 2020</u>
Governmental Activities:					
Equipment - PNC Equipment Finance	486,442	02/05/16	08/12/20	2.02%	\$ 101,222
Equipment - PNC Equipment Finance	231,724	08/29/16	09/27/20	2.24%	59,870
Equipment - US Bank	522,781	09/27/16	09/27/21	2.33%	216,363
Equipment - Webster Capital Finance	207,693	02/02/17	01/15/22	2.43%	86,009
Equipment - PNC Equipment Finance	545,575	11/09/17	11/09/22	2.45%	132,223
Total Governmental Activities					\$ <u>595,687</u>
Business-Type Activities:					
Civic Center					
Equipment - Webster Capital Finance	131,947	02/02/17	01/15/22	2.43%	\$ <u>54,641</u>

Annual debt service requirements of bonds and notes as of June 30, 2020 were as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Debt</u>	
	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
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	1,135,000	455,251
2026-2030	4,700,000	1,821,522
2031-2035	3,767,316	1,189,986
2036-2039	3,591,684	199,645
	\$ <u>21,157,000</u>	\$ <u>5,892,086</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

Year Ending June 30,	Direct Borrowing Debt					
	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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	1,061,515	337,939	1,356,000	295,257	2,417,515	633,196
2026-2030	5,618,000	1,231,666	4,440,000	1,028,098	10,058,000	2,259,764
2031-2035	4,518,000	313,482	3,977,000	361,352	8,495,000	674,834
2036-2039					-	-
	<u>\$ 16,780,515</u>	<u>\$ 3,563,637</u>	<u>\$ 19,216,000</u>	<u>\$ 3,484,914</u>	<u>\$ 35,996,515</u>	<u>\$ 7,048,551</u>

Year Ending June 30,	Lease Purchase Obligations					
	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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					-	-
2026-2030					-	-
2031-2035					-	-
2036-2039					-	-
	<u>\$ 595,687</u>	<u>\$ 20,666</u>	<u>\$ 54,641</u>	<u>\$ 2,001</u>	<u>\$ 650,328</u>	<u>\$ 22,667</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, 2020, the amount of the municipal debt service assessment receivable which is expected to be collected in future years totaled \$5,211,676. Of this amount, \$663,494 (including interest of \$52,900) is expected to be received in fiscal 2021 to help cover the principal balance due of \$2,311,000 during fiscal 2021.

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Qualified Zone Academy Bonds

The 2005 Qualified Zone Academy Bonds outstanding totaling \$3,688,000 at June 30, 2020 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, 2020, 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, 2020, the amount of fund balance available for the future payment of this outstanding principal debt obligation was \$3,050,043. 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, 2020 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.

Asset Retirement Obligation

The Town of West Warwick has an asset retirement obligation arising from contract agreements with the Town of Coventry, Rhode Island, to perform certain decommissioning activities at the time of disposal of its three (3) wind-powered turbine towers (the turbines) located in the Town of Coventry, Rhode Island. The Town of West Warwick does not have any requirement to set aside funding for the future decommissioning. At year end, the estimated remaining useful of the turbines was 20 years. The total amount of the liability cannot be reasonably estimated due to changes in wind turbine technologies currently taking place.

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, 2020.

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 \$3,024 for the year ended June 30, 2020.

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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 \$87,436 for the year ended June 30, 2020. The following is a schedule of future minimum lease payments due under the above noted lease agreements:

<u>Year ended June 30,</u>	
2021	\$ 179,988
2022	180,034
2023	144,277
2024	113,400
2025	113,400
Thereafter	<u>1,906,216</u>
	<u>\$ 2,637,315</u>

9. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2020 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	\$ 221,435	\$ 2,648		\$ 224,083
Restricted for:				
Debt service			3,050,043	3,050,043
Educational programs			119,390	119,390
Public safety			218,469	218,469
Equipment maintenance			45,852	45,852
Recreational purposes			145,821	145,821
Economic development			139,429	139,429
Town committees			2,119	2,119
Educational capital improvements			795,354	795,354
Committed for:				
General government capital improvements			1,028,298	1,028,298
Educational programs		3,628,736		3,628,736
Public safety			907,645	907,645
Fire safety equipment			655,502	655,502
Assigned for:				
Subsequent budget	500,000			500,000
Unassigned	<u>3,494,374</u>		<u>(190,491)</u>	<u>3,303,883</u>
Total Fund Balances	<u>\$ 4,215,809</u>	<u>\$ 3,631,384</u>	<u>\$ 6,917,431</u>	<u>\$ 14,764,624</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.

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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, 2020, 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	356
Inactive plan members entitled to but not yet receiving benefits	50
Active Members	<u>321</u>
Total	<u><u>727</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, 2020 were 60.3% 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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019.

The total pension liability at June 30, 2020 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, 2019 actuarial valuation have been based on the results of the March 2018 experience study taking into account nine years of data experience.

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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, 2020 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 5.31% for the year ended June 30, 2020. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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Net Pension Liability

The Town's net pension liability was measured as of June 30, 2020. The components of the net pension liability of the Town at June 30, 2020 were as follows:

Total pension liability	\$	183,481,438
Plan fiduciary net position		<u>44,568,039</u>
Town's Net Pension Liability	\$	<u><u>138,913,399</u></u>
Plan fiduciary net position as a percentage of the total pension liability		24.3%

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2019	\$ <u>169,636,846</u>	\$ <u>40,836,280</u>	\$ <u>128,800,566</u>
Changes for the year:			
Service cost	2,612,554		2,612,554
Interest	12,525,290		12,525,290
Differences between expected and actual experience	2,633,442		2,633,442
Changes of assumptions	6,564,376		6,564,376
Employer contributions		10,038,041	(10,038,041)
Member contributions		2,037,223	(2,037,223)
Net investment income		2,268,350	(2,268,350)
Benefit payments, including refunds of member contributions	(10,491,070)	(10,491,070)	-
Administrative expenses		(120,785)	120,785
Net changes	<u>13,844,592</u>	<u>3,731,759</u>	<u>10,112,833</u>
Balances as of June 30, 2020	\$ <u><u>183,481,438</u></u>	\$ <u><u>44,568,039</u></u>	\$ <u><u>138,913,399</u></u>

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

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it was calculated using a single discount rate that is 1 percentage point lower (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	\$ 160,608,782	\$ 138,913,399	\$ 120,798,201

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

For the year ended June 30, 2020, the Retirement Plan of the Town of West Warwick recognized pension expense of \$13,283,742. As of June 30, 2020, 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	\$ 2,965,454	\$ 745,799
Changes of assumptions	5,710,069	689,637
Net difference between projected and actual earnings on pension plan investments	<u>1,238,113</u>	
Total	<u>\$ 9,913,636</u>	<u>\$ 1,435,436</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>
2021	\$ 2,556,822
2022	1,974,100
2023	1,937,863
2024	<u>2,009,415</u>
Total	<u>\$ 8,478,200</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.

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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 10.49% and 14.12% of annual covered payroll for the fiscal year ended June 30, 2020 for the state and the West Warwick School Department, respectively. The West Warwick School Department contributed \$4,038,140, \$3,708,668 and \$3,525,678 for the fiscal years ended June 30, 2020, 2019 and 2018, respectively, equal to 100% of the required contributions for each year. The State’s share of contribution for fiscal 2020 was \$2,788,000 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, 2020, the West Warwick School Department reported a liability of \$45,980,761 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	\$ 45,980,761
State of Rhode Island’s proportionate share of the net pension liability	<u>34,444,352</u>
Total Net Pension Liability	<u>\$ 80,425,113</u>

The net pension liability was measured as of June 30, 2019, 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, 2018 rolled forward to June 30, 2019. 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, 2019, the West Warwick School Department’s proportion was 1.441%.

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For the year ended June 30, 2020, the Town's government-wide statement of activities recognized gross pension expense of \$8,687,432 and revenue of \$3,821,161 for support provided by the State. At June 30, 2020, 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	\$ 559,928	\$ 767,878
Changes of assumptions	2,690,600	362,897
Net difference between projected and actual earnings on pension plan investments		72,354
Changes in proportion and differences between employer contributions and proproationate share of contributions	7,549,618	6,308,626
Contributions subsequent to measurment date	<u>4,038,140</u>	
Total	<u>\$ 14,838,286</u>	<u>\$ 7,511,755</u>

\$4,038,140 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2020 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resource</u>
2021	\$ 695,946
2022	(101,256)
2023	173,266
2024	1,857,739
2024	603,648
Thereafter	<u>59,048</u>
Total	<u>\$ 3,288,391</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, 2018 valuation rolled forward to June 30, 2019 and the calculation of the total pension liability at June 30, 2019 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, 2019 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	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
Private Equity		
Private Energy	11.25%	9.81%
Non-Core RE	2.25%	5.51%
OPP Private Credit	1.50%	9.81%
Income		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
Inflation Protection		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	3.00%	0.77%
	<u>100%</u>	

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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	\$ 56,824,406	\$ 45,980,761	\$ 37,104,147

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.

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The West Warwick School Department recognized pension expense of \$271,883 for the fiscal year ended June 30, 2020.

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, 2020 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, 2020

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, 2020, 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, 2020, the actuarially determined contribution for the Town (including the School Department) was \$5,451,021, and actual contributions made in relation to ADC were \$5,218,060 for the year ended June 30, 2020. 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, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 4.66%. 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, 2020

Net OPEB Liability of the Town

The Town's net OPEB liability was measured as of June 30, 2020. The components of the net OPEB liability of the Town at June 30, 2020, were as follows:

Total OPEB liability	\$	62,039,303
Plan fiduciary net position		<u>3,640,647</u>
Net OPEB Liability	\$	<u><u>58,398,656</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		5.9%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 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	7.00%,
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, 2020

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, 2020 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%	5.1%
Non U.S. equity	20.7%	7.4%
U.S. aggregate bonds	9.0%	1.2%
Intermediate-Term Credit	5.4%	1.9%
Short-Term Credit	3.6%	1.7%
Intermediate-Term TIPS	5.0%	0.7%
REITs	8.0%	4.0%
Total	<u>100.0%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00%. 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, 2020

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, 2019	\$ 60,506,900	\$ 2,173,302	\$ 58,333,598
Changes for the year:			
Service cost	1,157,884		1,157,884
Interest	4,481,764		4,481,764
Differences between expected and actual experience	(3,180,743)		(3,180,743)
Changes of assumptions	2,959,620		2,959,620
Employer contributions		5,218,060	(5,218,060)
Member contributions			-
Net investment income		142,995	(142,995)
Benefit payments, including refunds of member contributions	(3,886,122)	(3,886,122)	-
Administrative expenses		(7,588)	7,588
Net changes	<u>1,532,403</u>	<u>1,467,345</u>	<u>65,058</u>
Balances as of June 30, 2020	\$ <u>62,039,303</u>	\$ <u>3,640,647</u>	\$ <u>58,398,656</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 (6.00%) or 1 percentage point higher (8.00%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	\$ 64,771,389	\$ 58,398,656	\$ 53,347,138

**TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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	\$ 52,230,931	\$ 58,398,656	\$ 66,248,395

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

For the year ended June 30, 2020, the Town recognized OPEB expense of \$5,429,251. At June 30, 2020, 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	\$ 6,145,973	\$ 8,113,907
Changes of assumptions	2,630,773	1,543,412
Net difference between projected and actual earnings on OPEB plan investments		<u>23,754</u>
Total	<u>\$ 8,776,746</u>	<u>\$ 9,681,073</u>

**TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

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>
2021	\$ (6,220)
2022	8,989
2023	25,068
2024	35,536
2025	(20,700)
Thereafter	<u>(947,000)</u>
Total	<u>\$ (904,327)</u>

The following schedule presents the net position held in trust for pension and OPEB benefits at June 30, 2020 and the changes in net position for the year ended June 30, 2020:

	<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	\$ 40,285,442	\$ 3,579,248	\$ 43,864,690
Alternative investments	4,237,292		4,237,292
Contributions receivable	<u>45,306</u>	<u>310,510</u>	<u>355,816</u>
Total Assets	<u>44,568,040</u>	<u>3,889,758</u>	<u>48,457,798</u>
LIABILITIES			
Accounts payable	<u>7,639</u>	<u>249,111</u>	<u>256,750</u>
NET POSITION			
Net Position:			
Restricted for pension benefits	44,560,401		44,560,401
Restricted for OPEB benefits	<u> </u>	<u>3,640,647</u>	<u>3,640,647</u>
Total Net Position	<u>\$ 44,560,401</u>	<u>\$ 3,640,647</u>	<u>\$ 48,201,048</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

	<u>Employee Retirement Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total Pension and OPEB Trust Funds</u>
Additions:			
Contributions:			
Employer contributions	\$ 10,038,041	\$ 5,218,060	\$ 15,256,101
Employee contributions	<u>2,037,223</u>		<u>2,037,223</u>
Total contributions	<u>12,075,264</u>	<u>5,218,060</u>	<u>17,293,324</u>
Investment income:			
Net change in fair value of investments	2,407,323	142,995	2,550,318
Investment management fees	<u>(138,973)</u>	<u>(7,588)</u>	<u>(146,561)</u>
Total investment income	<u>2,268,350</u>	<u>135,407</u>	<u>2,403,757</u>
Total additions	<u>14,343,614</u>	<u>5,353,467</u>	<u>19,697,081</u>
Deductions:			
Benefits	10,491,070	3,886,122	14,377,192
Operating expenses	<u>120,785</u>		<u>120,785</u>
Total deductions	<u>10,611,855</u>	<u>3,886,122</u>	<u>14,497,977</u>
Change in Net Position	3,731,759	1,467,345	5,199,104
Net Position at Beginning of Year	<u>40,828,642</u>	<u>2,173,302</u>	<u>43,001,944</u>
Net Position at End of Year	<u>\$ 44,560,401</u>	<u>\$ 3,640,647</u>	<u>\$ 48,201,048</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020, 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, 2020 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, 2020. Approximate changes in the balances of self-insured claims liabilities were as follows:

Medical Insurance								
		Liability	Current Year					
		July 1,	Claims and		Claim	Liability		
		July 1,	Changes in		Payments	June 30,		
		July 1,	Estimates		Payments	June 30,		
2018-19	\$	663,600	\$	11,372,397	\$	(11,267,991)	\$	768,006
2019-20		768,006		12,251,179		(12,176,770)		842,415

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

The IBNR claims outstanding at June 30, 2020 are comprised of \$140,460 and \$701,955 related to Town and School employees, respectively.

At June 30, 2020, 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, 2020, 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, 2020, the Town abated property taxes totaling \$163,728 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
Construction of a dog boarding facility	8,526
Construction of a commercial bulding	7,191
Redevelopment of building into multi-family residential units	<u>106,416</u>
Total	<u>\$ 163,728</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, 2020, 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, 2020 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.

15. CORONA VIRIUS (COVID-19)

On January 30, 2020, the World Health Organization declared the coronavirus to be a public health emergency. On March 9, 2020, the Governor of the State of Rhode Island declared a state of emergency to combat a novel coronavirus disease (COVID-19).

The Town derives a significant portion of its revenues from property taxes. While the Town has not experienced any significant increase in the amount of delinquency from its taxpayers, the situation creates uncertainty about the impact of future revenues that might be generated. In addition, at this time, it is uncertain what the effects of the pandemic will be on the Town's health care costs, changes in interest rates, investment valuation and the future federal or state fiscal relief.

16. SUBSEQUENT EVENT

On December 2, 2020, the Town executed a lease purchase agreement in the amount of \$922,000 to finance the purchase of various capital equipment.

**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, 2020

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	\$ 64,853,804	\$ 64,853,804	\$ 65,348,507	\$ 494,703
Prior year taxes	1,500,000	1,500,000	1,243,278	(256,722)
Tax interest and liens	500,000	500,000	517,062	17,062
Tax sale fees and other			37,793	37,793
Total tax revenues	<u>66,853,804</u>	<u>66,853,804</u>	<u>67,146,640</u>	<u>292,836</u>
Intergovernmental Revenues:				
State aid for education	27,043,331	27,043,331	26,047,766	(995,565)
School housing aid	693,768	693,768	693,768	-
Distressed community relief	859,102	859,102	859,102	-
State meals tax distribution	404,779	404,779	426,447	21,668
State hotel tax distribution	160,444	160,444	131,906	(28,538)
Public utilities tax	363,946	363,946	360,627	(3,319)
Motor vehicle phase out	1,687,468	1,687,468	1,818,002	130,534
Total intergovernmental revenues	<u>31,212,838</u>	<u>31,212,838</u>	<u>30,337,618</u>	<u>(875,220)</u>
Departmental and Other Revenues:				
Town Clerk	725,000	725,000	764,965	39,965
Building Official	335,000	335,000	374,485	39,485
DPW	7,500	7,500	9,884	2,384
Recycling			10,581	10,581
Planning and engineering fees	10,000	20,000	5,818	(14,182)
Animal shelter	3,000	3,000	3,685	685
Police department	15,000	15,000	7,314	(7,686)
Municipal court	10,000	10,000	10,000	-
Fire rescue fees	950,000	950,000	953,559	3,559
Fire plans review	20,000	20,000	18,144	(1,856)
Road opening permits	10,000			-
Field rental - parks and recreation	15,000	15,000	7,705	(7,295)
Sewer administrative fees	315,873	315,873	323,749	7,876
School crossing guards	100,000	100,000	98,532	(1,468)
Pilot - West Warwick Housing	60,000	60,000	63,162	3,162
Sales of town assets			1,067	1,067
Miscellaneous	5,000	5,000	19,879	14,879
Total departmental and other revenues	<u>2,581,373</u>	<u>2,581,373</u>	<u>2,672,529</u>	<u>91,156</u>
Investment Income	<u>10,000</u>	<u>10,000</u>	<u>82,591</u>	<u>72,591</u>
Total Revenues	<u>100,658,015</u>	<u>100,658,015</u>	<u>100,239,378</u>	<u>(418,637)</u>

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

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	\$ 226,075	\$ 231,711	\$ 212,408	\$ 19,303
Town planner	172,106	174,819	156,841	17,978
Human resources	124,208	124,208	72,242	51,966
Town council	54,034	54,034	49,738	4,296
Town clerk	267,209	273,909	263,483	10,426
Board of canvassers	98,777	98,777	93,757	5,020
Legal	345,000	345,000	351,041	(6,041)
Probate court	74,047	76,077	75,350	727
EMA	8,690	8,690	28,951	(20,261)
Town sergeant	754	754	700	54
Finance	465,359	468,859	469,681	(822)
Tax collector	371,214	380,089	362,428	17,661
Tax assessor	246,871	249,561	242,905	6,656
Board of assessment review	2,196	2,196	1,996	200
Town engineer	20,000	20,000	24,999	(4,999)
Street lighting	155,000	155,000	71,999	83,001
Building official	541,474	544,415	505,085	39,330
Zoning	7,671	7,671	7,488	183
Housing board	7,159	7,159	1,200	5,959
Total general government	<u>3,187,844</u>	<u>3,222,929</u>	<u>2,992,292</u>	<u>230,637</u>
Public safety:				
Police	7,382,168	7,524,568	7,502,070	22,498
Fire	9,246,894	9,423,423	9,482,730	(59,307)
Total public safety	<u>16,629,062</u>	<u>16,947,991</u>	<u>16,984,800</u>	<u>(36,809)</u>
Public works	<u>4,602,661</u>	<u>4,602,661</u>	<u>3,994,769</u>	<u>607,892</u>
Parks	<u>376,891</u>	<u>376,891</u>	<u>317,446</u>	<u>59,445</u>
Public libraries	<u>750,592</u>	<u>750,592</u>	<u>750,592</u>	<u>-</u>
Senior center	<u>223,000</u>	<u>223,000</u>	<u>223,000</u>	<u>-</u>
Benefits and other miscellaneous	<u>12,725,642</u>	<u>12,371,628</u>	<u>11,941,183</u>	<u>430,445</u>
Debt service	<u>3,213,891</u>	<u>3,213,891</u>	<u>2,639,295</u>	<u>574,596</u>
Total Expenditures	<u>41,709,583</u>	<u>41,709,583</u>	<u>39,843,377</u>	<u>1,866,206</u>
Excess of Revenues over Expenditures	<u>58,948,432</u>	<u>58,948,432</u>	<u>60,396,001</u>	<u>1,447,569</u>
Other Financing (Sources) Uses:				
Transfer out to Debt Service Fund	155,673	155,673	155,673	-
Transfer out to Energy Efficiency Fund			107,339	(107,339)
Transfer out to Town Capital Projects Fund	191,912	191,912	520,361	(328,449)
Operating transfer to school unrestricted	58,600,847	58,600,847	57,605,282	995,565
Total other financing uses	<u>58,948,432</u>	<u>58,948,432</u>	<u>58,388,655</u>	<u>559,777</u>
Net Change in Fund Balances - Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,007,346</u>	<u>\$ 2,007,346</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, 2020

RSI-2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
State aid	\$ 27,043,331	\$ 27,043,331	\$ 26,047,766	\$ (995,565)
Medicaid reimbursements	650,000	650,000	678,879	28,879
Other revenue	116,076	116,076	211,957	95,881
Total revenues	<u>27,809,407</u>	<u>27,809,407</u>	<u>26,938,602</u>	<u>(870,805)</u>
Expenditures:				
Salaries	33,585,758	33,513,498	33,273,720	239,778
Employee benefits	16,689,477	16,689,477	17,006,119	(316,642)
Purchased services	7,305,924	6,927,631	6,443,524	484,107
Supplies and materials	1,229,993	1,392,339	1,165,880	226,459
Capital outlay	455,960	742,344	396,070	346,274
Other	99,811	101,634	66,176	35,458
Total expenditures	<u>59,366,923</u>	<u>59,366,923</u>	<u>58,351,489</u>	<u>1,015,434</u>
Deficiency of Revenues Over Expenditures	<u>(31,557,516)</u>	<u>(31,557,516)</u>	<u>(31,412,887)</u>	<u>144,629</u>
Other Financing Sources (Uses):				
Transfers in	31,557,516	31,557,516	31,557,516	-
Transfers out			(1,000,000)	(1,000,000)
Total other financing sources (uses)	<u>31,557,516</u>	<u>31,557,516</u>	<u>30,557,516</u>	<u>(1,000,000)</u>
Net Change in Fund Balances - Budgetary Basis	\$ <u>-</u>	\$ <u>-</u>	(855,371)	\$ <u>(855,371)</u>
Budgetary revenues are different than GAAP revenues because:				
State of Rhode Island on-behalf contributions to State pension plans are not budgeted.			2,788,000	
Budgetary expenditures are different than GAAP expenditures because:				
State of Rhode Island on-behalf contributions to State pension plans are not budgeted.			(2,788,000)	
Net Change in Fund Balances - GAAP Basis			\$ <u>(855,371)</u>	

