

TOWN OF WESTERLY RHODE ISLAND



Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

TOWN OF WESTERLY, RHODE ISLAND

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INTRODUCTORY SECTION



Westerly Rhode Island
Finance Department

45 Broad Street Westerly, RI 02891
(401) 348-2548

February 1, 2024

To the Citizens of Westerly, Rhode Island

The comprehensive annual financial report of the Town of Westerly, Rhode Island, for the fiscal year ended June 30, 2023, is hereby submitted as mandated by state statute. State laws require that all general-purpose local governments publish a complete set of financial statements, presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants licensed to practice in the State of Rhode Island, within six months of the close of each fiscal year.

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

The Town of Westerly's financial statements have been audited by Marcum LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Westerly for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion, that the Town of Westerly's financial statement for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE GOVERNMENT

General

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

According to the U.S. Census, the Town has an estimated population of 23,298, up 2.2% from 2010. In 2022, the Town's median household income was \$88,289. Not reflected in the Census average income statistics is the above average income of the more than 17,000 summer inhabitants of the Town and an additional 25,000 summer day-trippers who contribute to the Town's economy.

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

Revaluations are completed every three years in conformity with Rhode Island General Statutes. As of December 31, 2022, the net assessed property value totaled \$8,052,032,070.

Government

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

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

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

The annual budget serves as the foundation for the Town of Westerly's financial planning and control. Town departments submit requests for appropriation and revenue estimates to the Town Manager no later than January 15th. The Town Manager uses these requests as the starting point for developing a proposed budget. On the third Monday in March of each year the Town Manager submits to the Finance Board, with copies to the Town Council, the proposed budget of the Town of Westerly. The Board of Finance holds several budget work sessions with the Town Manager to discuss the proposed budget document and make recommended edits to the Town Council. After the recommended Board of Finance budget is delivered to the Town Council, the Town Manager and Town Council hold several budget work sessions to revise and, eventually, adopt a preliminary budget not later than the fourth Wednesday in April of each year.

Following the adoption of the preliminary budget by the Town Council, any qualified elector of the Town may circulate and file a petition contesting any of the proposed budget items, within eight (8) days of the publishing of the budget. If no petition is filed by this date, the budget is considered adopted. If there is a petition, a referendum must be held within 32 days of the date the Board of Canvassers validates the signatures on the budget petition.

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

Budget-to-actual comparisons are provided in this report for the General Fund and the School Unrestricted Fund on Pages 96-100.

Education

The general administration of the Westerly Public Schools is directed by a seven-member School Committee that is elected at-large at the regular biennial elections for staggered four-year terms. The School Committee determines and controls all policies affecting the administration, maintenance, and operation of the public schools in the Town. The School Committee appoints a Superintendent as its chief administrative agent; submits a detailed budget of expenditures and revenue to the Town Council and, once the school budget has been approved, determines the allocation of the amount appropriated. The cost of operating the School District for the fiscal year ended June 30, 2023, was \$57,433,925. The Town currently has three elementary schools, (Bradford Elementary was closed at the end of the 2017 school year and the Tower Street Community Center was closed in September of 2021) one middle school, and one high school. At the beginning of each school year, the student enrollment in the Westerly School System has been and is projected to be as follows:

Enrollment PK-12 - Projected Enrollment *

FY 2023	2,373
FY 2024	2,383
FY 2025	2,357
FY 2026	2,319
FY 2027	2,308
FY 2028	2,296
FY 2029	2,326
FY 2030	2,350
FY 2031	2,391
FY 2032	2,430

**Source: Westerly Public Schools Population and Enrollment Forecasts, McKibben Demographics October 2021*

Municipal Services

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

Water Facilities

Westerly's water system is owned by the Town and operated by the Public Works Utilities Department. This system serves portions of Westerly and the Pawcatuck section of Stonington, Connecticut. A small portion of Town (approximately 6%) depends on private wells. Most properties that are not served by the Town water system are residences remote from the Town water system. A study titled, "Town of Westerly, Rhode Island - Water Supply System Management Plan", prepared by C&E Engineering Partners, Inc. May

2013, describes existing conditions and includes a long-range program to improve the quality and quantity of water. Water studies are conducted on five-year cycles and results are submitted to both Rhode Island and Connecticut state agencies (Departments of Health) for evaluation.

Sanitary Sewer System

Westerly owns and operates a wastewater collection and treatment system that services approximately 45% of the parcels in the Town. In terms of residential parcels only, 39% have public sewers and 61% use individual septic systems. The Town has not extended sewer service in several years. Developers of some projects have extended sewers in conjunction with completing the projects. The wastewater in areas not serviced by sewers has been accommodated in many ways including cesspools and septic systems installed during time periods where no regulations existed or where there were minimal local regulations. Later systems were installed under regulations of Rhode Island Department of Environmental Management (RIDEM) relating to Individual Septic Disposal Systems including, effective January 1, 2008, the new RIDEM-Rules Establishing Minimum Standards Relating to Location, Design, Construction and Maintenance of Onsite Wastewater Treatment Systems.

Public Works

The Town's Public Works Department provides a full range of services including vehicle, roads, grounds, and building maintenance and snow removal. The Public Works Department expended \$4,803,156 for fiscal year ended June 30, 2023, and budgeted \$5,707,583.

Public Safety

Services include police patrol, investigations, community education, dispatching, harbor patrol and animal control functions. The Westerly Police Department has a force that consists of 50 full-time police officers and 12 support personnel. The Police Department expended \$8,372,739 for fiscal year ended June 30, 2023, and budgeted \$8,755,946 respectively.

Financing

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

In 2018, the Town issued a Sewer Improvement bond totaling \$1,664,000 to address sewer system infrastructure improvements and groundwater infiltration.

In 2019, the Town issued a Road and Bridge Improvement bond totaling \$15,000,000 to address the reconditioning and resurfacing of 21 miles of roads and the construction of a bridge. The plan is anticipated to span three years and includes a partnership project with Rhode Island Department of Transportation and Connecticut Department of Transportation to repair the Boombridge Road Bridge.

In 2021 the Town issued a Road and Bridge Improvement bond through the Rhode Island Infrastructure Bank totaling \$9,000,000 to address additional roads and sidewalks. These projects will run consecutively with the 2019 Road bond projects and is expected to be completed by the Summer of 2023.

Also in 2021, the Town refinanced an existing bond, thereby reducing the interest rate and providing \$2,000,000 in additional resources for school capital needs.

Employee Relations

As of June 30, 2023, the Town employs 172 full-time equivalent employees exclusive of those employed by the School District. The School District employs 507 full-time equivalent employees.

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

- Police Department: Three-year contract expires June 30, 2025
- Public Works & Municipal Clerical: Three-year contract expires June 30, 2024
- Teachers: Three-year contract expires August 31, 2025
- Local 808 Bus Drivers and Aids: Three-year contract expires June 30, 2024
- Local 808 Monitors: Three-year contract expires June 30, 2024
- Local 808 Clerical-Custodial-Mechanical-Secretarial: Three-year contract expires June 30, 2025

Factors Affecting Financial Condition

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

Local Economy

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

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

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

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

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

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

In November 2022 the Westerly voters approved a \$50,000,000 school bond to include renovations and improvements for Dunn's Corners School and Springbrook School and a new building on State Street.

In December 2017, the Town entered into an agreement to purchase real estate for a solar land development program to provide the Town's electricity. The Town estimates the financial impact of the project to benefit the calendar year 2023.

In the spring of 2017, the Town welcomed the opening of the Westerly Educational Center. This multi-occupant facility offers academic courses provided by several private and public post-secondary schools, such as the Community College of Rhode Island (CCRI) and the Rhode Island School of Design (RISD) and provides job skills training to prepare potential employees for work in their chosen industry. Working with General Dynamics Electric Boat division, more than 750 potential employees have already undergone training since the facility's opening.

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

To address Town infrastructure conditions, the Town has issued bonds (2018 and 2021) through the Rhode Island Infrastructure Bank to improve, roads, bridges, drainage and sidewalks. In 2018 a referendum was passed approving the issuance of \$15,000,000 and this project is anticipated to span three fiscal years ending in the summer of 2022. The second issue totaled \$9,000,000, again through the Rhode Island Infrastructure Bank, to continue to address roads and sidewalks and is anticipated to be completed by calendar year 2023.

The Town has also issued \$1,700,000 in financing to address water line replacements with the financing completed in fiscal year 2022 and the work to coincide with the second road bond projects.

Pension and Other Postemployment Benefits

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

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

The public works/clerical union participate in a federally managed, union plan. Employee contributions and fund management are dictated by the union. The police participate in a defined benefit plan whereby plan assets are professionally managed.

The police pension is currently funded at 75.0%. The Town continues to fund the Annual Required Contribution (ARC) at 100%.

Westerly has a net OPEB obligation of \$11.9 million, related to retired and active employees. The OPEB is 40.2% funded.

Other

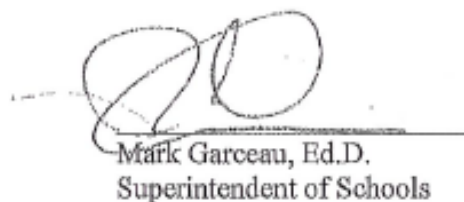
Westerly believes in transparency and the accountability it inspires. This is the tenth year that the Town's annual audit is presented in the form of an Annual Comprehensive Financial Report (ACFR)

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

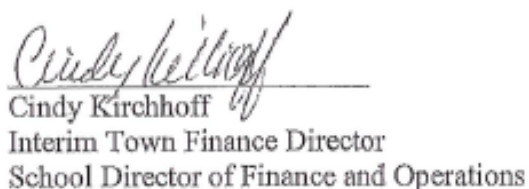
Respectfully submitted,



Shawn M. Lacey
Town Manager



Mark Garceau, Ed.D.
Superintendent of Schools



Cindy Kirchhoff
Interim Town Finance Director
School Director of Finance and Operations

TOWN OF WESTERLY, RHODE ISLAND

LIST OF PRINCIPAL OFFICIALS

FISCAL YEAR ENDED JUNE 30, 2023

Town Council:

William J. Aiello, President
Phillip M. Overton, Vice President
Joy L. Cordio
Dylan J. Lapietra
Robert L. Lombardo
Kevin J. Lowther, II
Mary E. Scialabba

School Committee:

Robert M. Cillino, Chair
Giuseppe Gencarelli, Vice Chair
Diane C. Bowdy, Clerk
Christine M. Cooke
Leslie S. Dunn
Michael W. Ober
Lori E. Wycall

Town Manager: Shawn Lacey

School Superintendent: Mark Garceau, Ed.D.