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

RSI-3

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ 2,612,554	\$ 2,561,513	\$ 2,502,614	\$ 2,549,974	\$ 2,441,566	\$ 2,258,766	\$ 2,815,702
Interest	12,525,290	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	2,633,442	508,056	(1,491,599)	1,685,538	1,300,570		(493,359)
Changes of assumptions	6,564,376	(720,316)	(215,129)	(749,423)	2,751,398		(2,583,350)
Benefit payments, including refunds of member contributions	(10,491,070)	(10,078,516)	(9,690,832)	(9,256,920)	(9,266,182)	(9,181,180)	(9,021,629)
Net change in total pension liability	13,844,592	4,472,251	3,085,292	5,830,291	8,168,989	3,729,024	(10,237,605)
Total pension liability - beginning	169,636,846	165,164,595	162,079,303	156,249,012	148,080,023	144,350,999	154,588,604
Total pension liability - ending	183,481,438	169,636,846	165,164,595	162,079,303	156,249,012	148,080,023	144,350,999
Plan fiduciary net position:							
Contributions - employer	10,038,041	9,805,598	9,247,549	8,739,745	8,179,980	8,062,234	6,000,000
Contributions - employee	2,037,223	1,973,630	2,065,202	1,966,741	1,885,444	1,748,791	1,318,539
Net investment income	2,268,350	1,604,927	2,402,891	3,604,321	(918,239)	592,127	3,265,405
Benefit payments, including refunds of member contributions	(10,491,070)	(10,078,516)	(9,690,832)	(9,256,920)	(9,266,182)	(9,181,180)	(9,021,629)
Pension plan administrative expense	(120,785)	(83,403)	(108,358)	(68,194)	(133,947)	(185,951)	(198,764)
Net change in plan fiduciary net position	3,731,759	3,222,236	3,916,452	4,985,693	(252,944)	1,036,021	1,363,551
Plan fiduciary net position - beginning	40,836,280	37,614,044	33,697,592	28,711,899	28,964,843	27,928,822	26,565,271
Plan fiduciary net position - ending	44,568,039	40,836,280	37,614,044	33,697,592	28,711,899	28,964,843	27,928,822
Net Pension Liability - Ending	\$ <u>138,913,399</u>	\$ <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	24.29%	24.07%	22.77%	20.79%	18.38%	19.56%	19.35%
Covered payroll	\$ 16,651,108	\$ 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	834.26%	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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially-determined contribution	\$ 10,007,263	\$ 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
Contributions in relation to the actuarially-determined contribution	10,038,041	9,805,598	9,247,549	8,739,745	8,179,980	8,062,234	6,000,000	5,301,532	1,100,592	1,289,098
Contribution Deficiency (Excess)	\$ (30,778)	\$ (184,878)	\$ 9,751	\$ -	\$ 129,726	\$ 41,605	\$ 4,322,474	\$ 3,962,533	\$ 7,608,097	\$ 5,623,012
Covered payroll	\$ 16,651,108	\$ 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
Contributions as a percentage of covered payroll	60.28%	59.83%	58.60%	54.31%	53.79%	56.76%	42.99%	35.69%	7.26%	7.91%

Notes to Schedule

Valuation date July 1, 2019
Measurement date June 30, 2020

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 SEVEN FISCAL YEARS***

RSI-5

	<u>2020</u>	<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	5.31%	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 SIX FISCAL YEARS***

RSI-6

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	1.44%	1.43%	1.64%	1.12%	1.62%	1.46%
Town's proportionate share of the net pension liability	\$ 45,980,761	\$ 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>34,444,352</u>	<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>\$ 80,425,113</u>	<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 payroll	\$ 26,576,406	\$ 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 payroll	173.01%	177.19%	169.60%	Not available	189.56%	155.73%
Plan fiduciary net position as a percentage of the total pension liability	54.60%	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 SIX FISCAL YEARS***

RSI-7

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially-determined contribution	\$ 4,038,140	\$ 3,708,668	\$ 3,525,678	\$ 3,461,000	\$ 3,227,832	\$ 3,053,734
Contributions in relation to the actuarially-determined contribution	<u>4,038,140</u>	<u>3,708,668</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>	<u>\$ -</u>
Covered payroll	\$ 26,576,406	\$ 25,635,430	\$ 26,628,988	Not available	\$ 23,509,337	\$ 22,772,066
Contributions as a percentage of covered payroll	15.19%	14.47%	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, 2018
Measurement date: June 30, 2019

- 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 FOUR FISCAL YEARS*

RSI-8

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:				
Service cost	\$ 1,157,884	\$ 1,181,380	\$ 1,000,384	\$ 1,063,571
Interest	4,481,764	4,915,859	4,247,890	4,066,880
Changes of assumptions	2,959,620	(1,097,408)		(1,379,744)
Differences between expected and actual experience	(3,180,743)	(6,797,032)	7,929,261	1,719,595
Benefit payments	<u>(3,886,122)</u>	<u>(4,045,470)</u>	<u>(4,844,657)</u>	<u>(3,297,753)</u>
Net change in total OPEB liability	1,532,403	(5,842,671)	8,332,878	2,172,549
Total OPEB liability - beginning	<u>60,506,900</u>	<u>66,349,571</u>	<u>58,016,693</u>	<u>55,844,144</u>
Total OPEB liability - ending	<u>62,039,303</u>	<u>60,506,900</u>	<u>66,349,571</u>	<u>58,016,693</u>
Plan fiduciary net position:				
Contributions - employer	5,218,060	4,548,824	4,270,977	3,646,994
Net investment income	142,995	182,659	199,561	189,167
Benefit payments	(3,886,122)	(4,045,470)	(4,844,657)	(3,297,753)
Administrative expense	<u>(7,588)</u>	<u>(6,257)</u>	<u>(5,568)</u>	<u>(3,990)</u>
Net change in plan fiduciary net position	1,467,345	679,756	(379,687)	534,418
Plan fiduciary net position - beginning	<u>2,173,302</u>	<u>1,493,546</u>	<u>1,873,233</u>	<u>1,338,815</u>
Plan fiduciary net position - ending	<u>3,640,647</u>	<u>2,173,302</u>	<u>1,493,546</u>	<u>1,873,233</u>
Net OPEB Liability - Ending	<u>\$ 58,398,656</u>	<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	5.9%	3.6%	2.3%	3.2%
Covered-employee payroll	\$ 35,945,463	\$ 39,892,830	\$ 40,918,261	\$ 39,534,552
Net OPEB liability as a percentage of covered-employee payroll	162.5%	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

	<u>2020</u>	<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>
Actuarially determined contribution	\$ 5,451,021	\$ 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
Contributions in relation to the actuarially determined contribution	<u>5,218,060</u>	<u>4,548,827</u>	<u>4,270,977</u>	<u>3,646,994</u>	<u>4,111,091</u>	<u>4,019,034</u>	<u>3,467,681</u>	<u>5,303,716</u>	<u>4,865,794</u>	<u>4,231,074</u>
Contribution Deficiency (Excess)	\$ <u>232,961</u>	\$ <u>1,306,631</u>	\$ <u>685,490</u>	\$ <u>1,112,543</u>	\$ <u>374,576</u>	\$ <u>693,775</u>	\$ <u>1,335,931</u>	\$ <u>2,248,902</u>	\$ <u>2,686,824</u>	\$ <u>3,298,729</u>
Covered-employee payroll	\$ 35,945,463	\$ 39,892,830	\$ 40,918,261	\$ 39,534,552	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered-employee payroll	14.5%	11.4%	10.4%	9.2%	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: July 1, 2019 with liabilities projected to the June 30, 2020 measurement date on a "no loss / no gain" basis.
Measurement date: June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of salary
Amortization period	24 years
Asset valuation method	Market value
Inflation	1.60% 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 3.00%
Payroll growth	3.50% for valuation purposes, 2.50% for amortization purposes
Investment rate of return	7.00%
Mortality - Healthy Retirees - Public Safety	SOA Pub-2010 Public Safety Headcount Weighted Mortality Table with generational improvements from 2010 based assumptions form the 2020 SSA Trustees' Report
Mortality - Healthy Retirees - Teachers	SOA Pub-2010 Teachers Headcount Weighted Mortality Table with generational improvements from 2010 based assumptions form the 2020 SSA Trustees' Report
Mortality - All others	SOA Pub-2010 General Headcount Weighted Mortality Table with generational improvements from 2010 based assumptions form the 2020 SSA Trustees' Report

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

RSI-10

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	4.66%	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 Range	Charges for services	Police operations
Police Highway Grant	Federal grants	Police operations
Police Highway Safety	Federal grants	Police operations
Brambley Bill Fund	State grants	Police operations
Coronavirus Emergency	State grants	Public safety
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
Bulletproof Vest Partnership	Federal grants	Police operations
Hazard Mitigation Plan Grant	Federal grants	Hazard mitigation
Library Grants	Miscellaneous grant	Library operations
Health Equity Zone Grant	State grants	Community Outreach
COPS Office Stop Violence	Federal grants	Police operations
Assistance to Firefighters 2020	Federal grants	Fire 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.

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.

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
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

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

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	\$ 229,116	\$	\$ 252,635	\$	\$ 481,751
Restricted cash				524,879	524,879
Restricted investments				2,525,164	2,525,164
Accounts receivable:					
Intergovernmental	83,984	1,396,147	540,875		2,021,006
Other receivables		7,801			7,801
Due from other funds	<u>1,299,649</u>	<u>124,050</u>	<u>2,276,042</u>		<u>3,699,741</u>
Total Assets	<u>\$ 1,612,749</u>	<u>\$ 1,527,998</u>	<u>\$ 3,069,552</u>	<u>\$ 3,050,043</u>	<u>\$ 9,260,342</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 98,807	\$ 91,909	\$ 581,125	\$	\$ 771,841
Accrued expenses	9,239				9,239
Due to other funds	<u>234,538</u>	<u>1,318,020</u>	<u>9,273</u>		<u>1,561,831</u>
Total liabilities	<u>342,584</u>	<u>1,409,929</u>	<u>590,398</u>	<u>-</u>	<u>2,342,911</u>
Fund balances:					
Restricted	551,690	119,390	795,354	3,050,043	4,516,477
Committed	907,645		1,683,800		2,591,445
Assigned					-
Unassigned	<u>(189,170)</u>	<u>(1,321)</u>			<u>(190,491)</u>
Total fund balances	<u>1,270,165</u>	<u>118,069</u>	<u>2,479,154</u>	<u>3,050,043</u>	<u>6,917,431</u>
Total Liabilities and Fund Balances	<u>\$ 1,612,749</u>	<u>\$ 1,527,998</u>	<u>\$ 3,069,552</u>	<u>\$ 3,050,043</u>	<u>\$ 9,260,342</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, 2020