Director of Finance: Cindy Kirchhoff, Interim

School Director of Finance and Operations: Cindy Kirchhoff

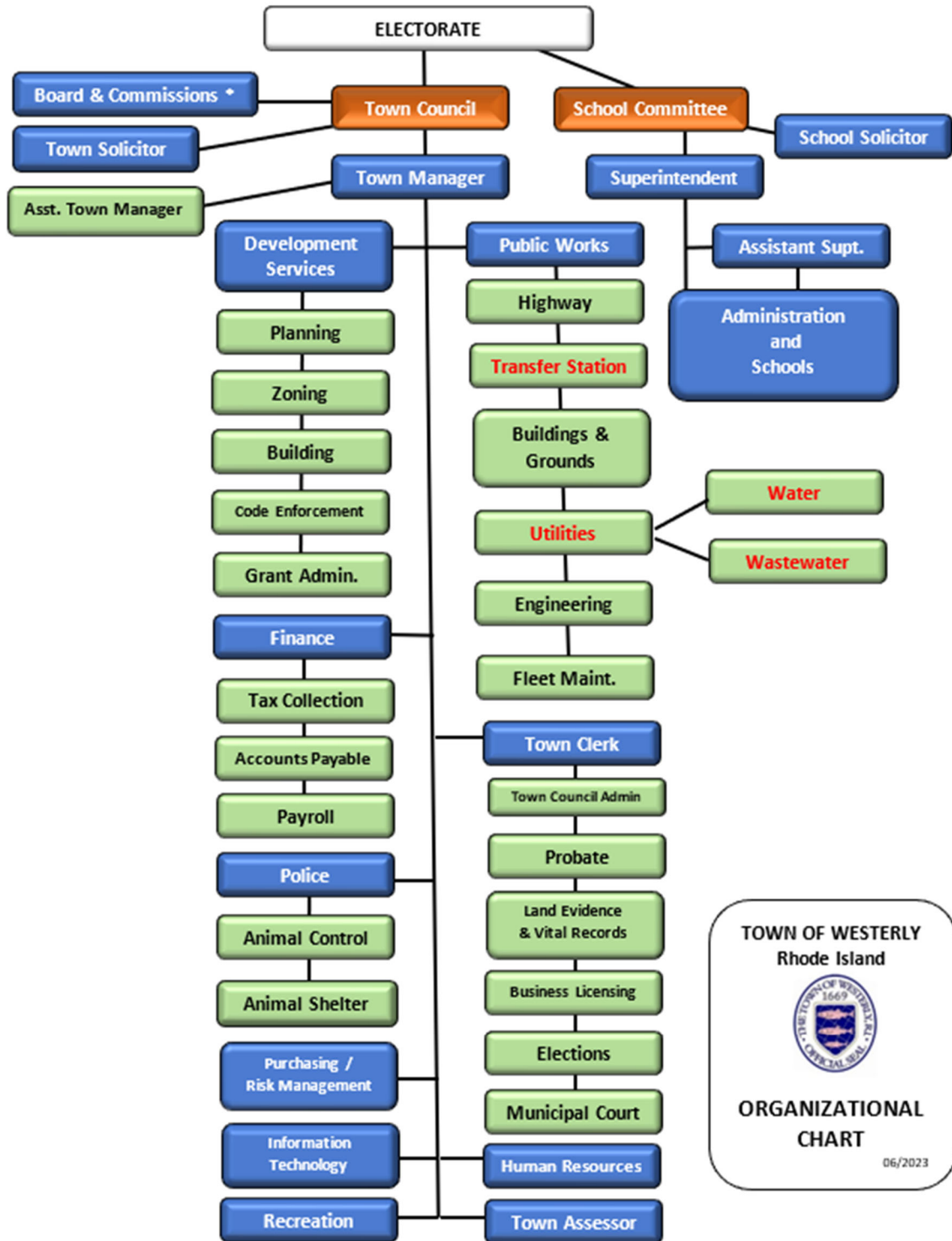
Police Chief: Paul Gingerella

Town Clerk: Mary LeBlanc, MMC

TOWN OF WESTERLY, RHODE ISLAND

ORGANIZATIONAL CHART

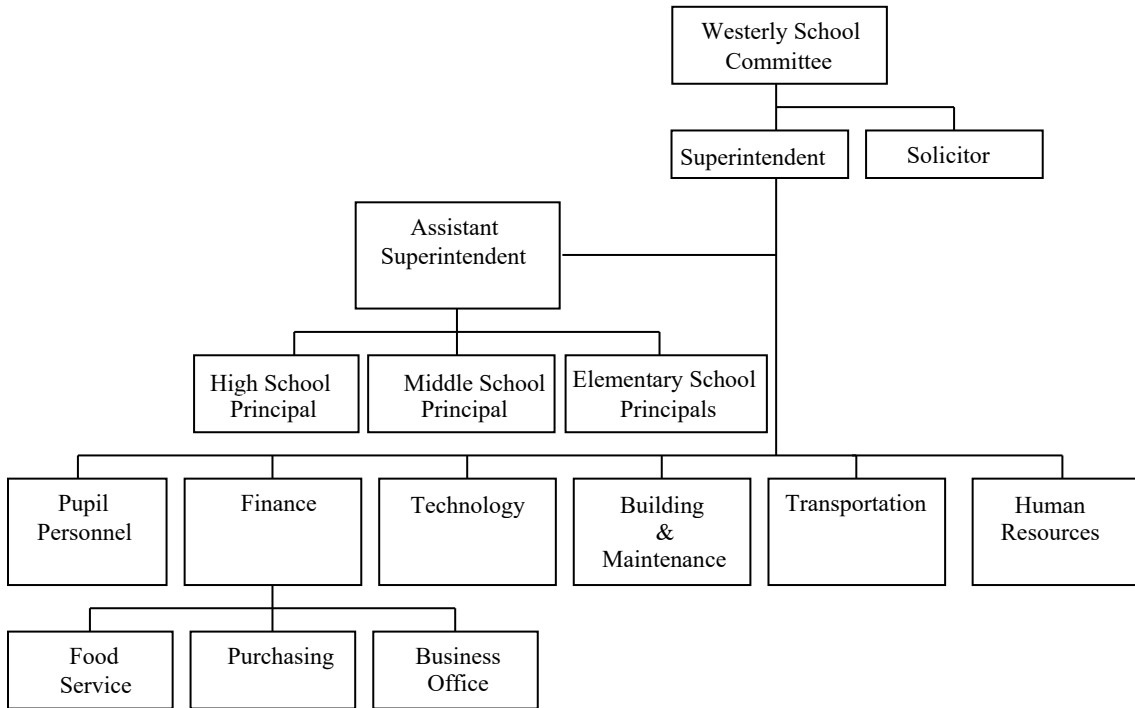
FISCAL YEAR ENDED JUNE 30, 2023



NOTE: Red Lettered Departments are ENTERPRISE FUNDS. Sanitation (Transfer Station) & Utilities (Water & Sewer)
 * The majority of appointments are by the Town Council; however some Board members are appointed by the Town Manager.



Westerly Public Schools Organizational Chart June 2023



School Committee

Robert Cillino, Chair
 Guiseppe Gencarelli, Vice Chair
 Diane Chiaradio Bowdy, Clerk
 Christine Cooke
 Leslie Dunn
 Michael Ober
 Lori Wycall

Solicitors

William Nardone, Esq.
 Jon Lallo, Esq.

Superintendent

Mark C. Garceau, Ed.D.

Assistant Superintendent

Alicia Storey, Ed. D.

Director of Pupil Personnel

Christina Amanti Mathieu

Director of Finance & Operations

Cindy Kirchhoff

Director of Technology

Michael Sujka

Director of Buildings & Maintenance

John Pagano

Director of Transportation

Susan Guarino

Human Resources Coordinator

Kerri Butler
 Donna Lallo

High School Principal

Michael Hobin

Middle School Principal

Mary Caporelli

Elementary School Principals

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

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westerly, Rhode Island (the "Town") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, as of June 30, 2023, 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.

Basis for Opinions

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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern

for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussions and analysis on pages 4 through 13, the budgetary comparison information on pages 96 through 100 and the pension and OPEB schedules on pages 101 through 115 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for

consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Westerly, Rhode Island’s basic financial statements. The accompanying annual supplemental transparency report, and the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the annual supplemental transparency report, and the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2024, on our consideration of the Town’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’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’s internal control over financial reporting and compliance.

Marcum LLP

Providence, RI
February 1, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF WESTERLY, RHODE ISLAND
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

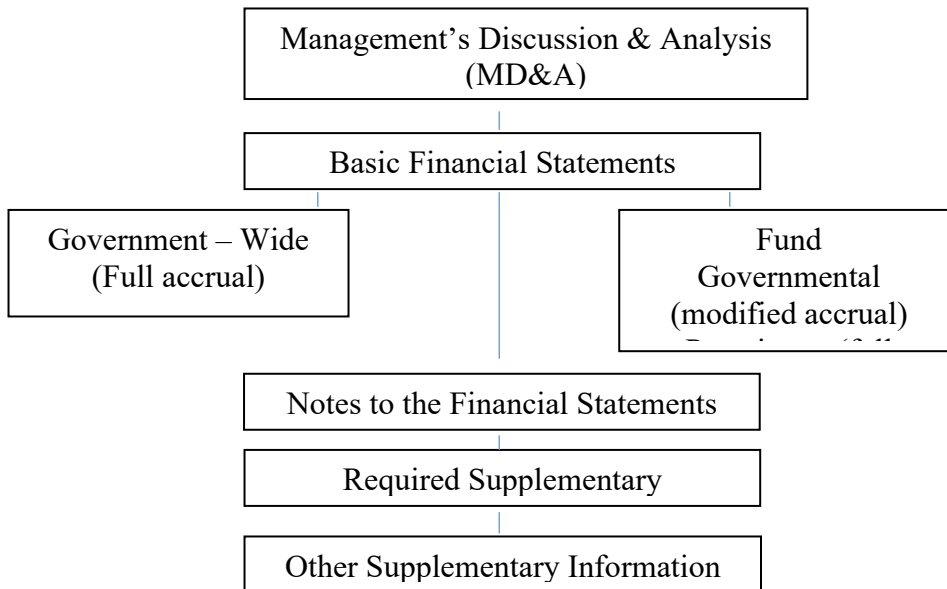
As management of the Town of Westerly, we offer readers of the Town’s financial statements this narrative overview and analysis of the Town’s financial activities for the fiscal year ended June 30, 2023. We encourage the readers to consider the information presented here in conjunction with the letter of transmittal on pages i-viii of this report as well as the Town’s basic financial statements that follow this section.

Overview of the Financial Statements

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

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

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



Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town’s finances in a manner like a private-sector business.

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

The Statement of Activities presents information showing how the Town’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the

TOWN OF WESTERLY, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Examples are uncollected taxes and compensated absences earned but unused.

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

The government-wide financial statements are reported on pages 14 through 16.

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

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

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

The Town of Westerly maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, School Restricted Fund, \$9.0 Million Bond Fund and American Rescue Plan Fund which are major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements included in the other supplementary information.

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

TOWN OF WESTERLY, RHODE ISLAND
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Proprietary Funds. The Town’s proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements except for the Internal Service Funds which are reported as governmental fund type activity. The Town has three enterprise funds. The Water Fund accounts for the water system of the entire Town of Westerly as well as a portion of neighboring Pawcatuck, Connecticut. The Sewer Fund accounts for sewer system user charges and costs associated with wastewater collection for approximately 45% of the parcels in Town. The Transfer Station fund accounts for residential and commercial waste and recycling.

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

The basic propriety fund financial statements are present on pages 21-24.

Fiduciary Funds and GASB 84. The Governmental Accounting Standards Board (GASB) issued this statement (84) to provide clearer guidance on identifying fiduciary activities for accounting and reporting. There are three types of fiduciary activities used to account for resources held for the benefit of parties outside the government. These financials are reporting Pension and OPEB arrangements, Private Purpose Trust Funds and Custodial Funds under this category. Fiduciary funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the Town’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 25-26.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement are presented on page 27-95.

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

Required supplementary information is presented on pages 96-115.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 123-142.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator over time of a government’s financial position. In the case of the Town of Westerly, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$156,819,057 as of June 30, 2023.

TOWN OF WESTERLY, RHODE ISLAND
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Government Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		Percent Change
	2023	2022	2023	2022	2023	2022	
Current & other assets	\$ 77,553,591	\$ 74,484,953	\$ 16,152,036	\$ 14,239,715	\$ 93,705,627	\$ 88,724,668	5.6%
Capital assets	<u>174,253,270</u>	<u>173,350,543</u>	<u>42,121,527</u>	<u>42,160,013</u>	<u>216,374,797</u>	<u>215,510,556</u>	0.4%
Total assets	<u>251,806,861</u>	<u>247,835,496</u>	<u>58,273,563</u>	<u>56,399,728</u>	<u>310,080,424</u>	<u>304,235,224</u>	1.9%
Deferred outflows of resources	<u>22,623,107</u>	<u>20,332,840</u>	<u>--</u>	<u>--</u>	<u>22,623,107</u>	<u>20,332,840</u>	11.3%
Current liabilities	23,665,243	19,895,463	1,775,505	1,949,062	25,440,748	21,844,525	16.5%
Long-term liabilities	<u>120,857,920</u>	<u>127,415,908</u>	<u>5,789,567</u>	<u>6,338,168</u>	<u>126,647,487</u>	<u>133,754,076</u>	-5.3%
Total liabilities	<u>144,523,163</u>	<u>147,311,371</u>	<u>7,565,072</u>	<u>8,287,230</u>	<u>152,088,235</u>	<u>155,598,601</u>	-2.3%
Deferred inflows of resources	<u>23,412,552</u>	<u>30,630,012</u>	<u>383,687</u>	<u>8,163</u>	<u>23,796,239</u>	<u>30,638,175</u>	-22.3%
Net investment in capital assets	106,743,192	97,685,775	36,384,946	35,338,334	143,128,138	133,024,109	7.6%
Restricted	21,541,222	21,272,630	--	--	21,541,222	21,272,630	1.3%
Unrestricted	<u>(21,790,161)</u>	<u>(28,731,452)</u>	<u>13,939,858</u>	<u>12,766,001</u>	<u>(7,850,303)</u>	<u>(15,965,451)</u>	-50.8%
Total net position	<u>\$ 106,494,253</u>	<u>\$ 90,226,953</u>	<u>\$ 50,324,804</u>	<u>\$ 48,104,335</u>	<u>\$ 156,819,057</u>	<u>\$ 138,331,288</u>	13.4%

The largest portion of the Town’s net position, \$143,128,138, is its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the Town’s investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital asset cannot be used to liquidate these liabilities.