EXHIBIT A-2

	<u>Special Revenue 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>	<u>Total Nonmajor Governmental Funds</u>
Revenues:					
Intergovernmental	\$ 504,278	\$ 3,152,320	\$ 1,499,945	\$	\$ 5,156,543
Charges for services	884,293	4,323	201,303		1,089,919
Contributions and private grants		101,780			101,780
Investment and interest income	1			125,295	125,296
Other revenue	3,999		66,940		70,939
Total revenues	<u>1,392,571</u>	<u>3,258,423</u>	<u>1,768,188</u>	<u>125,295</u>	<u>6,544,477</u>
Expenditures:					
General government	54,067				54,067
Public safety	966,950				966,950
Public works	99,577				99,577
Library	213,782				213,782
Parks and recreation	24,876				24,876
Education		3,290,852			3,290,852
Debt service			668,243		668,243
Capital outlay			2,629,056		2,629,056
Total expenditures	<u>1,359,252</u>	<u>3,290,852</u>	<u>3,297,299</u>	<u>-</u>	<u>7,947,403</u>
Excess (Deficiency) of Revenues over Expenditures	33,319	(32,429)	(1,529,111)	125,295	(1,402,926)
Other Financing Sources:					
Transfers in			1,520,361	155,673	1,676,034
Net Change in Fund Balances	33,319	(32,429)	(8,750)	280,968	273,108
Fund Balances at Beginning 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>
Fund Balances at End of Year	<u>\$ 1,270,165</u>	<u>\$ 118,069</u>	<u>\$ 2,479,154</u>	<u>\$ 3,050,043</u>	<u>\$ 6,917,431</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING BALANCE SHEET
JUNE 30, 2020

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 Range</u>	<u>Police Highway Grant</u>
ASSETS							
Cash and cash equivalents	\$ 1,013	\$ 1,106	\$	\$	\$ 177,484	\$	\$
Accounts receivable:							
Intergovernmental							
Due from other funds							800
Total Assets	<u>\$ 1,013</u>	<u>\$ 1,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,484</u>	<u>\$ -</u>	<u>\$ 800</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$	\$	\$	\$	\$ 8,732	\$	\$
Accounts payroll and related liabilities					2,424		
Due to other funds					11,156		
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Restricted	1,013	1,106			166,328		800
Committed							
Unassigned							
Total fund balances	<u>1,013</u>	<u>1,106</u>	<u>-</u>	<u>-</u>	<u>166,328</u>	<u>-</u>	<u>800</u>
Total Liabilities and Fund Balances	<u>\$ 1,013</u>	<u>\$ 1,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,484</u>	<u>\$ -</u>	<u>\$ 800</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

EXHIBIT A-3

	<u>Police Highway Safety</u>	<u>Brambley Bill Fund</u>	<u>Coronavirus Emergency</u>	<u>JAG Peer to Peer</u>	<u>Police Grants</u>	<u>JAG Grant 2015</u>	<u>Riverwalk Fund</u>
ASSETS							
Cash and cash equivalents	\$	\$ 1,004	\$	\$	\$	\$	\$
Accounts receivable:							
Intergovernmental							
Due from other funds		<u>5,517</u>		<u>433</u>	<u>669</u>		<u>10,124</u>
Total Assets	\$ <u>-</u>	\$ <u>6,521</u>	\$ <u>-</u>	\$ <u>433</u>	\$ <u>669</u>	\$ <u>-</u>	\$ <u>10,124</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$	\$	\$	\$	\$	\$	\$
Accounts payroll and related liabilities							
Due to other funds							
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Restricted		6,521		433	669		10,124
Committed							
Unassigned							
Total fund balances	<u>-</u>	<u>6,521</u>	<u>-</u>	<u>433</u>	<u>669</u>	<u>-</u>	<u>10,124</u>
Total Liabilities and Fund Balances	\$ <u>-</u>	\$ <u>6,521</u>	\$ <u>-</u>	\$ <u>433</u>	\$ <u>669</u>	\$ <u>-</u>	\$ <u>10,124</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

EXHIBIT A-3

	<u>Open Space Recreation</u>	<u>JAG ARRA Fund</u>	<u>JAG Fund</u>	<u>Bulletproof Vest Partnership</u>	<u>Hazard Mitigation Plan Grant</u>	<u>Library Grants</u>	<u>Health Equity Zone Grant</u>
ASSETS							
Cash and cash equivalents	\$	\$	\$	\$	\$	\$ 39,963	\$
Accounts receivable:							
Intergovernmental							
Due from other funds	<u>138,627</u>	<u>5,699</u>	<u>2,865</u>	<u></u>	<u></u>	<u></u>	<u>11,431</u>
Total Assets	<u>\$ 138,627</u>	<u>\$ 5,699</u>	<u>\$ 2,865</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,963</u>	<u>\$ 11,431</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$ 4,970	\$	\$	\$	\$	\$ 6,007	\$
Accounts payroll and related liabilities						909	
Due to other funds						222,217	
Total liabilities	<u>4,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229,133</u>	<u>-</u>
Fund balances:							
Restricted	133,657	5,699	2,865				11,431
Committed							
Unassigned						(189,170)	
Total fund balances	<u>133,657</u>	<u>5,699</u>	<u>2,865</u>	<u>-</u>	<u>-</u>	<u>(189,170)</u>	<u>11,431</u>
Total Liabilities and Fund Balances	<u>\$ 138,627</u>	<u>\$ 5,699</u>	<u>\$ 2,865</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,963</u>	<u>\$ 11,431</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

EXHIBIT A-3

	<u>COPS Office Stop Violence</u>	<u>Assistance to Firefighters - 2020</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>
ASSETS							
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$ 8,546
Accounts receivable:							
Intergovernmental		12,482			30,164	34,198	
Due from other funds			13	3,857	6,474	772,897	
Total Assets	\$ -	\$ 12,482	\$ 13	\$ 3,857	\$ 36,638	\$ 807,095	\$ 8,546
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$	\$ 2,585	\$	\$	\$ 17,440	\$ 748	\$
Accounts payroll and related liabilities					15	8,315	
Due to other funds		9,897					
Total liabilities	-	12,482	-	-	17,455	9,063	-
Fund balances:							
Restricted			13	3,857	19,183		8,546
Committed						798,032	
Unassigned							
Total fund balances	-	-	13	3,857	19,183	798,032	8,546
Total Liabilities and Fund Balances	\$ -	\$ 12,482	\$ 13	\$ 3,857	\$ 36,638	\$ 807,095	\$ 8,546

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2020

EXHIBIT A-3

	<u>Tower Rent Revolving Fund</u>	<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	\$	\$	\$	\$	\$	\$	\$ 229,116
Accounts receivable:							
Intergovernmental		7,140					83,984
Due from other funds	<u>45,852</u>	<u>159,408</u>	<u>120,246</u>		<u>12,697</u>	<u>2,040</u>	<u>1,299,649</u>
Total Assets	<u>\$ 45,852</u>	<u>\$ 166,548</u>	<u>\$ 120,246</u>	<u>\$ -</u>	<u>\$ 12,697</u>	<u>\$ 2,040</u>	<u>\$ 1,612,749</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$	\$ 56,935	\$	\$	\$ 1,390	\$	\$ 98,807
Accounts payroll and related liabilities							9,239
Due to other funds							234,538
Total liabilities	<u>-</u>	<u>56,935</u>	<u>-</u>	<u>-</u>	<u>1,390</u>	<u>-</u>	<u>342,584</u>
Fund balances:							
Restricted	45,852		120,246		11,307	2,040	551,690
Committed		109,613					907,645
Unassigned							(189,170)
Total fund balances	<u>45,852</u>	<u>109,613</u>	<u>120,246</u>	<u>-</u>	<u>11,307</u>	<u>2,040</u>	<u>1,270,165</u>
Total Liabilities and Fund Balances	<u>\$ 45,852</u>	<u>\$ 166,548</u>	<u>\$ 120,246</u>	<u>\$ -</u>	<u>\$ 12,697</u>	<u>\$ 2,040</u>	<u>\$ 1,612,749</u>

TOWN OF WEST WARWICK, 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, 2020

EXHIBIT A-4

	<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 Range</u>	<u>Police Highway Grant</u>
Revenues:							
Intergovernmental	\$	\$	\$ 10,051	\$ 600	\$	\$	\$
Charges for services					24,575	598	
Investment and interest income	1						
Other revenue							
Total revenues	<u>1</u>	<u>-</u>	<u>10,051</u>	<u>600</u>	<u>24,575</u>	<u>598</u>	<u>-</u>
Expenditures:							
General government			10,051	600			
Public safety					68,465	598	
Public works							
Library							
Parks and recreation							
Total expenditures	<u>-</u>	<u>-</u>	<u>10,051</u>	<u>600</u>	<u>68,465</u>	<u>598</u>	<u>-</u>
Net Change in Fund Balances	1	-	-	-	(43,890)	-	-
Fund Balances at Beginning of Year	<u>1,012</u>	<u>1,106</u>	<u>-</u>	<u>-</u>	<u>210,218</u>	<u>-</u>	<u>800</u>
Fund Balances at End of Year	<u>\$ 1,013</u>	<u>\$ 1,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,328</u>	<u>\$ -</u>	<u>\$ 800</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, 2020

EXHIBIT A-4

	<u>Police Highway Safety</u>	<u>Brambley Bill Fund</u>	<u>Coronavirus Emergency</u>	<u>JAG Peer to Peer</u>	<u>Police Grants</u>	<u>JAG Grant 2015</u>	<u>Riverwalk Fund</u>
Revenues:							
Intergovernmental	\$ 7,835	\$	\$ 42,317	\$	\$	\$ 38,942	\$
Charges for services							
Investment and interest income							
Other revenue							
Total revenues	<u>7,835</u>	<u>-</u>	<u>42,317</u>	<u>-</u>	<u>-</u>	<u>38,942</u>	<u>-</u>
Expenditures:							
General government			42,317				
Public safety	5,981	56				51,727	
Public works							
Library							
Parks and recreation							
Total expenditures	<u>5,981</u>	<u>56</u>	<u>42,317</u>	<u>-</u>	<u>-</u>	<u>51,727</u>	<u>-</u>
Net Change in Fund Balances	1,854	(56)	-	-	-	(12,785)	-
Fund Balances at Beginning of Year	<u>(1,854)</u>	<u>6,577</u>	<u>-</u>	<u>433</u>	<u>669</u>	<u>12,785</u>	<u>10,124</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 6,521</u>	<u>\$ -</u>	<u>\$ 433</u>	<u>\$ 669</u>	<u>\$ -</u>	<u>\$ 10,124</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, 2020

EXHIBIT A-4

	<u>Open Space Recreation</u>	<u>JAG ARRA Fund</u>	<u>JAG Fund</u>	<u>Bulletproof Vest Partnership</u>	<u>Hazard Mitigation Plan Grant</u>	<u>Library Grants</u>	<u>Health Equity Zone Grant</u>
Revenues:							
Intergovernmental	\$	\$	\$	\$ 5,251	\$ 8,127	\$ 213,634	\$ 7,500
Charges for services	90,000					8,815	
Investment and interest income							
Other revenue							
Total revenues	<u>90,000</u>	<u>-</u>	<u>-</u>	<u>5,251</u>	<u>8,127</u>	<u>222,449</u>	<u>7,500</u>
Expenditures:							
General government							
Public safety				5,251	8,127		5,000
Public works							
Library						213,782	
Parks and recreation	24,876						
Total expenditures	<u>24,876</u>	<u>-</u>	<u>-</u>	<u>5,251</u>	<u>8,127</u>	<u>213,782</u>	<u>5,000</u>
Net Change in Fund Balances	65,124	-	-	-	-	8,667	2,500
Fund Balances at Beginning of Year	<u>68,533</u>	<u>5,699</u>	<u>2,865</u>	<u>-</u>	<u>-</u>	<u>(197,837)</u>	<u>8,931</u>
Fund Balances at End of Year	<u>\$ 133,657</u>	<u>\$ 5,699</u>	<u>\$ 2,865</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (189,170)</u>	<u>\$ 11,431</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, 2020