An additional portion of the Town’s net position, \$21,541,222, represents resources that are subject to external restriction on how they may be used. The remaining balance of the unrestricted net position is \$7,850,303. The Town’s negative unrestricted net position is primarily attributable to the legacy costs related to unfunded OPEB liabilities.

The Town’s net position increased by \$18,487,769 during the current fiscal year. Of this amount, governmental activities accounted for \$16,267,300 of the increase, while business-type activities increased by \$2,220,469.

Governmental Activities

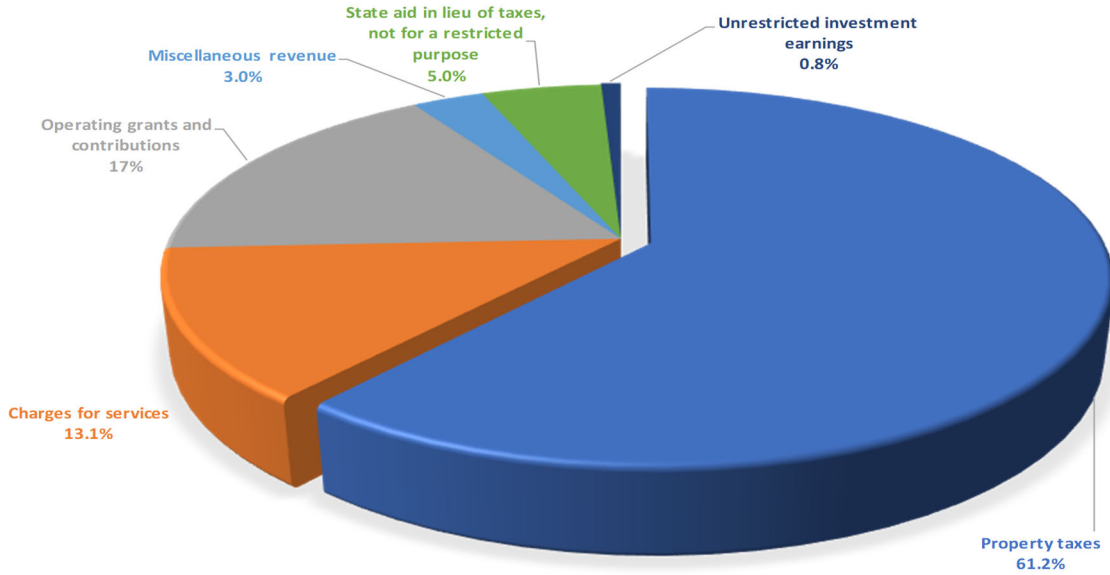
Governmental activities increased the Town’s net position by \$16,267,300.

TOWN OF WESTERLY, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

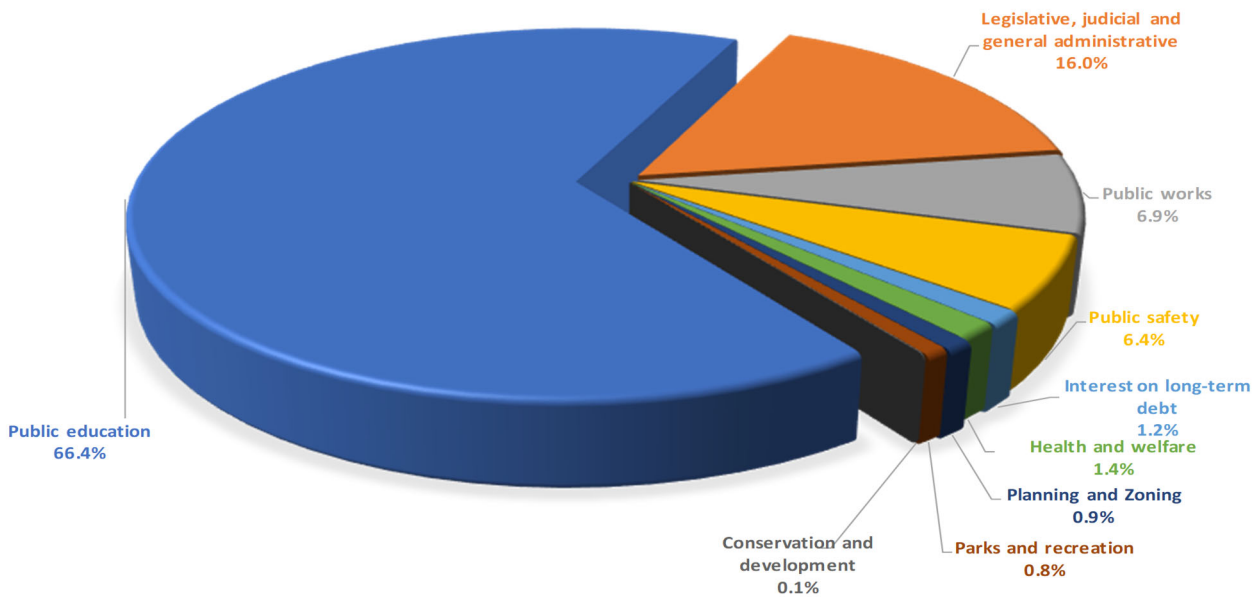
	<u>Government Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		Percent Change
	2023	2022	2023	2022	2023	2022	
Revenues							
Program Revenues							
Charges for services	\$ 16,208,852	\$ 17,425,712	\$ 13,711,072	\$ 11,490,192	\$ 29,919,924	\$ 28,915,904	3.5%
Operating grants	21,022,965	16,711,119	--	--	21,022,965	16,711,119	25.8%
Capital grants	16,748	661,953	--	--	16,748	661,953	100.0%
General Revenues							
Property taxes	75,964,318	77,380,216	--	--	75,964,318	77,380,216	-1.8%
State aid and lieu of taxes, not for a restricted purpose	6,232,320	2,931,295	--	--	6,232,320	2,931,295	112.6%
Unrestricted investment earnings	998,355	121,232	874	873	999,229	122,105	718.3%
On-behalf pension contribution	2,669,740	2,670,323	--	--	2,669,740	2,670,323	0.0%
Miscellaneous revenue	<u>1,071,550</u>	<u>1,216,252</u>	<u>1,367,494</u>	<u>1,454,112</u>	<u>2,439,044</u>	<u>2,670,364</u>	<u>-8.7%</u>
Total Revenues	<u>124,184,848</u>	<u>119,118,102</u>	<u>15,079,440</u>	<u>12,945,177</u>	<u>139,264,288</u>	<u>132,063,279</u>	<u>5.5%</u>
Program Expenses							
Legislative, judicial and general administrative	17,227,201	18,330,858	--	--	17,227,201	18,330,858	-6.0%
Public works	7,473,800	6,980,662	--	--	7,473,800	6,980,662	7.1%
Public safety	6,868,106	6,655,688	--	--	6,868,106	6,655,688	3.2%
Health and welfare	1,520,843	1,683,661	--	--	1,520,843	1,683,661	-9.7%
Conservation and development	66,209	159,567	--	--	66,209	159,567	-58.5%
Parks and recreation	813,674	771,399	--	--	813,674	771,399	5.5%
Planning and zoning	973,187	928,575	--	--	973,187	928,575	4.8%
Public education	71,462,478	68,669,619	--	--	71,462,478	68,669,619	4.1%
Interest on long-term debt	1,290,088	1,356,732	--	--	1,290,088	1,356,732	-4.9%
Water fund	--	--	4,995,329	4,423,782	4,995,329	4,423,782	12.9%
Sewer fund	--	--	4,375,829	4,003,813	4,375,829	4,003,813	9.3%
Transfer station	--	--	<u>3,709,775</u>	<u>3,222,049</u>	<u>3,709,775</u>	<u>3,222,049</u>	<u>15.1%</u>
Total Program Expenses	<u>107,695,586</u>	<u>105,536,761</u>	<u>13,080,933</u>	<u>11,649,644</u>	<u>120,776,519</u>	<u>117,186,405</u>	<u>3.1%</u>
Change in net position prior to transfer:	16,489,262	13,581,341	1,998,507	1,295,533	18,487,769	14,876,874	24.3%
Transfers	<u>(221,962)</u>	<u>(804,472)</u>	<u>221,962</u>	<u>804,472</u>	<u>--</u>	<u>--</u>	<u>0.0%</u>
Change in net position	16,267,300	12,776,869	2,220,469	2,100,005	18,487,769	14,876,874	24.3%
Net Position - Beginning	<u>90,226,953</u>	<u>77,450,084</u>	<u>48,104,335</u>	<u>46,004,330</u>	<u>138,331,288</u>	<u>123,454,414</u>	<u>12.1%</u>
Net Position - Ending	<u>\$ 106,494,253</u>	<u>\$ 90,226,953</u>	<u>\$ 50,324,804</u>	<u>\$ 48,104,335</u>	<u>\$ 156,819,057</u>	<u>\$ 138,331,288</u>	<u>13.4%</u>

TOWN OF WESTERLY, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

**TOWN OF WESTERLY, RHODE ISLAND
 GOVERNMENTAL ACTIVITIES: REVENUE**



**TOWN OF WESTERLY, RHODE ISLAND
 GOVERNMENTAL ACTIVITIES: EXPENSE**



TOWN OF WESTERLY, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Business-type Activities - Net position in business-type activities increased by \$2,220,469 resulting in a 4.61% increase in business-type assets.

Charges for services for business-type activities accounted for 91% of the total revenue sources. The balance of revenues for business-type activities was from investment income and miscellaneous revenue.

The total expenses within the business-type activities of the Town include the following: Water Fund 38.2%, Sewer Fund 33.5%, Transfer Station 28.3%.

Financial Analysis of the Town of Westerly's Funds

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

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

At the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$38,540,736. Approximately 47%, or \$18,137,219 is available for spending at the government's discretion within the Town's total Fund Balance. The remaining fund balance of \$20,403,517 includes \$4,372,402 of Committed Fund Balance for Capital Projects, \$8,667,194 non-spendable for prepaid items, and \$7,363,921 restricted to specific programs.

The General Fund is the chief operating fund of the Town of Westerly. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$18,137,219 while total fund balance was \$25,660,963. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund budgeted expenditures. Unassigned fund balance represents 18.5% of the 2023 FY Adopted General Fund Expenditure Budget. The remaining fund balance of \$7,523,744 includes \$216,542 of Committed Fund Balance for Capital Projects and \$7,307,202 non-spendable for prepaid items.

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

The School Unrestricted Fund reported ending fund balance of \$7,401,356 of this amount \$1,352,164 is considered non-spendable as it relates to prepaid expenditures.

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

Unrestricted net position in Business Type Activities was \$13,939,858. The Water Fund at the end of the fiscal year amounted to \$5,192,813; unrestricted net position in the Sewer Fund was \$2,848,838; and unrestricted net position in the Transfer Station was \$2,848,838.

TOWN OF WESTERLY, RHODE ISLAND
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

General Fund Budgetary Highlights

The Town of Westerly, Rhode Island finished the 2022-2023 fiscal year with a budgetary surplus of \$7,921,670.

Revenue exceeded the budget by \$3,119,429 due to two major factors; Intergovernmental and departmental revenue exceeded budget by \$3,213,320 and Use of Property for land leases exceeded the budget by \$591,518. These two factors totaled \$3,804,838 of the additional revenue.