EXHIBIT A-4

	<u>COPS Office Stop Violence</u>	<u>Assistance to Firefighters - 2020</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>
Revenues:							
Intergovernmental	\$ 33,397	\$ 37,047	\$	\$	\$ 99,577	\$	\$
Charges for services						659,157	
Investment and interest income							
Other revenue							300
Total revenues	<u>33,397</u>	<u>37,047</u>	<u>-</u>	<u>-</u>	<u>99,577</u>	<u>659,157</u>	<u>300</u>
Expenditures:							
General government							1,099
Public safety	33,397	37,047		109		612,355	
Public works					99,577		
Library							
Parks and recreation							
Total expenditures	<u>33,397</u>	<u>37,047</u>	<u>-</u>	<u>109</u>	<u>99,577</u>	<u>612,355</u>	<u>1,099</u>
Net Change in Fund Balances	-	-	-	(109)	-	46,802	(799)
Fund Balances at Beginning of Year	-	-	13	3,966	19,183	751,230	9,345
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 3,857</u>	<u>\$ 19,183</u>	<u>\$ 798,032</u>	<u>\$ 8,546</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, 2020

EXHIBIT A-4

	<u>Tower Rent Revolving Fund</u>	<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>
Revenues:							
Intergovernmental	\$	\$	\$	\$	\$	\$	\$ 504,278
Charges for services		88,295	11,677		1,176		884,293
Investment and interest income							1
Other revenue					3,699		3,999
Total revenues	<u>-</u>	<u>88,295</u>	<u>11,677</u>	<u>-</u>	<u>4,875</u>	<u>-</u>	<u>1,392,571</u>
Expenditures:							
General government							54,067
Public safety		137,946			891		966,950
Public works							99,577
Library							213,782
Parks and recreation							24,876
Total expenditures	<u>-</u>	<u>137,946</u>	<u>-</u>	<u>-</u>	<u>891</u>	<u>-</u>	<u>1,359,252</u>
Net Change in Fund Balances	-	(49,651)	11,677	-	3,984	-	33,319
Fund Balances at Beginning of Year	<u>45,852</u>	<u>159,264</u>	<u>108,569</u>	<u>-</u>	<u>7,323</u>	<u>2,040</u>	<u>1,236,846</u>
Fund Balances at End of Year	<u>\$ 45,852</u>	<u>\$ 109,613</u>	<u>\$ 120,246</u>	<u>\$ -</u>	<u>\$ 11,307</u>	<u>\$ 2,040</u>	<u>\$ 1,270,165</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET
JUNE 30, 2020

EXHIBIT A-5

	<u>IDEA</u>	<u>Title I</u>	<u>ATSI Mini Grant</u>	<u>Title II</u>	<u>Title III</u>	<u>Title IV</u>	<u>Perkins</u>	<u>Homeless Children and Youth - Competitive Award</u>
ASSETS								
Accounts receivable:								
Intergovernmental	\$ 414,939	\$ 373,589	\$ -	\$ 103,390	\$ 479	\$ 57,895	\$ 44,665	\$ 2,995
Other receivables								
Due from other funds								
Total Assets	<u>\$ 414,939</u>	<u>\$ 373,589</u>	<u>\$ -</u>	<u>\$ 103,390</u>	<u>\$ 479</u>	<u>\$ 57,895</u>	<u>\$ 44,665</u>	<u>\$ 2,995</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenses	\$ 38,928	\$ 5,318	\$ -	\$ -	\$ -	\$ 10,301	\$ 14,731	\$ -
Due to other funds	<u>376,011</u>	<u>368,271</u>	<u>-</u>	<u>103,390</u>	<u>479</u>	<u>47,594</u>	<u>30,659</u>	<u>2,995</u>
Total liabilities	<u>414,939</u>	<u>373,589</u>	<u>-</u>	<u>103,390</u>	<u>479</u>	<u>57,895</u>	<u>45,390</u>	<u>2,995</u>
Fund balances:								
Restricted								
Unassigned							(725)	
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(725)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 414,939</u>	<u>\$ 373,589</u>	<u>\$ -</u>	<u>\$ 103,390</u>	<u>\$ 479</u>	<u>\$ 57,895</u>	<u>\$ 44,665</u>	<u>\$ 2,995</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, 2020

EXHIBIT A-5

	<u>Fresh Fruits & Vegetables</u>	<u>RI Emergency Management</u>	<u>Cares Act - ESSER</u>	<u>Cares Act - CRF Funds</u>	<u>ARRA Energy</u>	<u>Preschool Expansion - Supplemental</u>	<u>State Grants</u>
ASSETS							
Accounts receivable:							
Intergovernmental	\$ 9,583	\$	\$ 269,405	\$ 102,787	\$	\$	
Other receivables							
Due from other funds		311			1,162		3,649
Total Assets	<u>\$ 9,583</u>	<u>\$ 311</u>	<u>\$ 269,405</u>	<u>\$ 102,787</u>	<u>\$ 1,162</u>	<u>\$ -</u>	<u>\$ 3,649</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$	\$	\$	\$	\$	\$	\$
Due to other funds	9,583		269,405	102,787		596	
Total liabilities	<u>9,583</u>	<u>-</u>	<u>269,405</u>	<u>102,787</u>	<u>-</u>	<u>596</u>	<u>-</u>
Fund balances:							
Restricted		311			1,162		3,649
Unassigned						(596)	
Total fund balances	<u>-</u>	<u>311</u>	<u>-</u>	<u>-</u>	<u>1,162</u>	<u>(596)</u>	<u>3,649</u>
Total Liabilities and Fund Balances	<u>\$ 9,583</u>	<u>\$ 311</u>	<u>\$ 269,405</u>	<u>\$ 102,787</u>	<u>\$ 1,162</u>	<u>\$ -</u>	<u>\$ 3,649</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, 2020

EXHIBIT A-5

	Big Yellow School Bus	RISCA Pottery Grant	RI Council of Humanities	Prepare Rhode Island Career Exploration Grant	RI Department of Health	CTE Categorical Fund - 00	CTE Categorical Fund - 01
ASSETS							
Accounts receivable:							
Intergovernmental	\$	\$	\$	\$	\$ 4,675	\$	\$
Other receivables							
Due from other funds	<u>964</u>	<u>240</u>	<u>1,959</u>			<u>10,143</u>	
Total Assets	<u>\$ 964</u>	<u>\$ 240</u>	<u>\$ 1,959</u>	<u>\$ -</u>	<u>\$ 4,675</u>	<u>\$ 10,143</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$	\$	\$	\$	\$	\$ 6,998	\$
Due to other funds					3,273		
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,273</u>	<u>6,998</u>	<u>-</u>
Fund balances:							
Restricted	964	240	1,959		1,402	3,145	
Unassigned							
Total fund balances	<u>964</u>	<u>240</u>	<u>1,959</u>	<u>-</u>	<u>1,402</u>	<u>3,145</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 964</u>	<u>\$ 240</u>	<u>\$ 1,959</u>	<u>\$ -</u>	<u>\$ 4,675</u>	<u>\$ 10,143</u>	<u>\$ -</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, 2020

EXHIBIT A-5

	<u>CS4RI Grant</u>	<u>English Learner Categorical</u>	<u>School Resource Officer Categorical</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								
Accounts receivable:								
Intergovernmental	\$	\$ 3,523	\$ 8,222	\$	\$	\$	\$	\$
Other receivables		301						
Due from other funds	<u>16</u>			<u>6,425</u>	<u>8</u>	<u>1,044</u>	<u>66</u>	<u>437</u>
Total Assets	<u>\$ 16</u>	<u>\$ 3,824</u>	<u>\$ 8,222</u>	<u>\$ 6,425</u>	<u>\$ 8</u>	<u>\$ 1,044</u>	<u>\$ 66</u>	<u>\$ 437</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenses	\$	\$ 711	\$ 8,222	\$	\$	\$	\$	\$
Due to other funds		2,977						
Total liabilities	<u>-</u>	<u>3,688</u>	<u>8,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:								
Restricted	16	136		6,425	8	1,044	66	437
Unassigned								
Total fund balances	<u>16</u>	<u>136</u>	<u>-</u>	<u>6,425</u>	<u>8</u>	<u>1,044</u>	<u>66</u>	<u>437</u>
Total Liabilities and Fund Balances	<u>\$ 16</u>	<u>\$ 3,824</u>	<u>\$ 8,222</u>	<u>\$ 6,425</u>	<u>\$ 8</u>	<u>\$ 1,044</u>	<u>\$ 66</u>	<u>\$ 437</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, 2020

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							
Accounts receivable:							
Intergovernmental	\$	\$	\$	\$	\$	\$	\$ 1,396,147
Other receivables	7,500						7,801
Due from other funds	<u>23,348</u>	<u>30,245</u>	<u>935</u>	<u>13,100</u>	<u>2,183</u>	<u>27,815</u>	<u>124,050</u>
Total Assets	<u>\$ 30,848</u>	<u>\$ 30,245</u>	<u>\$ 935</u>	<u>\$ 13,100</u>	<u>\$ 2,183</u>	<u>\$ 27,815</u>	<u>\$ 1,527,998</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$ 1,411	\$ 6	\$	\$	\$	\$ 5,283	\$ 91,909
Due to other funds							1,318,020
Total liabilities	<u>1,411</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,283</u>	<u>1,409,929</u>
Fund balances:							
Restricted	29,437	30,239	935	13,100	2,183	22,532	119,390
Unassigned							(1,321)
Total fund balances	<u>29,437</u>	<u>30,239</u>	<u>935</u>	<u>13,100</u>	<u>2,183</u>	<u>22,532</u>	<u>118,069</u>
Total Liabilities and Fund Balances	<u>\$ 30,848</u>	<u>\$ 30,245</u>	<u>\$ 935</u>	<u>\$ 13,100</u>	<u>\$ 2,183</u>	<u>\$ 27,815</u>	<u>\$ 1,527,998</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, 2020

EXHIBIT A-6

	<u>IDEA</u>	<u>Title I</u>	<u>ATSI Mini Grant</u>	<u>Title II</u>	<u>Title III</u>	<u>Title IV</u>	<u>Perkins</u>	<u>Homeless Children and Youth - Competitive Award</u>
Revenues:								
Intergovernmental	\$ 1,009,556	\$ 1,153,056	\$ 54,842	\$ 234,274	\$ 3,922	\$ 126,154	\$ 44,665	\$ 19,821
Charges for services								
Contributions and private grants								
Total revenues	<u>1,009,556</u>	<u>1,153,056</u>	<u>54,842</u>	<u>234,274</u>	<u>3,922</u>	<u>126,154</u>	<u>44,665</u>	<u>19,821</u>
Expenditures:								
Education	<u>1,009,556</u>	<u>1,153,056</u>	<u>54,842</u>	<u>234,274</u>	<u>3,922</u>	<u>126,154</u>	<u>45,390</u>	<u>19,821</u>
Net Change in Fund Balances	-	-	-	-	-	-	(725)	-
Fund Balances at Beginning of Year	-	-	-	-	-	-	-	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (725)</u>	<u>\$ -</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT A-6

	<u>Fresh Fruits & Vegetables</u>	<u>RI Emergency Management</u>	<u>Cares Act - ESSER</u>	<u>Cares Act - CRF Funds</u>	<u>ARRA Energy</u>	<u>Preschool Expansion - Supplemental</u>	<u>State Grants</u>
Revenues:							
Intergovernmental	\$ 42,688	\$ -	\$ 269,405	\$ 102,787	\$ -	\$ 3,784	\$ -
Charges for services							
Contributions and private grants							
Total revenues	<u>42,688</u>	<u>-</u>	<u>269,405</u>	<u>102,787</u>	<u>-</u>	<u>3,784</u>	<u>-</u>
Expenditures:							
Education	<u>42,688</u>		<u>269,405</u>	<u>102,787</u>		<u>4,380</u>	
Net Change in Fund Balances	-	-	-	-	-	(596)	-
Fund Balances at Beginning of Year	-	311	-	-	1,162	-	3,649
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,162</u>	<u>\$ (596)</u>	<u>\$ 3,649</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT A-6