Expenditures and Other Finance Sources (Uses) were higher than budget by \$362,877, which is comprised of Other Finance Sources \$13,764 over budget offset by Expenditures \$376,641 in excess of budget. Other Financing Sources includes \$57,655,887 of transfers out as a result of \$57,433,925 use of committed funds by the School and \$221,962 transfers to prior year capital, restricted, and Business Type Activities. Expenditures are comprised of Legislative, judicial and general administrative of \$620,255, Public Works of \$904,427, and Public Safety of \$338,207 lower than budget. Both Administrative, Public Works, and Public Safety had changes in staffing (retirements and vacancies) which contributed to this outcome.

Major General Fund Revenue Factors:

Property taxes are the largest single revenue source for the General Fund and account for 75.71% of total budgetary revenues. The tax collection rate for both current and prior year assessments was approximately 99%.

Major Expenditure Factors:

Education Expense accounts for approximately 62% of the total budgetary expenditures within the General Fund of the Town of Westerly, followed by Debt Service representing 12%, Public Safety representing 9%, General Government representing 8%, Public Works representing 5%, and Capital and Restricted representing 1%.

Capital Assets and Debt Administration

Capital Assets - The Town of Westerly’s capital assets for its governmental and business-type activities amounted to \$216,374,797 (net of accumulated depreciation) as of June 30, 2023. This investment in capital assets includes land, buildings, improvements, machinery and equipment, motor vehicles, infrastructure, and construction in progress.

TOWN OF WESTERLY, RHODE ISLAND
NET OF ACCUMULATED DEPRECIATION
For the Fiscal Years Ended June 30, 2023 and 2022

	Government Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 19,204,411	\$ 19,204,411	\$ 5,931,635	\$ 5,931,635	\$ 25,136,046	\$ 25,136,046
Construction in progress	5,493,900	2,756,214	1,158,714	1,336,202	6,652,614	4,092,416
Land Improvements	4,790,660	-	-	-	4,790,660	-
Buildings and improvements	61,433,762	69,736,246	9,576,141	9,941,979	71,009,903	79,678,225
Mains, wells, pumps and hydrants	-	-	15,729,500	14,812,871	15,729,500	14,812,871
Tanks and structures	-	-	7,797,063	7,987,423	7,797,063	7,987,423
Motor vehicles	5,172,662	4,976,488	-	-	5,172,662	4,976,488
Machinery, equipment and furniture	2,983,595	2,762,397	1,836,474	2,149,903	4,820,069	4,912,300
Infrastructure	74,957,396	73,616,853	-	-	74,957,396	73,616,853
Right of Use Lease Assets	216,884	-	92,000	-	308,884	-
Total	\$ 174,253,270	\$ 173,052,609	\$ 42,121,527	\$ 42,160,013	\$ 216,374,797	\$ 215,212,622

TOWN OF WESTERLY, RHODE ISLAND
MANAGEMENT’S DISCUSSION AND ANALYSIS

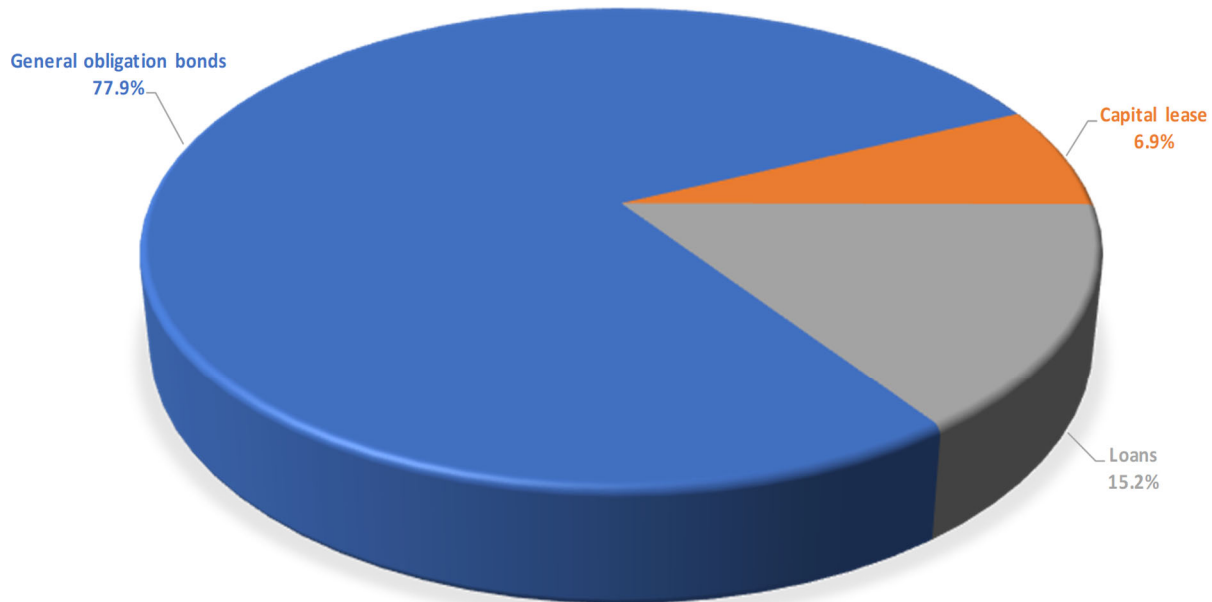
FOR THE YEAR ENDED JUNE 30, 2023

Debt Administration - At the end of the current fiscal year, the Town of Westerly had total bonded debt outstanding of \$54,112,000, capital leases of \$4,798,529 and \$10,573,300 of loans payable.

TOWN OF WESTERLY, RHODE ISLAND
LONG TERM DEBT AND LEASE OBLIGATIONS
For the Fiscal Years Ended June 30, 2023 and 2022

	Government Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 52,467,000	\$ 59,749,000	\$ 1,645,000	\$ 1,700,000	\$ 54,112,000	\$ 61,449,000
Capital lease	2,567,123	2,639,393	2,231,406	2,214,289	4,798,529	4,853,682
Loans	9,351,000	9,351,000	1,222,300	1,489,300	10,573,300	10,840,300
Total	\$ 64,385,123	\$ 71,739,393	\$ 5,098,706	\$ 5,403,589	\$ 69,483,829	\$ 77,142,982

TOWN OF WESTERLY, RHODE ISLAND
LONG TERM DEBT AND LEASE OBLIGATIONS



State statutes limit the amount of general obligation bonded debt a town can issue to 3% of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from this limit. As of June 30, 2023, the Town had a debt limit of \$239,031,682 of which the Town has existing debt applicable to the limit in the amount of \$29,264,194.

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

TOWN OF WESTERLY, RHODE ISLAND
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Economic Factors and Next Year’s Budget and Rates

The Town of Westerly’s adopted General Fund budget for fiscal year 2023-2024 amounted to \$99,847,420 which reflects an increase of \$2,282,200 (2.3%) over the fiscal year 2022-2023 budget. Of the total Town budget, \$57,640,077 or 58% is budgeted for Westerly Public Schools. The Town is budgeted to receive \$8,580,614 from the State of Rhode Island in Local Aid for Education. The Town’s levy increased by 1.5% for fiscal year 2023-2024 vs. 2022-2023.

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

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

BASIC FINANCIAL STATEMENTS

TOWN OF WESTERLY, RHODE ISLAND

I

STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 38,571,301	\$ 12,565,343	\$ 51,136,644
Investments	1,820	--	1,820
Real estate and personal property taxes receivable	844,848	--	844,848
Water user fees receivable	--	3,515,750	3,515,750
Due from federal and state government	2,161,790	--	2,161,790
Internal balances	706,339	(706,339)	--
Other receivables	1,010,602	140,231	1,150,833
Prepaid items	12,904,286	26,173	12,930,459
Net pension asset	7,727,168	--	7,727,168
Inventories	--	195,553	195,553
Lease receivable, current portion	22,782	13,414	36,196
Notes receivable	879,818	--	879,818
Total Current Assets	64,830,754	15,750,125	80,580,879
Noncurrent Assets			
Restricted assets:			
Cash and cash equivalents	7,376,168	30,255	7,406,423
Cash held in escrow	5,321,783	--	5,321,783
Lease receivable, net of current portion	24,886	371,656	396,542
Lease asset	216,884	92,000	308,884
Capital assets:			
Capital assets not being depreciated	24,698,311	7,090,349	31,788,660
Capital assets being depreciated	149,338,075	34,939,178	184,277,253
Total Noncurrent Assets	186,976,107	42,523,438	229,499,545
Total Assets	251,806,861	58,273,563	310,080,424
Deferred Outflows of Resources			
Deferred charge on refunding bonds	1,319,504	--	1,319,504
OPEB - related	1,018,062	--	1,018,062
Pension - related	20,285,541	--	20,285,541
Total Deferred Outflows of Resources	22,623,107	--	22,623,107

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

TOWN OF WESTERLY, RHODE ISLAND

I

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2023

Liabilities

Current Liabilities

Accounts payable and accrued liabilities	7,782,731	904,199	8,686,930
Accrued interest payable	326,600	31,087	357,687
Unearned revenue	5,404,948	34,877	5,439,825
Claims payable	674,684	--	674,684
Long-term liabilities due within one year	9,476,280	805,342	10,281,622
Total Current Liabilities	23,665,243	1,775,505	25,440,748

Noncurrent Liabilities

Other noncurrent liabilities	--	911,864	911,864
Long-term liabilities	120,857,920	4,877,703	125,735,623
Total Noncurrent Liabilities	120,857,920	5,789,567	126,647,487

Total Liabilities

	144,523,163	7,565,072	152,088,235
--	-------------	-----------	-------------

Deferred Inflows of Resources

Lease related	2,865,991	383,687	3,249,678
OPEB - related	1,989,731	--	1,989,731
Pension - related	18,556,830	--	18,556,830

Total Deferred Inflows of Resources

	23,412,552	383,687	23,796,239
--	------------	---------	------------

Net Position

Net investment in capital assets	106,743,192	36,384,946	143,128,138
Restricted for:			
Education	5,189,507	--	5,189,507
Healthcare	6,450,133	--	6,450,133
Capital projects	2,174,414	--	2,174,414
Pension	7,727,168	--	7,727,168
Unrestricted	(21,790,161)	13,939,858	(7,850,303)
Total Net Position	\$ 106,494,253	\$ 50,324,804	\$ 156,819,057

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

TOWN OF WESTERLY, RHODE ISLAND

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Legislative, judicial and general administrative	\$ 17,227,201	\$ 12,087,066	\$ 60,306	\$ --	\$ (5,079,829)	\$ --	\$ (5,079,829)
Public works	7,473,800	33,458	--	16,748	(7,423,594)	--	(7,423,594)
Public safety	6,868,106	981,591	133,334	--	(5,753,181)	--	(5,753,181)
Health and welfare	1,520,843	661	1,667,029	--	146,847	--	146,847
Conservation and development	66,209	15,000	79,411	--	28,202	--	28,202
Parks and recreation	813,674	408,964	--	--	(404,710)	--	(404,710)
Planning and zoning	973,187	873,821	--	--	(99,366)	--	(99,366)
Education	71,462,478	1,427,158	19,082,885	--	(50,952,435)	--	(50,952,435)
Interest on long-term debt	1,290,088	381,133	--	--	(908,955)	--	(908,955)
Total Governmental Activities	<u>107,695,586</u>	<u>16,208,852</u>	<u>21,022,965</u>	<u>16,748</u>	<u>(70,447,021)</u>	<u>--</u>	<u>(70,447,021)</u>
Business-Type Activity:							
Water fund	4,995,329	5,195,962	--	--	--	200,633	200,633
Sewer fund	4,375,829	3,917,926	--	--	--	(457,903)	(457,903)
Transfer station fund	3,709,775	4,597,184	--	--	--	887,409	887,409
Total Business-Type Activity	<u>13,080,933</u>	<u>13,711,072</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>630,139</u>	<u>630,139</u>
Total Primary Government	<u>\$ 120,776,519</u>	<u>\$ 29,919,924</u>	<u>\$ 21,022,965</u>	<u>\$ 16,748</u>	<u>(70,447,021)</u>	<u>630,139</u>	<u>(69,816,882)</u>
General Revenues:							
Taxes:							
Property taxes levied for general purposes					75,964,318	--	75,964,318
State aid in lieu of taxes, not for a restricted purpose					6,232,320	--	6,232,320
Investment and interest income					998,355	874	999,229
Other revenues					3,741,290	1,367,494	5,108,784
Transfer (in) out					(221,962)	221,962	--
Total General Revenues					<u>86,714,321</u>	<u>1,590,330</u>	<u>88,304,651</u>
Change in Net Position					16,267,300	2,220,469	18,487,769
Net Position - Beginning of Year					<u>90,226,953</u>	<u>48,104,335</u>	<u>138,331,288</u>
Net Position - End of Year					<u>\$ 106,494,253</u>	<u>\$ 50,324,804</u>	<u>\$ 156,819,057</u>