	Big Yellow School Bus	RISCA Pottery Grant	RI Council of Humanities	Prepare Rhode Island Career Exploration Grant	RI Department of Health	CTE Categorical Fund - 00	CTE Categorical Fund - 01
Revenues:							
Intergovernmental	\$ 400	\$	\$	\$ 478	\$ 40,634	\$	\$
Charges for services							
Contributions and private grants							
Total revenues	<u>400</u>	<u>-</u>	<u>-</u>	<u>478</u>	<u>40,634</u>	<u>-</u>	<u>-</u>
Expenditures:							
Education				<u>478</u>	<u>39,232</u>	<u>51,042</u>	<u>234</u>
Net Change in Fund Balances	400	-	-	-	1,402	(51,042)	(234)
Fund Balances at Beginning of Year	<u>564</u>	<u>240</u>	<u>1,959</u>	<u>-</u>	<u>-</u>	<u>54,187</u>	<u>234</u>
Fund Balances at End of Year	<u>\$ 964</u>	<u>\$ 240</u>	<u>\$ 1,959</u>	<u>\$ -</u>	<u>\$ 1,402</u>	<u>\$ 3,145</u>	<u>\$ -</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT A-6

	<u>CS4RI Grant</u>	<u>English Learner Categorical</u>	<u>School Resource Officer Categorical</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>
Revenues:								
Intergovernmental	\$ 8,000	\$ 6,922	\$ 30,932	\$	\$	\$	\$	\$
Charges for services								
Contributions and private grants				50,547		700		500
Total revenues	<u>8,000</u>	<u>6,922</u>	<u>30,932</u>	<u>50,547</u>	<u>-</u>	<u>700</u>	<u>-</u>	<u>500</u>
Expenditures:								
Education	<u>7,984</u>	<u>6,806</u>	<u>30,932</u>	<u>44,200</u>				<u>265</u>
Net Change in Fund Balances	16	116	-	6,347	-	700	-	235
Fund Balances at Beginning of Year	<u>-</u>	<u>20</u>	<u>-</u>	<u>78</u>	<u>8</u>	<u>344</u>	<u>66</u>	<u>202</u>
Fund Balances at End of Year	<u>\$ 16</u>	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ 6,425</u>	<u>\$ 8</u>	<u>\$ 1,044</u>	<u>\$ 66</u>	<u>\$ 437</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT A-6

	<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>
Revenues:							
Intergovernmental	\$	\$	\$	\$	\$	\$	\$ 3,152,320
Charges for services						4,323	4,323
Contributions and private grants	46,433	3,600					101,780
Total revenues	<u>46,433</u>	<u>3,600</u>	-	-	-	4,323	3,258,423
Expenditures:							
Education	<u>36,046</u>	<u>2,733</u>				<u>4,625</u>	<u>3,290,852</u>
Net Change in Fund Balances	10,387	867	-	-	-	(302)	(32,429)
Fund Balances at Beginning of Year	<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>
Fund Balances at End of Year	<u>\$ 29,437</u>	<u>\$ 30,239</u>	<u>\$ 935</u>	<u>\$ 13,100</u>	<u>\$ 2,183</u>	<u>\$ 22,532</u>	<u>\$ 118,069</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2020

EXHIBIT A-7

	<u>Bond Fund</u>	<u>EMS Rescue Fund</u>	<u>Town Capital Projects Fund</u>	<u>School Fire Code Renovations Fund</u>	<u>School Bond Fund</u>	<u>School Capital Projects Fund</u>	<u>School Capital Other</u>	<u>Total Capital Projects Funds</u>
ASSETS								
Cash and cash equivalents	\$	\$ 252,635	\$	\$	\$	\$	\$	\$ 252,635
Accounts receivable:								
Intergovernmental						534,709	6,166	540,875
Due from other funds		655,502	1,031,493			581,628	7,419	2,276,042
Total Assets	\$ -	\$ 908,137	\$ 1,031,493	\$ -	\$ -	\$ 1,116,337	\$ 13,585	\$ 3,069,552
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenses	\$	\$ 252,635	\$ 3,195	\$	\$	\$ 325,295	\$	\$ 581,125
Due to other funds							9,273	9,273
Total liabilities	-	252,635	3,195	-	-	325,295	9,273	590,398
Fund balances:								
Restricted						791,042	4,312	795,354
Committed		655,502	1,028,298					1,683,800
Total fund balances	-	655,502	1,028,298	-	-	791,042	4,312	2,479,154
Total Liabilities and Fund Balances	\$ -	\$ 908,137	\$ 1,031,493	\$ -	\$ -	\$ 1,116,337	\$ 13,585	\$ 3,069,552

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, 2020

EXHIBIT A-8

	<u>Bond Fund</u>	<u>EMS Rescue Fund</u>	<u>Town Capital Projects Fund</u>	<u>School Fire Code Renovations Fund</u>	<u>School Bond Fund</u>	<u>School Capital Projects Fund</u>	<u>School Capital Other</u>	<u>Total Capital Projects Funds</u>
Revenues:								
Intergovernmental	\$	\$	\$ 224,765	\$	\$	\$ 1,275,180	\$	\$ 1,499,945
Charges for services		201,303						201,303
Other revenue		66,940						66,940
Total revenues	<u>-</u>	<u>268,243</u>	<u>224,765</u>	<u>-</u>	<u>-</u>	<u>1,275,180</u>	<u>-</u>	<u>1,768,188</u>
Expenditures:								
Capital outlay	1,059	48,450	214,372	44		2,362,024	3,107	2,629,056
Debt service	328,448	219,441			120,354			668,243
Total expenditures	<u>329,507</u>	<u>267,891</u>	<u>214,372</u>	<u>44</u>	<u>120,354</u>	<u>2,362,024</u>	<u>3,107</u>	<u>3,297,299</u>
Excess (Deficiency) of Revenues over Expenditures	(329,507)	352	10,393	(44)	(120,354)	(1,086,844)	(3,107)	(1,529,111)
Other Financing Sources:								
Transfers in			520,361			1,000,000		1,520,361
Net Change in Fund Balances	(329,507)	352	530,754	(44)	(120,354)	(86,844)	(3,107)	(8,750)
Fund Balances at Beginning of Year	329,507	655,150	497,544	44	120,354	877,886	7,419	2,487,904
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 655,502</u>	<u>\$ 1,028,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 791,042</u>	<u>\$ 4,312</u>	<u>\$ 2,479,154</u>

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, 2020

EXHIBIT B-1

	Enterprise Funds			
	<u>Civic Center</u>	<u>Municipal Court</u>	<u>School Lunch Program</u>	<u>Total</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 200	\$	\$ 558,572	\$ 558,772
Receivables:				
Intergovernmental			34,483	34,483
Other receivables	150,333	35,913	57,340	243,586
Due from other funds		105,711	677,311	783,022
Total current assets	<u>150,533</u>	<u>141,624</u>	<u>1,327,706</u>	<u>1,619,863</u>
Noncurrent assets:				
Capital assets not being depreciated	131,100			131,100
Capital assets, net of accumulated depreciation	1,323,043		208,022	1,531,065
Total noncurrent assets	<u>1,454,143</u>	<u>-</u>	<u>208,022</u>	<u>1,662,165</u>
Total assets	<u>1,604,676</u>	<u>141,624</u>	<u>1,535,728</u>	<u>3,282,028</u>
Liabilities:				
Current liabilities:				
Accounts payable	10,929	13,958	78,935	103,822
Accrued liabilities	6,615	479		7,094
Accrued compensated absences	39,013			39,013
Accrued interest payable	601			601
Due to other funds	1,002,183			1,002,183
Unearned revenue			33,486	33,486
Current portion of capital lease obligations	26,992			26,992
Total current liabilities	<u>1,086,333</u>	<u>14,437</u>	<u>112,421</u>	<u>1,213,191</u>
Noncurrent liabilities:				
Capital lease obligations	27,649			27,649
Total noncurrent liabilities	<u>27,649</u>	<u>-</u>	<u>-</u>	<u>27,649</u>
Total liabilities	<u>1,113,982</u>	<u>14,437</u>	<u>112,421</u>	<u>1,240,840</u>
Net Position:				
Net investment in capital assets	1,399,502		208,022	1,607,524
Unrestricted	(908,808)	127,187	1,215,285	433,664
Total Net Position	<u>\$ 490,694</u>	<u>\$ 127,187</u>	<u>\$ 1,423,307</u>	<u>\$ 2,041,188</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, 2020**

EXHIBIT B-2

	<u>Enterprise Funds</u>			<u>Total</u>
	<u>Civic Center</u>	<u>Municipal Court</u>	<u>School Lunch Program</u>	
Operating Revenues:				
Sales and charges for service	\$ 626,785	\$ 130,140	\$ 370,858	\$ 1,127,783
Intergovernmental			968,983	968,983
Other	20,526			20,526
Total revenues	<u>647,311</u>	<u>130,140</u>	<u>1,339,841</u>	<u>2,117,292</u>
Operating Expenses:				
Salaries and benefits	378,631	99,556	41,101	519,288
Operations and supplies	289,227	22,533	1,195,014	1,506,774
Depreciation and amortization	80,383		32,871	113,254
Total operating expenses	<u>748,241</u>	<u>122,089</u>	<u>1,268,986</u>	<u>2,139,316</u>
Operating Income (Loss)	(100,930)	8,051	70,855	(22,024)
Nonoperating Revenues (Expenses):				
Interest expense	<u>(1,920)</u>			<u>(1,920)</u>
Change in Net Position	(102,850)	8,051	70,855	(23,944)
Net Position at Beginning of Year	<u>593,544</u>	<u>119,136</u>	<u>1,352,452</u>	<u>2,065,132</u>
Net Position at End of Year	<u>\$ 490,694</u>	<u>\$ 127,187</u>	<u>1,423,307</u>	<u>\$ 2,041,188</u>

**TOWN OF WEST WARWICK, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

EXHIBIT B-3

	Enterprise Funds			
	Civic Center	Municipal Court	School Lunch Program	Total
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 518,021	\$ 120,644	\$ 433,549	\$ 1,072,214
Operating grants			968,983	968,983
Other receipts	20,526			20,526
Payments to suppliers	(290,258)	(39,052)	(1,385,613)	(1,714,923)
Payments to employees	(366,754)	(101,524)	(41,101)	(509,379)
Net cash provided by (used in) operating activities	<u>(118,465)</u>	<u>(19,932)</u>	<u>(24,182)</u>	<u>(162,579)</u>
Cash Flows from Noncapital Financing Activities:				
Interfund loans	147,026	19,932	(334,065)	(167,107)
Net cash provided by (used in) noncapital financing activities	<u>147,026</u>	<u>19,932</u>	<u>(334,065)</u>	<u>(167,107)</u>
Cash Flows from Capital and Related Financing Activities:				
Principal paid on bonds, notes and loans	(26,352)			(26,352)
Interest paid on bonds, notes and loans	(2,209)			(2,209)
Net cash provided (used in) capital and related financing activities	<u>(28,561)</u>	<u>-</u>	<u>-</u>	<u>(28,561)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	(358,247)	(358,247)
Cash and Cash Equivalents at Beginning of Year	200	-	916,819	917,019
Cash and Cash Equivalents at End of Year	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 558,572</u>	<u>\$ 558,772</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (100,930)	\$ 8,051	\$ 70,855	\$ (22,024)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	80,383		32,871	113,254
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(108,764)	(9,496)	41,307	(76,953)
Increase (decrease) in accounts payable	(1,031)	(16,519)	(190,599)	(208,149)
Increase (decrease) in accrued liabilities	(3,258)	(1,968)		(5,226)
Increase in accrued compensated absences	15,135			15,135
Increase in unearned revenue			21,384	21,384
Total adjustments	<u>(17,535)</u>	<u>(27,983)</u>	<u>(95,037)</u>	<u>(140,555)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (118,465)</u>	<u>\$ (19,932)</u>	<u>\$ (24,182)</u>	<u>\$ (162,579)</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, 2020