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

FUND FINANCIAL STATEMENTS

TOWN OF WESTERLY, RHODE ISLAND

III

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund	School Restricted Fund	\$9,000,000 Bond Fund	American Rescue Plan	Other Non-Major Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 26,264,021	\$ 1,394,567	\$ --	\$ 4,845,952	\$ 4,275,932	\$ 36,780,472
Restricted cash held in escrow	--	--	4,172,757	--	1,149,026	5,321,783
Investments	--	--	--	--	1,820	1,820
Real estate and personal property tax receivable	333,927	--	--	--	--	333,927
Due from federal and state governments	164,015	1,947,813	--	--	49,962	2,161,790
Due from other funds	4,443,196	--	--	--	--	4,443,196
Other receivables	685,602	35,724	--	--	27,812	749,138
Prepaid items	4,896,373	7,828	--	--	--	4,904,201
Other assets	3,762,993	--	--	--	--	3,762,993
Total Assets	<u>\$ 40,550,127</u>	<u>\$ 3,385,932</u>	<u>\$ 4,172,757</u>	<u>\$ 4,845,952</u>	<u>\$ 5,504,552</u>	<u>\$ 58,459,320</u>
Liabilities, Deferred Inflows and Fund Balances						
Liabilities						
Accounts payable and accrued liabilities	\$ 3,670,172	\$ 922,612	\$ 2,854,370	\$ 1,529	\$ 334,048	\$ 7,782,731
Due to other funds	236,692	2,078,977	511,836	--	864,966	3,692,471
Unearned revenue	542,510	--	--	4,844,423	18,015	5,404,948
Total Liabilities	<u>4,449,374</u>	<u>3,001,589</u>	<u>3,366,206</u>	<u>4,845,952</u>	<u>1,217,029</u>	<u>16,880,150</u>
Deferred Inflows of Resources						
Unavailable revenue - leases	2,820,000	--	--	--	--	2,820,000
Unavailable revenue - property taxes	218,434	--	--	--	--	218,434
Total Deferred Inflows of Resources	<u>3,038,434</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>3,038,434</u>
Fund Balances						
Non-spendable	8,659,366	7,828	--	--	--	8,667,194
Restricted	4,812,992	376,515	806,551	--	1,367,863	7,363,921
Committed	1,452,742	--	--	--	2,919,660	4,372,402
Unassigned	18,137,219	--	--	--	--	18,137,219
Total Fund Balances	<u>33,062,319</u>	<u>384,343</u>	<u>806,551</u>	<u>--</u>	<u>4,287,523</u>	<u>38,540,736</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 40,550,127</u>	<u>\$ 3,385,932</u>	<u>\$ 4,172,757</u>	<u>\$ 4,845,952</u>	<u>\$ 5,504,552</u>	<u>\$ 58,459,320</u>

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

TOWN OF WESTERLY, RHODE ISLAND

III

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS (III) TO THE STATEMENT OF NET POSITION (I)

JUNE 30, 2023

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

Total Fund Balance (III)	\$ 38,540,736
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	174,253,270
Right of use receivables not reported in fund statements	47,668
Net Pension Asset	7,727,168
Penalties and interest on tax receivables	510,921
Sinking bond fund investments	7,376,168
Advance tax collections deferred in funds and not deferred in measurement for Statement of Net Position	218,434
Deferred outflows relating to deferred loss on refunding	1,319,504
Deferred outflows relating to pensions and OPEB are recorded in the statement of net position	21,303,603
Deferred inflows relating to pensions and OPEB are recorded in the statement of net position	(20,546,561)
Deferred inflows relating to leases	(45,991)
Long-term liabilities and related items are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities (net of premiums) at year-end consist of:	
Bonds and loans payable	(61,818,000)
Bond premium	(3,124,955)
Right of use and capital asset lease liability	(2,567,123)
Compensated absences	(1,835,007)
Accrual for net OPEB liability	(11,894,029)
Accrual for net pension liability	(49,095,086)
Accrued interest payable is recorded in government activities, but is not recorded in the funds.	(326,600)
Internal service funds are recorded as proprietary funds in the fund financial statements but are recorded as governmental activities on the Government-wide statement of net position.	<u>6,450,133</u>
Total Net Position (I)	<u>\$ 106,494,253</u>

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

TOWN OF WESTERLY, RHODE ISLAND

IV

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	School Restricted Fund	\$9,000,000 Bond Fund	American Rescue Plan	Other Non-Major Governmental Funds	Total Governmental Funds
Revenues						
General property taxes and payments in lieu of taxes	\$ 76,228,367	\$ --	\$ --	\$ --	\$ --	\$ 76,228,367
Intergovernmental and departmental	21,012,274	5,457,857	--	1,418,573	1,185,413	29,074,117
Licenses and permits	976,175	--	--	--	--	976,175
Fines and penalties	226,314	--	--	--	--	226,314
Charges for service	1,950,634	--	--	--	275,876	2,226,510
Capital grants and contributions	--	--	--	--	36,000	36,000
Investment income	777,158	--	--	--	6,773	783,931
On behalf pension contribution	2,669,740	--	--	--	--	2,669,740
Other revenues	<u>742,523</u>	<u>425,653</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,168,176</u>
Total Revenues	<u>104,583,185</u>	<u>5,883,510</u>	<u>--</u>	<u>1,418,573</u>	<u>1,504,062</u>	<u>113,389,330</u>
Expenditures						
Legislative, executive and administrative	7,175,777	--	--	62,215	1,250	7,239,242
Public works	4,803,156	--	--	--	--	4,803,156
Public safety	8,372,739	--	--	--	113,167	8,485,906
Health and welfare	1,431,259	--	--	72,426	17,158	1,520,843
Conservation and development	3,566	--	--	--	62,643	66,209
Parks and recreation	632,255	--	--	--	--	632,255
Planning	964,930	--	--	--	--	964,930
Education	57,414,845	5,635,785	--	--	874,549	63,925,179
Debt service	11,009,233	--	--	--	--	11,009,233
Capital outlay	1,815,968	1,521,044	6,486,156	1,283,932	2,088,264	13,195,364
On behalf pension contribution	<u>2,669,740</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,669,740</u>
Total Expenditures	<u>96,293,468</u>	<u>7,156,829</u>	<u>6,486,156</u>	<u>1,418,573</u>	<u>3,157,031</u>	<u>114,512,057</u>
Excess of Revenues Over (Under) Expenditures						
Before Other Financing Sources (Uses)	<u>8,289,717</u>	<u>(1,273,319)</u>	<u>(6,486,156)</u>	<u>--</u>	<u>(1,652,969)</u>	<u>(1,122,727)</u>
Other Financing Sources (Uses)						
Transfers from other funds	104,671	440,593	--	--	--	545,264
Transfers to other funds	(753,462)	--	--	--	(13,764)	(767,226)
Capital lease proceeds	<u>1,060,564</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,060,564</u>
Total Other Financing Sources (Uses)	<u>411,773</u>	<u>440,593</u>	<u>--</u>	<u>--</u>	<u>(13,764)</u>	<u>838,602</u>
Net Change in Fund Balances	8,701,490	(832,726)	(6,486,156)	--	(1,666,733)	(284,125)
Fund Balances - Beginning of Year	<u>24,360,829</u>	<u>1,217,069</u>	<u>7,292,707</u>	<u>--</u>	<u>5,954,256</u>	<u>38,824,861</u>
Fund Balances - End of Year	<u>\$ 33,062,319</u>	<u>\$ 384,343</u>	<u>\$ 806,551</u>	<u>\$ --</u>	<u>\$ 4,287,523</u>	<u>\$ 38,540,736</u>

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

TOWN OF WESTERLY, RHODE ISLAND

IV

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (IV) TO THE
STATEMENT OF ACTIVITIES (II)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds (IV)	\$ (284,125)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. The capital outlays are as follows:	
Capital asset additions	8,499,141
Depreciation expense	(7,515,364)
Change in deferred charge on refunding	(256,878)
Proceeds from issuance of long-term debt	(1,060,564)
Change in accrued interest	4,433
Lease revenue recognized in accordance with GASB 87	(1,408)
Change in property tax interest and lien revenue	(264,049)
Principal payments made on long-term obligations	9,933,569
Change in compensated absences	(165,542)
Excess of internal service funds' revenues over expenses, reported as governmental activities in the Government-wide statement of activities	1,672,947
Change in net OPEB liability	(182,962)
Change in net pension asset	(1,612,908)
Change in net pension liability	(1,536,389)
Change in deferred inflows of resources	6,490,254
Change in deferred outflows of resources	<u>2,547,145</u>
Change in Net Position of Governmental Activities (II)	<u>\$ 16,267,300</u>

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

TOWN OF WESTERLY, RHODE ISLAND

V

STATEMENT OF NET POSITION PROPRIETARY FUNDS

JUNE 30, 2023

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Water Fund	Sewer Fund	Transfer Station Fund	Total Enterprise Funds	Internal Service Fund
Assets					
Current Assets					
Cash and cash equivalents	\$ 4,183,369	\$ 6,000,985	\$ 2,380,989	\$ 12,565,343	\$ 1,790,829
Fee receivables	1,946,924	1,312,032	256,794	3,515,750	--
Inventories	184,323	11,230	--	195,553	--
Other receivables	--	117,921	22,310	140,231	261,464
Prepaid items	--	--	26,173	26,173	8,584,903
Current portion of lease receivable	--	13,414	--	13,414	--
Total Current Assets	6,314,616	7,455,582	2,686,266	16,456,464	10,637,196
Noncurrent Assets					
Restricted cash held in escrow	--	30,255	--	30,255	--
Lease receivable, net of current portion	--	371,656	--	371,656	--
Capital assets not being depreciated	6,162,328	597,320	330,701	7,090,349	--
Capital assets, net of accumulated depreciation	17,064,384	16,631,622	1,243,172	34,939,178	--
Lease assets, net of accumulated amortization	92,000	--	--	92,000	--
Total Noncurrent Assets	23,318,712	17,630,853	1,573,873	42,523,438	--
Total Assets	29,633,328	25,086,435	4,260,139	58,979,902	10,637,196
Liabilities					
Current Liabilities					
Accounts payable and accrued expenses	326,475	461,391	116,333	904,199	--
Accrued interest payable	25,308	1,114	4,665	31,087	--
Due to other funds	588,418	117,921	--	706,339	44,386
Unearned revenue	--	34,877	--	34,877	--
Deposits	--	--	--	--	3,467,993
Claims payable	--	--	--	--	674,684
Current portion of long-term liabilities	266,315	279,686	259,340	805,342	--
Total Current Liabilities	1,206,516	894,989	380,338	2,481,844	4,187,063
Noncurrent Liabilities					
Finance lease liabilities	1,512,046	--	240,343	1,752,389	--
Right-of-use lease liabilities	68,837	--	--	68,837	--
Other liabilities	--	911,864	--	911,864	--
Compensated absences	145,282	38,746	37,705	221,732	--
Bonds, loans and notes payable	1,882,445	952,300	--	2,834,745	--
Total Noncurrent Liabilities	3,608,610	1,902,910	278,048	5,789,567	--
Total Liabilities	4,815,126	2,797,899	658,386	8,271,411	4,187,063
Deferred inflows of resources					
Lease related	--	383,687	--	383,687	--
Total deferred inflows of resources	--	383,687	--	383,687	--
Net Position					
Net investment in capital assets	19,625,389	16,006,642	752,915	36,384,946	--
Restricted for:					
Other purposes	--	--	--	--	6,450,133
Unrestricted	5,192,813	5,898,207	2,848,838	13,939,858	--
Total Net Position	\$ 24,818,202	\$ 21,904,849	\$ 3,601,753	\$ 50,324,804	\$ 6,450,133