EXHIBIT C-1

	<u>Healthcare Management Fund</u>	<u>Energy Efficiency Fund</u>	<u>Total Internal Service Funds</u>
Assets:			
Current assets:			
Other receivables	\$ 707,120	\$ 311,995	\$ 1,019,115
Due from other funds	690,102	486,903	1,177,005
Prepaid expenses		633,770	633,770
Total current assets	<u>1,397,222</u>	<u>1,432,668</u>	<u>2,829,890</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation		16,610,570	16,610,570
Total noncurrent assets	<u>-</u>	<u>16,610,570</u>	<u>16,610,570</u>
Total assets	<u>1,397,222</u>	<u>18,043,238</u>	<u>19,440,460</u>
Liabilities:			
Current liabilities:			
Accounts payable	1,454,466	9,846	1,464,312
Accrued interest payable		188,379	188,379
Due to other funds			-
Current portion of long-term obligations		831,000	831,000
Total current liabilities	<u>1,454,466</u>	<u>1,029,225</u>	<u>2,483,691</u>
Noncurrent liabilities:			
Bonds and loans payable		17,177,000	17,177,000
Total noncurrent liabilities	<u>-</u>	<u>17,177,000</u>	<u>17,177,000</u>
Total liabilities	<u>1,454,466</u>	<u>18,206,225</u>	<u>19,660,691</u>
Net Position:			
Net investment in capital assets		(1,397,430)	(1,397,430)
Unrestricted	<u>(57,244)</u>	<u>1,234,443</u>	<u>1,177,199</u>
Total Net Position	<u>\$ (57,244)</u>	<u>\$ (162,987)</u>	<u>\$ (220,231)</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, 2020**

EXHIBIT C-2

	Healthcare Management Fund	Energy Efficiency Fund	Total Internal Service Funds
Operating Revenues:			
Charges for services	\$ 11,264,600	\$ 1,554,048	\$ 12,818,648
Other revenues		286,402	286,402
Total revenues	<u>11,264,600</u>	<u>1,840,450</u>	<u>13,105,050</u>
Operating Expenses:			
Operations and supplies		298,419	298,419
Claims	9,291,283		9,291,283
Administration	1,943,123		1,943,123
Depreciation and amortization		784,329	784,329
Total operating expenses	<u>11,234,406</u>	<u>1,082,748</u>	<u>12,317,154</u>
Operating Income	30,194	757,702	787,896
Nonoperating Revenues (Expenses):			
Interest expense		<u>(567,838)</u>	<u>(567,838)</u>
Income (Loss) Before Transfers	30,194	189,864	220,058
Transfer In		<u>107,339</u>	<u>107,339</u>
Change in Net Position	30,194	297,203	327,397
Net Position at Beginning of Year	<u>(87,438)</u>	<u>(460,190)</u>	<u>(547,628)</u>
Net Position at End of Year	<u>\$ (57,244)</u>	<u>\$ (162,987)</u>	<u>\$ (220,231)</u>

TOWN OF WEST WARWICK, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT C-3

	Healthcare Management Fund	Energy Efficiency Fund	Total Internal Service Funds
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 11,143,773	\$ 1,855,953	\$ 12,999,726
Payments to suppliers	(2,070,696)	(444,413)	(2,515,109)
Claims paid	(9,291,283)		(9,291,283)
Net cash provided by (used in) operating activities	<u>(218,206)</u>	<u>1,411,540</u>	<u>1,193,334</u>
Cash Flows from Noncapital Financing Activities:			
Interfund transfers		107,339	107,339
Interfund loans	218,206	(126,640)	91,566
Net cash provided by (used in) noncapital financing activities	<u>218,206</u>	<u>(19,301)</u>	<u>198,905</u>
Cash Flows from Capital and Related Financing Activities:			
Principal paid on bonds, notes and loans		(819,000)	(819,000)
Interest paid on bonds, notes and loans		(573,239)	(573,239)
Net cash used in capital and related financing activities	<u>-</u>	<u>(1,392,239)</u>	<u>(1,392,239)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents at Beginning of Year	-	-	-
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)	\$ 30,194	\$ 757,702	\$ 787,896
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization		784,329	784,329
Change in assets and liabilities:			
(Increase) decrease in other receivable	(120,827)	15,503	(105,324)
(Increase) in prepaid expenses		(147,890)	(147,890)
Increase in accounts payable	(127,573)	1,896	(125,677)
Total adjustments	<u>(248,400)</u>	<u>653,838</u>	<u>405,438</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (218,206)</u>	<u>\$ 1,411,540</u>	<u>\$ 1,193,334</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.

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
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT D

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Student Activities Fund				
Assets:				
Cash	\$ 188,443	\$ 158,730	\$ 153,247	\$ 193,926
Total Assets	<u>\$ 188,443</u>	<u>\$ 158,730</u>	<u>\$ 153,247</u>	<u>\$ 193,926</u>
Liabilities:				
Deposits held for others	\$ 188,443	\$ 158,730	\$ 153,247	\$ 193,926
Total Liabilities	<u>\$ 188,443</u>	<u>\$ 158,730</u>	<u>\$ 153,247</u>	<u>\$ 193,926</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	\$ 188,443	\$ 158,730	\$ 153,247	\$ 193,926
Other receivable	40,000	-	-	40,000
Total Assets	<u>\$ 228,443</u>	<u>\$ 158,730</u>	<u>\$ 153,247</u>	<u>\$ 233,926</u>
Liabilities:				
Deposits held for others	\$ 228,443	\$ 158,730	\$ 153,247	\$ 233,926
Total Liabilities	<u>\$ 228,443</u>	<u>\$ 158,730</u>	<u>\$ 153,247</u>	<u>\$ 233,926</u>

Other Schedules

TOWN OF WEST WARWICK, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

<u>Tax Roll Year</u>	<u>Mill Rate</u>	<u>Balance July 1, 2018</u>	<u>Current Year Assessment</u>	<u>Transfers Addendums (Net)</u>	<u>Abatements and Adjustments</u>	<u>Amount to be Collected</u>	<u>Collections Net of Refunds</u>	<u>Balance June 30, 2020</u>
2019	22.57	\$	\$ 66,999,238	\$ 29,253	\$ (221,840)	\$ 66,806,651	\$ 64,809,371	\$ 1,997,280
2018	27.18	2,109,728		4,268	(44,590)	2,069,406	1,471,568	597,838
2017	26.31	386,857			(2,014)	384,843	139,287	245,556
2016	25.84	197,019			(779)	196,240	25,230	171,010
2015	25.96	191,473			(764)	190,709	20,456	170,253
2014	25.39	193,766			(616)	193,150	6,440	186,710
2013	24.67	196,468			(1,064)	195,404	7,920	187,484
2012	21.40	142,514			(94)	142,420	4,972	137,448
2011	21.40	107,569				107,569	4,091	103,478
2010	16.82	100,018			(3)	100,015	3,032	96,983
2009	15.92	62,405			(7)	62,398	874	61,524
2008	15.26	68,392				68,392	2,418	65,974
2007 and prior	various	519,114			(17)	519,097	3,786	515,311
Total		4,275,323	\$ 66,999,238	\$ 33,521	\$ (271,788)	\$ 71,036,294	\$ 66,499,445	4,536,849
Less allowance for uncollectible accounts		(1,548,000)						(1,683,000)
Net property taxes receivable		\$ 2,727,323						\$ 2,853,849

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

EXHIBIT E

Collections Summary

Year	Subject to 60 Day Rule July 1, 2019 August 31, 2019	Not Subject to 60 Day Rule July 1, 2019 June 30, 2020	Subject to 60 Day Rule July 1, 2020 August 31, 2020	Tax Revenue Recognized Fiscal Year End June 30, 2020
2019	\$	\$ 64,809,371	\$ \$ 542,875	\$ 65,352,246
2018	567,088	904,480	144,441	1,048,921
2017	33,545	105,742	4,267	110,009
2016	3,214	22,016	541	22,557
2015	3,208	17,248	4,666	21,914
2014	2,232	4,208	672	4,880
2013	1,610	6,310	1,162	7,472
2012	560	4,412	863	5,275
2011	595	3,496	2,964	6,460
2010	310	2,722	2,723	5,445
2009	148	726		726
2008		2,418	94	2,512
2007 and prior	821	2,965	403	3,368
	\$ 613,331	\$ 65,886,114	\$ 705,671	\$ 66,591,785

(Continued on next page)

**TOWN OF WEST WARWICK, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2020**

EXHIBIT E

**Schedule of Net Assessed Property Value by Category
Assessed December 31, 2018**

Description of Property	Valuations	Levy
Real property	\$ 2,318,262,120	\$
Exemptions and adjustments	(53,109,037)	
	<u>2,265,153,083</u>	<u>57,544,691</u>
Motor vehicle	255,424,733	
Exemptions and adjustments	(119,961,842)	
	<u>135,462,891</u>	<u>3,855,742</u>
Tangible property	124,931,240	
Exemptions and adjustments	(103,056)	
	<u>124,828,184</u>	<u>5,598,805</u>
Net Assessed Value	\$ <u>2,525,444,158</u>	\$ <u>66,999,238</u>

Reconciliation of Current Year Property Tax Revenue

Current year collections	\$ 66,499,445
Revenue received 60 days subsequent to fiscal year ended June 30, 2020	<u>705,671</u>
Subtotal	67,205,116
Prior year revenue received in current year (2019 60 day rule)	<u>(613,331)</u>
Current Year Property Tax Revenue	\$ <u><u>66,591,785</u></u>

Town of West Warwick
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

EXHIBIT F-1

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 65,348,507	\$ -
Last Year's Levy Tax Collection	1,052,660	-
Prior Years Property Tax Collection	190,618	-
Interest & Penalty	517,062	-
PILOT & Tax Treaty (excluded from levy) Collection	63,162	-
Other Local Property Taxes	36,344	-
Licenses and Permits	1,139,450	-
Fines and Forfeitures	-	-
Investment Income	207,886	-
Departmental	517,807	-
Rescue Run Revenue	953,559	-
Police & Fire Detail	722,764	-
Other Local Non-Property Tax Revenues	24,688	-
Tuition	-	155,994
Impact Aid	-	-
Medicaid	-	678,879
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	947,258
CDBG	13,117	-
COPS Grants	-	-
SAFER Grants	13,086	-
Other Federal Aid Funds	-	2,692,761
COVID - ESSER	-	269,405
COVID - CRF	-	102,787
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
MV Excise Tax Reimbursement	238,429	-
State PILOT Program	-	-
Distressed Community Relief Fund	859,102	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	360,627	-
Meals & Beverage Tax / Hotel Tax	558,353	-
LEA Aid	-	26,047,766
Group Home	-	-
Housing Aid Capital Projects	-	1,275,180
Housing Aid Bonded Debt	693,768	-
State Food Service Revenue	-	21,725
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	87,366
Motor Vehicle Phase Out	1,579,573	-
Other Revenue	-	532,925
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	<u><u>\$ 75,090,562</u></u>	<u><u>\$ 64,369,562</u></u>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Town of West Warwick
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