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

TOWN OF WESTERLY, RHODE ISLAND

VI

**STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities Enterprise Funds			Total	Governmental Activities
	Water	Sewer	Transfer	Enterprise	Internal Service
	Fund	Fund	Station Fund	Funds	Fund
Operating Revenues					
User fees and rental income	\$ 5,195,962	\$ 2,752,084	\$ 4,597,184	\$ 12,545,230	\$ --
Sewer and water assessments and taxes	--	1,165,842	--	1,165,842	--
Charges for insurance	--	--	--	--	10,846,551
Other income	559,296	806,825	1,373	1,367,494	--
Total Operating Revenues	<u>5,755,258</u>	<u>4,724,751</u>	<u>4,598,557</u>	<u>15,078,566</u>	<u>10,846,551</u>
Operating Expenses					
Salaries and benefits	2,324,825	618,993	838,688	3,782,506	--
Materials and supplies	685,680	19,492	311,620	1,016,792	--
Repairs and maintenance	242,120	2,744,298	29,737	3,016,155	--
Depreciation and amortization	557,336	722,212	211,424	1,490,972	--
Utilities	445,439	--	16,612	462,051	--
Administrative expense	314,308	102,681	66,042	483,031	29,343
Insurance	71,921	41,782	--	113,703	--
Claims and benefits	--	--	--	--	9,144,261
Contracted services	324,602	111,232	2,236,898	2,672,732	--
Total Operating Expenses	<u>4,966,231</u>	<u>4,360,690</u>	<u>3,711,021</u>	<u>13,037,942</u>	<u>9,173,604</u>
Income from Operations	<u>789,027</u>	<u>364,061</u>	<u>887,536</u>	<u>2,040,624</u>	<u>1,672,947</u>
Non-Operating Revenues (Expenses)					
Interest income	874	--	--	874	--
Interest expense	(75,678)	(15,139)	(10,600)	(101,417)	--
Gain on disposal of capital assets	46,580	--	11,846	58,426	--
Total Non-Operating Revenues (Expenses)	<u>(28,224)</u>	<u>(15,139)</u>	<u>1,246</u>	<u>(42,117)</u>	<u>--</u>
Transfers					
Transfers from other funds	74,025	147,937	--	221,962	--
Total Transfers	<u>74,025</u>	<u>147,937</u>	<u>--</u>	<u>221,962</u>	<u>--</u>
Change in Net Position	834,828	496,859	888,782	2,220,469	1,672,947
Net Position - Beginning of Year	<u>23,983,374</u>	<u>21,407,990</u>	<u>2,712,971</u>	<u>48,104,335</u>	<u>4,777,186</u>
Net Position - End of Year	<u>\$ 24,818,202</u>	<u>\$ 21,904,849</u>	<u>\$ 3,601,753</u>	<u>\$ 50,324,804</u>	<u>\$ 6,450,133</u>

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

TOWN OF WESTERLY, RHODE ISLAND

VII

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities			Total	Governmental
	Enterprise Funds				Activities
	Water Fund	Sewer Fund	Transfer Station Fund		Internal Service Fund
Cash Flows from Operating Activities					
Cash received from customers	\$ 4,942,131	\$ 4,102,096	\$ 4,739,026	\$ 13,783,253	\$ 9,654,095
Cash received from other operating services	559,296	806,825	1,373	1,367,494	--
Cash payments to suppliers for goods and services	(2,479,655)	(2,886,091)	(2,837,965)	(8,203,711)	(9,877,595)
Cash payments to employees for services	(2,324,825)	(618,993)	(838,688)	(3,782,506)	--
Cash payments of administrative expenses	--	--	--	--	(29,343)
Net Cash Provided by (Used in) Operating Activities	<u>696,947</u>	<u>1,403,837</u>	<u>1,063,746</u>	<u>3,164,530</u>	<u>(252,843)</u>
Cash Flows from Non-Capital Financing Activities					
Interfund borrowings	212,495	(169,096)	--	43,399	--
Transfers from other funds	74,025	147,937	--	221,962	--
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>286,520</u>	<u>(21,159)</u>	<u>--</u>	<u>265,361</u>	<u>--</u>
Cash Flows from Capital and Related Financing Activities					
Principal paid on bonds, notes and loans	(215,360)	(267,000)	(267,997)	(750,357)	--
Additions to capital assets	(869,520)	--	(6,075)	(875,595)	--
Interest paid on bonds, notes and loans	(106,986)	(22,095)	(15,089)	(144,170)	--
Net Cash (Used in) Capital and Related Financing Activities	<u>(1,191,866)</u>	<u>(289,095)</u>	<u>(289,161)</u>	<u>(1,770,122)</u>	<u>--</u>
Cash Flows from Investing Activities					
Investment income	874	--	--	874	--
Net Cash Provided by Investing Activities	<u>874</u>	<u>--</u>	<u>--</u>	<u>874</u>	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(207,525)</u>	<u>1,093,583</u>	<u>774,585</u>	<u>1,660,643</u>	<u>(252,843)</u>
Cash and Cash Equivalents - Beginning of Year	<u>4,390,894</u>	<u>4,937,657</u>	<u>1,606,404</u>	<u>10,934,955</u>	<u>2,043,672</u>
Cash and Cash Equivalents - End of Year	<u>\$ 4,183,369</u>	<u>\$ 6,031,240</u>	<u>\$ 2,380,989</u>	<u>\$ 12,595,598</u>	<u>\$ 1,790,829</u>
Unrestricted cash and cash equivalents, per statement of net position	\$ 4,183,369	\$ 6,000,985	\$ 2,380,989	\$ 12,565,343	\$ 1,790,829
Restricted cash and cash equivalents, per statement of net position	--	30,255	--	30,255	--
Total Cash and Cash Equivalents, Per Statement of Net Position	<u>\$ 4,183,369</u>	<u>\$ 6,031,240</u>	<u>\$ 2,380,989</u>	<u>\$ 12,595,598</u>	<u>\$ 1,790,829</u>

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

TOWN OF WESTERLY, RHODE ISLAND

VII (Continued)

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Water Fund	Sewer Fund	Transfer Station Fund	Total Enterprise Funds	Internal Service Fund
	<hr/>				
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating income	\$ 789,027	\$ 364,061	\$ 887,536	\$ 2,040,624	\$ 1,672,947
Adjustments to Reconcile Operating Income to Net Cash (Used in) Provided by Operating Activities					
Depreciation and amortization	557,336	722,212	211,424	1,490,972	--
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable and accrued revenue	(253,831)	177,312	144,231	67,712	--
(Increase) decrease in inventories	(65,906)	(1,771)	--	(67,677)	--
(Increase) decrease in prepaid items	--	--	604	604	(1,192,456)
Increase (decrease) in accounts payable and accrued expenses	(329,679)	135,165	(177,660)	(372,174)	--
Increase (decrease) in claims payable	--	--	--	--	(733,334)
Increase (decrease) in unearned revenues	--	6,858	(2,389)	4,469	--
Total Adjustments	<u>(92,080)</u>	<u>1,039,776</u>	<u>176,210</u>	<u>1,123,906</u>	<u>(1,925,790)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 696,947</u>	<u>\$ 1,403,837</u>	<u>\$ 1,063,746</u>	<u>\$ 3,164,530</u>	<u>\$ (252,843)</u>

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

TOWN OF WESTERLY, RHODE ISLAND

VIII

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023

	Pension Benefit Trust Fund	Other Employee Benefit Trust Fund	Custodial Funds	Private Purpose Trust Funds
Assets				
Cash equivalents	\$ 786,690	\$ 386,275	\$ 65,136	\$ 8
Investments, at fair value	46,134,298	7,805,718	4,452	221,533
Receivables:				
Other	<u>109,197</u>	<u>26,030</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 47,030,185</u>	<u>\$ 8,218,023</u>	<u>\$ 69,588</u>	<u>\$ 221,541</u>
Liabilities				
Other payable	<u>\$ --</u>	<u>\$ 211,728</u>	<u>\$ --</u>	<u>\$ 19,677</u>
Total Liabilities	<u>--</u>	<u>211,728</u>	<u>--</u>	<u>19,677</u>
Net Position				
Restricted for employee benefits	47,030,185	8,006,295	--	--
Restricted for other organizations	--	--	69,588	--
Restricted for individuals	<u>--</u>	<u>--</u>	<u>--</u>	<u>201,864</u>
Total Liabilities and Net Position	<u>\$ 47,030,185</u>	<u>\$ 8,218,023</u>	<u>\$ 69,588</u>	<u>\$ 221,541</u>

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

TOWN OF WESTERLY, RHODE ISLAND

IX

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Pension Benefit Trust Fund	Other Employee Benefit Trust Fund	Custodial Funds	Private Purpose Trust Funds
Additions				
Contributions:				
Employer	\$ 1,945,900	\$ 1,109,481	\$ --	\$ --
Plan members	531,605	--	--	--
Total Contributions	<u>2,477,505</u>	<u>1,109,481</u>	<u>--</u>	<u>--</u>
Investment Income				
Net increase in fair value of investments	4,267,281	535,357	--	--
Interest and dividends	954,128	197,482	246	11,145
Other	--	--	8,245	--
Total Investment Income	<u>5,221,409</u>	<u>732,839</u>	<u>8,491</u>	<u>11,145</u>
Total Additions	<u>7,698,914</u>	<u>1,842,320</u>	<u>8,491</u>	<u>11,145</u>
Deductions				
Benefits paid	3,172,603	--	--	--
Police health	--	956,463	--	--
Administrative and other expenses	87,262	55,532	--	3,950
Total Deductions	<u>3,259,865</u>	<u>1,011,995</u>	<u>--</u>	<u>3,950</u>
Change in Net Position	4,439,049	830,325	8,491	7,195
Net Position Restricted for Employee Benefits, Individuals, and Other Organizations - Beginning of Year	<u>42,591,136</u>	<u>7,175,970</u>	<u>61,097</u>	<u>194,669</u>
Net Position Restricted for Employee Benefits, Individuals, and Other Organizations - End of Year	<u>\$ 47,030,185</u>	<u>\$ 8,006,295</u>	<u>\$ 69,588</u>	<u>\$ 201,864</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

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

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

BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS

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

The Town reports the following major governmental funds:

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

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

The \$9,000,000 Bond Fund is used to account for projects funded by the RIIB Municipal Road and Bridge Program. This project will use funds as part of the Town's street pavement improvement program.

The American Rescue Plan Fund is used to account for projects funded by the Federal American Rescue Plan. The Town will use funds to invest in small businesses, infrastructure and health care.

The Town reports the following major proprietary funds:

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

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

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS (CONTINUED)

Additionally, the Town reports the following fund types:

The *Internal Service Funds* are used to account for the Town's self-insurance program for medical and dental health insurance coverage for persons covered by the health benefit plan of the Town.

The *Special Revenue Funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The Town's major special revenue fund is the School Department, which provides primary education to the Town's children.

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

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

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

The *Custodial Funds* account for assets held by the Town as agent for various organizations for construction deposits held in escrow and for unclaimed probate estate assets.

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS (CONTINUED)

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

The proprietary, trust funds, private purpose trust funds and custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting.

ASSETS, LIABILITIES AND EQUITY

Cash and Cash Equivalents

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

Investments

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

Prepaid Items

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

Inventories

Inventories are valued at stated cost using the first-in, first-out (FIFO) method of valuation. Inventory is generally recorded as expenditures/expenses when consumed.

Unbilled Services Receivable

Water and sewer revenue is recorded when earned. Customers are billed semi-annually and some commercial customers are billed quarterly. The estimated value of services provided but unbilled at June 30, 2023 is recorded as an accounts receivable in the water and sewer funds.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Capital Assets

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

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

The Town reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. At June 30, 2023, there were no impairment losses recognized for long-lived assets.

Excluding land and construction in progress, depreciation of all exhaustible capital assets is recorded, as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This section represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until then. The Town reports advance property tax collections in the Government-wide statement of net position and in the governmental funds balance sheet. The Town also reports deferred inflows of resources related to pensions and leases in the Government-wide statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions, or other inputs. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). A deferred inflow related to leases results from differences between amortization of revenue and interest over the life of the lease. In addition, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, other Town billings and solid waste management receivables. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

Leases (As Lessor and Lessee)

Lessor

The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental fund and proprietary fund financial statements. At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Town uses its estimated incremental borrowing rate as the discount rate for leases where a stated rate is not present. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Lessee

The Town recognizes a lease asset and liability in the government-wide and proprietary fund financial statements. At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be paid during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The Town uses its estimated incremental borrowing rate as the discount rate for leases where a stated rate is not present. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability is composed of fixed payments to the lessor. The Town monitors changes in circumstances that would require a remeasurement of its lease asset and liability, and will remeasure the lease asset and receivable if certain changes occur that are expected to significantly affect the amount of the lease liability.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Equity

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

This represents amounts constrained for a specific purpose imposed by formal action of the Town's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Town Council is the highest level of decision-making authority and utilizes Town Ordinances or resolution as a formal procedure to commit fund balance.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Equity (Continued)

Assigned Fund Balance

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

Unassigned Fund Balance

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

Fund Balance Policies

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

REVENUE AND EXPENDITURES/EXPENSES

Program Revenues

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE AND EXPENDITURES/EXPENSES (CONTINUED)

Property Taxes

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

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

Compensated Absences

Vacation and Sick Leave

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

Net Pension Liability/Asset

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE AND EXPENDITURES/EXPENSES (CONTINUED)

Net OPEB Liability

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

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

ACCOUNTING ESTIMATES

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

ADOPTION OF ACCOUNTING STANDARD

In fiscal year 2023, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability, (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This pronouncement had no impact on the financial statements of the Town.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENTLY ISSUED ACCOUNTING STANDARDS

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

GASB Statement No. 100 – *Accounting for Changes and Error Corrections*, effective for the Town’s fiscal year ending June 30, 2024.

GASB Statement No. 101 – *Compensated Absences*, effective for the Town’s fiscal year ending June 30, 2025.

Management will assess the impact of each of these statements on the financial statements.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

BUDGETARY INFORMATION (CONTINUED)

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

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

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

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

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2023, expenditures exceeded appropriations in the following categories:

Municipal Court	\$	2,376
Public Works Administration	\$	1,506
School Debt Service	\$	90

The excess of expenditures over appropriations will be offset by additional revenues or transfers.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 3 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

DEPOSITS

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

Deposits Custodial Credit Risk

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

As of June 30, 2023, the Town's entire bank balance of \$54,278,907 was covered by either FDIC insurance or collateral held in the Town's name.

CASH EQUIVALENTS

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. As of June 30, 2023, the Town held \$2,139,871 in money market funds that are considered to be cash equivalents.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4 - INVESTMENTS

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

As of June 30, 2023, the Town held the following investments:

	Investment Maturities (Years)				
	Fair Value	Less Than 1	1 - 3	3 - 5	5 or Later
Municipal Bonds	\$ 2,213,475	\$ --	\$ 393,839	\$ 241,010	\$ 1,578,626
Interest-bearing investments:					
Certificate of Deposit*	1,936,876	571,254	633,423	442,433	289,766
U.S. Government Agencies	954,778	--	23,700	342,944	588,134
Corporate Bonds	<u>8,258,817</u>	<u>1,380,567</u>	<u>2,203,394</u>	<u>1,506,009</u>	<u>3,168,847</u>
Sub-Total	<u>11,150,471</u>	<u>1,951,821</u>	<u>2,860,517</u>	<u>2,291,386</u>	<u>4,046,747</u>
Total	<u>\$ 13,363,946</u>	<u>\$ 1,951,821</u>	<u>\$ 2,860,517</u>	<u>\$ 2,291,386</u>	<u>\$ 4,046,747</u>
Other investments					
Fixed Income	2,050,918				
Mutual Funds	8,909,837				
Common Stock	<u>29,843,120</u>				
Total Investments	<u>\$ 54,167,821</u>				

* Subject to coverage by the FDIC and financial institution collateralization

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4 - INVESTMENTS (CONTINUED)

Presented below is the credit rating of each investment type:

Average Rating	Corporate Bonds	U.S. Government Agencies	Certificate of Deposit	Municipal Bonds
Aaa	\$ 527,829	\$ 954,778	\$ --	\$ 420,048
Aa1	--	--	--	371,283
Aa2	--	--	--	161,592
Aa3	239,669	--	--	330,019
A1	2,362,651	--	--	182,346
A2	2,179,676	--	--	--
A3	1,645,217	--	--	--
Unrated	<u>1,303,775</u>	<u>--</u>	<u>1,936,876</u>	<u>748,187</u>
	<u>\$ 8,258,817</u>	<u>\$ 954,778</u>	<u>\$ 1,936,876</u>	<u>\$ 2,213,475</u>

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2023:

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4 - INVESTMENTS (CONTINUED)

	Fair Value Measurements			
	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Agencies	\$ 954,778	\$ --	\$ 954,778	\$ --
Corporate Bonds	8,258,817	--	8,258,817	--
Municipal Bonds	2,213,475	--	2,213,475	--
Fixed Income	2,050,918	2,050,918	--	--
Common Stock	29,843,120	29,843,120	--	--
Mutual Funds	8,909,837	8,909,837	--	--
Total Investments by Fair Value Level	52,230,945	<u>\$ 40,803,875</u>	<u>\$ 11,427,070</u>	<u>\$ --</u>
Investments not included above:				
Certificate of Deposit	<u>1,936,876</u>			
Total Investments		<u>\$ 54,167,821</u>		

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

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town has made it a practice to limit the maturities on General Fund investments to sixty (60) days or less. Information about the exposure of the Town's securities to the risk are presented in the table on page 42.

Credit Risk

State law limits investments in U.S. Treasury bills, U.S. Treasury notes and bonds, U.S. Agency obligations, certificates of deposit, repurchase agreements, commercial paper, money market mutual funds and money market mutual funds. The Town has no investment policy that would further limit its investment choices. The ratings for the Town's investments are presented in the table on page 43.

Concentration of Credit Risk

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

Custodial Credit Risk

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 5 - RECEIVABLES

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

	General	School Restricted Fund	Water	Sewer	Transfer Station	Nonmajor and Other Funds	Total
Receivables:							
Property taxes	\$ 945,785	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 945,785
Accounts	--	--	2,017,363	1,349,006	317,176	--	3,683,545
Other receivable	688,725	35,724	--	117,921	22,310	27,812	892,492
Intergovernmental	<u>164,015</u>	<u>1,947,813</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>49,962</u>	<u>2,161,790</u>
Gross receivables	1,798,525	1,983,537	2,017,363	1,466,927	339,486	77,774	7,683,612
Less allowance for uncollectables	<u>(614,981)</u>	<u>--</u>	<u>(70,439)</u>	<u>(36,974)</u>	<u>(60,382)</u>	<u>--</u>	<u>(782,776)</u>
Net Total Receivables	<u>\$ 1,183,544</u>	<u>\$ 1,983,537</u>	<u>\$ 1,946,924</u>	<u>\$ 1,429,953</u>	<u>\$ 279,104</u>	<u>\$ 77,774</u>	<u>\$ 6,900,836</u>

Receivables of \$510,921 related to accrued interest on property taxes are included in the Government-wide statement of net position but not included in the table above.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2023 is as follows:

<u>Payable Fund</u>	<u>Amount</u>
Internal Service Fund	\$ 44,386
Nonmajor Governmental Funds	864,966
School Restricted Fund	2,078,977
General Fund	236,692
\$9,000,000 Bond Fund	511,836
Enterprise Fund	706,339
	<u>\$ 4,443,196</u>

<u>Receivable Fund</u>	<u>Amount</u>
General Fund	\$ 4,443,196
	<u>\$ 4,443,196</u>

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

INTERFUND TRANSFERS

The composition of interfund transfers for the year ended June 30, 2023 is as follows:

<u>Fund</u>	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General Fund	\$ 130,629	\$ 779,420
School Restricted Fund	440,593	--
Non-Major Governmental Funds	--	13,764
Enterprise Funds	221,962	--
	<u>\$ 793,184</u>	<u>\$ 793,184</u>

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7 - CAPITAL ASSETS AND LEASE LIABILITIES

Capital assets activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 19,204,411	\$ --	\$ --	\$ --	19,204,411
Construction in progress	<u>2,756,214</u>	<u>7,316,622</u>	<u>115,944</u>	<u>(4,462,992)</u>	<u>5,493,900</u>
Total capital assets not being depreciated	<u>21,960,625</u>	<u>7,316,622</u>	<u>115,944</u>	<u>(4,462,992)</u>	<u>24,698,311</u>
Capital assets being depreciated:					
Land improvements	8,873,383	154,130	--	--	9,027,513
Buildings and improvements	120,812,385	31,922	--	--	120,844,307
Motor vehicles	11,642,645	1,144,646	393,120	--	12,394,171
Machinery, equipment and furniture	8,493,690	1,102,532	431,835	--	9,164,387
Software	130,000	--	--	--	130,000
Infrastructure	105,562,175	3,337,027	--	--	108,899,202
Right-of-use lease assets	<u>360,342</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>360,342</u>
Total capital assets being depreciated	<u>255,874,620</u>	<u>5,770,257</u>	<u>824,955</u>	<u>--</u>	<u>260,819,922</u>
Less Accumulated Depreciation for:					
Land improvements	3,928,805	308,048	--	--	4,236,853
Buildings and improvements	56,020,717	3,389,828	--	--	59,410,545
Motor vehicles	6,666,157	948,472	393,120	--	7,221,509
Machinery, equipment and furniture	5,731,293	872,532	423,033	--	6,180,792
Software	130,000	--	--	--	130,000
Infrastructure	31,945,322	1,996,484	--	--	33,941,806
Right-of-use lease assets	<u>62,408</u>	<u>81,050</u>	<u>--</u>	<u>--</u>	<u>143,458</u>
Total accumulated depreciation	<u>104,484,702</u>	<u>7,596,414</u>	<u>816,153</u>	<u>--</u>	<u>111,264,963</u>
Total capital assets being depreciated, net	<u>151,389,918</u>	<u>(1,826,157)</u>	<u>8,802</u>	<u>--</u>	<u>149,554,959</u>
Governmental Activities Capital Assets, Net	<u>\$ 173,350,543</u>	<u>\$ 5,490,465</u>	<u>\$ 124,746</u>	<u>\$ (4,462,992)</u>	<u>\$ 174,253,270</u>

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

Governmental Activities	
Legislative, judicial and general administrative	\$ 425,053
Public Works	2,670,644
Public Safety	475,176
Planning and zoning	8,257
Parks and recreation	181,419
Animal Shelter	47,787
Education	<u>3,788,078</u>
Total	<u>\$ 7,596,414</u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7 - CAPITAL ASSETS AND LEASE LIABILITIES (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 5,931,635	\$ --	\$ --	\$ --	\$ 5,931,635
Construction in progress	1,336,202	1,158,714	--	(1,336,202)	1,158,714
Total capital assets not being depreciated/amortize	<u>7,267,837</u>	<u>1,158,714</u>	<u>--</u>	<u>(1,336,202)</u>	<u>7,090,349</u>
Capital assets being depreciated/amortized					
Buildings and improvements	25,044,829	95,953	--	--	25,140,782
Mains, wells, pumps and hydrants	23,883,658	1,362,546	--	--	25,246,204
Tanks and structures	14,635,378	--	--	--	14,635,378
Machinery and equipment	5,920,791	65,224	173,640	--	5,812,375
Odor control plant	1,024,302	--	--	--	1,024,302
Right-of-use lease assets	--	115,000	--	--	115,000
Total capital assets being depreciated/amortized	<u>70,508,958</u>	<u>1,638,723</u>	<u>173,640</u>	<u>--</u>	<u>71,974,041</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements	15,102,850	461,791	--	--	15,564,641
Mains, wells, pumps and hydrants	9,070,787	445,917	--	--	9,516,704
Tanks and structures	6,647,955	190,360	--	--	6,838,315
Machinery and equipment	3,770,888	369,904	164,891	--	3,975,901
Odor control plant	1,024,302	--	--	--	1,024,302
Right-of-use lease assets	--	23,000	--	--	23,000
Total Accumulated Depreciation/Amortization	<u>35,616,782</u>	<u>1,490,972</u>	<u>164,891</u>	<u>--</u>	<u>36,942,863</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>34,892,176</u>	<u>147,751</u>	<u>8,749</u>	<u>--</u>	<u>35,031,178</u>
Business-Type Activities Capital Assets, Net	<u>\$ 42,160,013</u>	<u>\$ 1,306,465</u>	<u>\$ 8,749</u>	<u>\$ (1,336,202)</u>	<u>\$ 42,121,527</u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7 - CAPITAL ASSETS AND LEASE LIABILITIES (CONTINUED)