EXHIBIT F-1

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public Works	Parks and Rec	Police Department
	Government	Finance	Services	IT					
Compensation- Group A	\$ 794,869	\$ 632,836	\$ -	\$ -	\$ 126,473	\$ 460,341	\$ 1,026,671	\$ 148,209	\$ 3,949,620
Compensation - Group B	-	-	-	-	-	-	-	-	253,797
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	35,667	4,617	-	-	-	-	130,886	18,874	781,794
Overtime - Group B	-	-	-	-	-	-	-	-	210,483
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	717,849
Active Medical Insurance - Group A	196,086	210,595	-	-	8,486	86,523	398,022	65,868	684,976
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	184,416
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	12,924	11,744	-	-	1,195	3,152	29,904	3,369	47,942
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	12,907
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	89,512	47,919	-	-	11,198	33,660	86,597	12,243	411,066
Life Insurance	2,139	1,997	-	-	476	-	4,098	442	23,000
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	472,089	1,800	-	-	-	1,000	4,800	-	289,430
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	644,144	322,072	-	-	32,207	193,243	966,217	32,207	2,230,860
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	600,616
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	26,044	17,996	-	-	5,212	3,515	5,169	-	-
Purchased Services	444,991	69,014	-	-	806	19,337	29,789	-	48,530
Materials/Supplies	38,888	29,502	-	-	1,190	-	150,815	67,707	28,904
Software Licenses	8,578	43,284	-	-	1,525	-	-	-	35,774
Capital Outlays	-	-	-	-	-	5,286	-	-	-
Insurance	576,557	-	-	-	-	-	-	-	-
Maintenance	32,996	-	-	-	-	11,911	-	10	5,262
Vehicle Operations	-	-	-	-	-	-	137,130	-	60,720
Utilities	131,167	-	-	-	-	53,123	-	-	93,067
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	71,999	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	57,425	-	-
Trash Removal & Recycling	-	-	-	-	-	-	1,259,987	-	-
Claims & Settlements	3,686	-	-	-	-	-	-	-	-
Community Support	16,398	-	-	-	-	-	-	-	-
Other Operation Expenditures	144,707	1,992	223,000	-	40,146	22,744	168,386	14,624	105,353
Tipping Fees	-	-	-	-	-	-	523,734	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 3,671,443	\$ 1,395,368	\$ 223,000	\$ -	\$ 228,914	\$ 893,835	\$ 5,051,628	\$ 363,554	\$ 10,776,366

Town of West Warwick
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

EXHIBIT F-1

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 4,826,256	\$ -	\$ 1,854	\$ -	\$ -	\$ -	\$ 11,967,129	\$ 27,106,761
Compensation - Group B	153,490	-	-	-	-	-	407,287	2,568,831
Compensation - Group C	-	-	-	-	-	-	-	5,225,697
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	1,137,605	-	-	-	-	-	2,109,443	-
Overtime - Group B	120,655	-	-	-	-	-	331,138	-
Overtime - Group C	-	-	-	-	-	-	-	98,134
Police & Fire Detail	8,946	-	-	-	-	-	726,795	-
Active Medical Insurance - Group A	1,123,860	-	-	-	-	-	2,774,415	4,769,590
Active Medical Insurance- Group B	119,197	-	-	-	-	-	303,614	375,301
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,635,373
Active Dental insurance- Group A	69,166	-	-	-	-	-	179,396	294,441
Active Dental Insurance- Group B	7,336	-	-	-	-	-	20,243	21,497
Active Dental Insurance- Group C	-	-	-	-	-	-	-	116,687
Payroll Taxes	473,318	-	141	-	-	-	1,165,654	2,644,439
Life Insurance	46,311	-	-	-	-	-	78,463	371,811
State Defined Contribution- Group A	-	-	-	-	-	-	-	150,913
State Defined Contribution - Group B	-	-	-	-	-	-	-	12,068
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	161,075	-	-	-	-	-	930,194	246,874
Other Benefits- Group B	-	-	-	-	-	-	-	58,013
Other Benefits- Group C	-	-	-	-	-	-	-	124,437
Local Defined Benefit Pension- Group A	2,572,173	-	-	-	-	-	6,993,124	5,712
Local Defined Benefit Pension - Group B	272,806	-	-	-	-	-	873,422	129,069
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	1,483,064
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	3,842,547
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	316,234
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	6,549	-	-	-	-	-	64,484	-
Purchased Services	117,467	-	-	-	-	-	729,934	7,335,253
Materials/Supplies	55,686	-	-	-	-	-	372,691	723,077
Software Licenses	8,922	-	-	-	-	-	98,083	174,639
Capital Outlays	-	-	-	-	-	-	5,286	2,968,226
Insurance	-	-	-	-	-	-	576,557	193,947
Maintenance	-	-	-	-	-	-	50,180	269,120
Vehicle Operations	186,642	-	-	-	-	-	384,491	9,978
Utilities	519,591	-	-	-	-	-	796,948	748,452
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	71,999	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	57,425	-
Trash Removal & Recycling	-	-	-	-	-	-	1,259,987	-
Claims & Settlements	-	-	-	-	-	-	3,686	270
Community Support	-	-	-	-	-	-	16,398	-
Other Operation Expenditures	133,626	-	26,955	-	-	-	881,532	85,504
Tipping Fees	-	-	-	-	-	-	523,734	-
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	-	-	-	-	1,247,420	-	1,247,420	-
Municipal Debt- Interest	-	-	-	-	359,249	-	359,249	-
School Debt- Principal	-	-	-	-	920,000	-	920,000	120,354
School Debt- Interest	-	-	-	-	112,626	-	112,626	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	3,225,000	3,225,000	1,137,672
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 12,120,675	\$ -	\$ 28,950	\$ 31,557,516	\$ 2,639,294	\$ 3,225,000	\$ 72,175,543	\$ 65,363,985

Financing Uses: Transfer to Capital Funds	\$ 520,360	\$ -
Financing Uses: Transfer to Other Funds	107,340	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 627,700	\$ -
Net Change in Fund Balance¹	2,287,319	(994,423)
Fund Balance1- beginning of year	\$5,886,611	\$6,754,472
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	44
Prior period adjustments	-	-
Misc. Adjustment	-	(1)
Fund Balance¹ - beginning of year adjusted	5,886,611	6,754,515
Rounding	-	-
Fund Balance¹ - end of year	\$ 8,173,930	\$ 5,760,092

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

Town of West Warwick
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2020

EXHIBIT F-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, 2019						\$ 5,886,611	-	\$ 5,886,611	
<i>No funds removed from RGS for fiscal 2020</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2020</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2020</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2019 adjusted						<u>\$ 5,886,611</u>	<u>-</u>	<u>\$ 5,886,611</u>	
General Fund (100)	\$ 74,191,612	\$ -	\$ 39,843,377	\$ 32,340,889	\$ 2,007,346	\$ 2,208,463	\$ -	\$ 2,208,463	\$ 4,215,809
Debt Service Fund (190)	125,295	155,673	-	-	280,968	2,769,075	-	2,769,075	3,050,043
Police Highway Grant Fund (419)	7,835	-	5,981	-	1,854	(1,854)	-	(1,854)	-
JAG Peer to Peer Fund (455)	-	-	-	-	-	433	-	433	433
Bulletproof Vest Partnership Fund (474)	5,251	-	5,251	-	-	-	-	-	-
CDBG Community Development (606)	99,577	-	99,577	-	-	19,182	-	19,182	19,182
Revolving Fund (800)	659,157	-	612,355	-	46,802	751,230	-	751,230	798,032
Police Detail Car fund (805)	88,295	-	137,946	-	(49,651)	159,264	-	159,264	109,613
Totals per audited financial statements	<u>\$ 75,177,022</u>	<u>\$ 155,673</u>	<u>\$ 40,704,487</u>	<u>\$ 32,340,889</u>	<u>\$ 2,287,319</u>	<u>\$ 5,905,793</u>	<u>\$ -</u>	<u>\$ 5,905,793</u>	<u>\$ 8,193,112</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.	(86,460)	-	(86,460)	-	-	(19,182)	-	(19,182)	(19,182)
Elimination of transfers between reported funds	-	(155,673)	-	(155,673)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 75,090,562</u>	<u>\$ -</u>	<u>\$ 72,175,543</u>	<u>\$ 627,700</u>	<u>\$ 2,287,319</u>	<u>\$ 5,886,611</u>	<u>\$ -</u>	<u>\$ 5,886,611</u>	<u>\$ 8,173,930</u>

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

Town 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, 2020

EXHIBIT F-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, 2019						\$ 6,754,472	-	\$ 6,754,472	
<i>Capital Fire Safety Improvement Bond added for fiscal 2020</i>						(1)	-	(1)	
<i>Misc. adjustments made for fiscal 2020</i>						44	-	44	
Fund Balance¹ - per MTP-2 at June 30, 2019 adjusted						<u>\$ 6,754,515</u>	-	<u>\$ 6,754,515</u>	
School Unrestricted Fund	\$ 29,726,602	\$ 31,557,516	\$ 61,139,489	\$ 1,000,000	\$ (855,371)	\$ 4,486,755	-	\$ 4,486,755	\$ 3,631,384
Enterprise Fund1	1,339,841	-	1,268,986	-	70,855	1,352,452	-	1,352,452	1,423,307
Capital Fire Safety Improvement Bond	-	-	44	-	(44)	44	-	44	-
Capital Projects Fund	1,275,180	1,000,000	2,362,024	-	(86,844)	877,886	-	877,886	791,042
School Bond Fund	-	-	120,354	-	(120,354)	120,354	-	120,354	-
School QZAB Bond Fund	-	-	3,107	-	(3,107)	7,419	-	7,419	4,312
School Special Revenue Funds	3,258,423	-	3,290,852	-	(32,429)	150,498	-	150,498	118,069
Totals per audited financial statements	<u>\$ 35,600,046</u>	<u>\$ 32,557,516</u>	<u>\$ 68,184,856</u>	<u>\$ 1,000,000</u>	<u>\$ (1,027,294)</u>	<u>\$ 6,995,408</u>	<u>\$ -</u>	<u>\$ 6,995,408</u>	<u>\$ 5,968,114</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	(2,788,000)	-	(2,788,000)	-	-	-	-	-	-
Elimination of transfers between reported funds	-	(1,000,000)	-	(1,000,000)	-	-	-	-	-
Lunch depreciation	-	-	(32,871)	-	32,871	(240,893)	-	(240,893)	(208,022)
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 64,369,562</u>	<u>\$ -</u>	<u>\$ 65,363,985</u>	<u>\$ -</u>	<u>\$ (994,423)</u>	<u>\$ 6,754,515</u>	<u>\$ -</u>	<u>\$ 6,754,515</u>	<u>\$ 5,760,092</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Miscellaneous variances between UCOA & FS	\$ (3)	-	\$ 392	-	-	-	-	-	-
Totals per UCOA Validated Totals Report	<u>\$ 64,369,559</u>	<u>\$ -</u>	<u>\$ 65,364,376</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, 2020**

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/>.