Depreciation and amortization was charged to the following business-type activities:

Business-type activities:	
Water	\$ 557,336
Sewer	722,212
Transfer Station	211,424
Total	\$ 1,490,972

LEASE LIABILITIES

The Town has entered into various lease agreements as lessee for financing the acquisition of vehicles, equipment, and land improvements valued at \$11,361,643. The depreciable assets have a three to twenty-year useful life. For the year ended June 30, 2023, \$1,098,954 was included in depreciation expense. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023 are as follows:

Year Ending June 30,	Governmental Activities Principal	Governmental Activities Interest	Business Activities Principal	Business Activities Interest
2024	\$ 1,185,776	\$ 92,390	\$ 389,836	\$ 86,325
2025	589,368	45,649	245,953	71,009
2026	345,678	21,313	255,937	61,025
2027	155,224	8,129	192,931	50,625
2028	75,804	1,745	163,690	42,310
Thereafter	--	--	893,878	107,941
Total minimum lease payments	\$ 2,351,850	\$ 169,226	\$ 2,142,225	\$ 419,235

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7 - CAPITAL ASSETS AND LEASE LIABILITIES (CONTINUED)

RIGHT OF USE ASSETS AND RECEIVABLES – GASB 87

The Town has entered into various leases as the lessee and lessor for property such as copiers, sewer facilities and parking facilities.

GOVERNMENTAL ACTIVITIES – LESSEE

Annual requirements to amortize the lease liability and related interest are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 80,986	\$ 1,046
2025	81,433	599
2026	35,394	246
2027	17,460	40
Total	<u>\$ 215,273</u>	<u>\$ 1,931</u>

GOVERNMENTAL ACTIVITIES – LESSOR

Future payments due to the Town under non-cancelable agreements are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 22,782	\$ 218
2025	24,886	114
Total	<u>\$ 47,668</u>	<u>\$ 332</u>

In December 2021, the Town entered into a 25-year land lease as the lessor in which the lease payment was paid in a lump sum of \$3,000,000. The Town will amortize the lease straight-line over the 25-year term. At June 30, 2023 total deferred inflows related to leases is \$2,865,991.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7 - CAPITAL ASSETS AND LEASE LIABILITIES (CONTINUED)

BUSINESS-TYPE ACTIVITIES – LESSEE

Annual requirements to amortize the lease liability and related interest are as follows:

Years Ending June 30,	Principal	Interest
2024	\$ 20,343	\$ 5,476
2025	21,592	4,227
2026	22,918	2,901
2027	24,325	1,494
Total	<u>\$ 89,178</u>	<u>\$ 14,098</u>

BUSINESS-TYPE ACTIVITIES – LESSOR

Future payments due to the sewer fund under non-cancelable agreements are as follows:

Years Ending June 30,	Principal	Interest
2024	\$ 13,414	\$ 1,786
2025	13,477	1,723
2026	13,540	1,660
2027	13,604	1,596
2028	14,239	1,531
Thereafter	<u>316,796</u>	<u>15,182</u>
Total	<u>\$ 385,070</u>	<u>\$ 23,478</u>

CONSTRUCTION COMMITMENTS

The Town has active construction projects as of June 30, 2023. The projects include renovations to public buildings and various demolition and remediation projects.

Interest costs incurred and charged to expense for projects totaled \$2,193,928. No interest costs were capitalized as of June 30, 2023.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7 - CAPITAL ASSETS AND LEASE LIABILITIES (CONTINUED)

CONSTRUCTION COMMITMENTS (CONTINUED)

The following is a summary of significant capital projects as of **June 30, 2023**:

<u>Project</u>	<u>Project Authorization</u>	<u>Expenditures to June 30, 2023</u>
FY22 Town Road Paving, Drainage & Reconstruction	9,000,000	5,941,065
Waterline Replacement	2,000,000	1,351,848
School Capital Projects	2,000,000	853,688

Expenditures in excess of project authorization were covered within the Town's capital or restricted budget or by grants for the year ended June 30, 2023.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 8 - FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2023 are as follows:

	General Fund	School Restricted Fund	\$9.0 Million Bond Fund	Nonmajor Governmental Fund	Total
Fund balances:					
Nonspendable for:					
Prepaid expenditures and other assets - Town	\$ 7,307,202	\$ --	\$ --	\$ --	\$ 7,307,202
Prepaid expenditures and other assets - Schools	1,352,164	7,828	--	--	1,359,992
Restricted for:					
Educational programs	4,812,992	376,515	--	--	5,189,507
School nutrition program	--	--	--	201,108	201,108
Animal shelter	--	--	--	11,860	11,860
Historical records preservation grant	--	--	--	160,560	160,560
Public safety grant programs	--	--	--	349,643	349,643
Health and welfare grant programs	--	--	--	224,632	224,632
RIIB Refunding	--	--	--	417,346	417,346
Road improvement projects	--	--	806,551	145	806,696
Other capital projects	--	--	--	2,569	2,569
Committed for:					
Town capital projects	203,939	--	--	2,914,854	3,118,793
Educational programs	1,236,200	--	--	--	1,236,200
Revaluation	10,052	--	--	--	10,052
K-9 donations program	2,551	--	--	--	2,551
Permanent neighbor fund	--	--	--	1,651	1,651
Honor roll fund	--	--	--	1,330	1,330
Class of 1886	--	--	--	1,825	1,825
Unassigned	18,137,219	--	--	--	18,137,219
Total Fund Balances	\$ 33,062,319	\$ 384,343	\$ 806,551	\$ 4,287,523	\$ 38,540,736

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM LIABILITIES

CHANGES IN LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities for the year ended June 30, 2023 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities					
Bonds and loans payable					
General obligation bonds	\$ 59,749,000	\$ --	\$ 7,282,000	\$ 52,467,000	\$ 7,338,000
Loan payable	9,351,000	--	--	9,351,000	--
Premium on bond issuance	<u>3,629,561</u>	<u>--</u>	<u>504,606</u>	<u>3,124,955</u>	<u>504,606</u>
Total bonds and notes payable	72,729,561	--	7,786,606	64,942,955	7,842,606
Right-of-use lease liability	295,814	--	80,541	215,273	80,896
Finance lease liability	2,639,387	1,060,564	1,348,101	2,351,850	1,185,776
Compensated absences	1,669,465	165,542	--	1,835,007	367,002
Net Pension liability	47,558,697	3,792,520	2,256,131	49,095,086	--
Net OPEB liability	<u>11,711,067</u>	<u>182,962</u>	<u>--</u>	<u>11,894,029</u>	<u>--</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 136,603,991</u>	<u>\$ 5,201,588</u>	<u>\$ 11,471,379</u>	<u>\$ 130,334,200</u>	<u>\$ 9,476,280</u>
Business-Type Activities					
Loans payable	\$ 1,489,300	\$ --	\$ 267,000	\$ 1,222,300	\$ 270,000
General obligation bonds	1,700,000	--	55,000	1,645,000	60,000
Premium on bond issuance	323,853	--	16,679	307,173	9,729
Right-of-use lease liability	--	115,000	25,819	89,181	20,343
Finance lease liability	2,214,289	330,701	402,765	2,142,225	389,837
Compensated absences	<u>215,533</u>	<u>61,633</u>	<u>--</u>	<u>277,166</u>	<u>55,433</u>
Total Business-Type Activities					
Long-Term Liabilities	<u>\$ 5,942,975</u>	<u>\$ 507,334</u>	<u>\$ 767,263</u>	<u>\$ 5,683,045</u>	<u>\$ 805,342</u>

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

GENERAL OBLIGATION BONDS

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. These bonds generally are issued as serial bonds with equal or varying amounts of principal maturing each year with maturities that range from 15 to 20 years. General obligation bonds outstanding at June 30, 2023 are as follows:

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

GENERAL OBLIGATION BONDS (CONTINUED)

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2023
Governmental Activities					
General obligation bonds:					
Refunding bonds - 2012 Series C	07/03/12	10/15/23	2.07-3.0%	\$ 1,290,000	\$ 115,000
Refunding bonds - 2012 Series A	06/04/14	07/01/26	3.0-5.0%	15,890,000	6,010,000
General obligation bond, 2015 Series A	04/15/15	04/15/35	2.0-3.25%	6,000,000	3,840,000
SRF Revenue Bonds 2016B	07/08/16	09/01/32	0.77-2.07%	1,350,000	932,000
Refunding bonds - 2017 Series A	07/19/17	09/15/27	2.0-4.0%	3,890,000	1,855,000
General obligation efficient building bond	12/28/17	09/01/32	0.77-2.07%	250,000	174,000
2019 RIIB Road and Bridge Bond	05/02/19	09/01/38	1.56-3.62%	15,000,000	13,279,000
2020 RIIB Stormwater Bond	05/05/20	09/01/24	0.70-0.94%	1,000,000	804,000
Refunding bonds - 2021 Series E	06/22/21	04/01/31	3.0-5.0%	11,205,000	8,865,000
2021 RIIB Road and Bridge Bond	09/29/21	09/01/41	0.15-3.18%	9,000,000	8,593,000
2021B GO Refunding Bonds	11/23/21	11/15/31	0.57-1.70%	8,175,001	8,000,000
Total General Obligation Bonds				<u>73,050,001</u>	<u>52,467,000</u>
Loans:					
High school renovation loans	06/15/10	04/01/27	5.75%	3,855,000	3,855,000
High school renovation loans	12/02/10	04/01/27	6.29%	5,496,000	5,496,000
Total Loans				<u>29,996,000</u>	<u>9,351,000</u>
Total Governmental activities				<u>103,046,001</u>	<u>61,818,000</u>
Business-Type Activities					
General obligations bonds					
General obligation bond, 2021 Series A	11/23/21	11/15/32	0.85-2.04%	1,700,000	1,645,000
Loans Payable:					
Westerly Sewer Fund:					
RICWFA 04 SRF	12/16/04	09/01/25	1.37-1.55%	1,724,300	262,300
Sewer improvement bonds 2018	04/25/18	09/01/27	1.01-1.83%	1,664,000	960,000
Total loans payable				<u>3,388,300</u>	<u>1,222,300</u>
Total Outstanding				<u>\$ 108,134,301</u>	<u>\$ 64,685,300</u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

GENERAL OBLIGATION BONDS (CONTINUED)

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

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

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

	Governmental Activities		Loans Principal	Loan		Total
	Principal	Interest		Principal	Interest	
2024	\$ 7,338,000	\$ 1,216,119	\$ -	\$ 567,141	\$ 9,121,260	
2025	7,243,000	1,060,284	--	567,141	8,870,425	
2026	5,050,000	906,932	--	567,141	6,524,073	
2027	4,407,000	754,716	9,351,000	1,134,282	15,646,998	
2028	3,602,000	658,588	--	--	4,260,588	
2029-2033	14,071,000	1,975,649	--	--	16,046,649	
2034-2038	7,725,000	720,233	--	--	8,445,233	
2039-2042	3,031,000	97,079	--	--	3,128,079	
Total	<u>\$ 52,467,000</u>	<u>\$ 7,389,600</u>	<u>\$ 9,351,000</u>	<u>\$ 2,835,705</u>	<u>\$ 72,043,305</u>	

LOANS PAYABLE

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

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

LEGAL DEBT MARGIN

The Town's legal debt margin as set forth by State Statute is limited to 3% of total taxable assessed value, which amounts to \$239,031,682. As of June 30, 2023, the Town's debt subject to the legal debt margin is \$29,264,194 and the Town is under the debt limit by \$209,767,488. The debt subject to the debt limitation is based on the type of debt that is issued.

AUTHORIZED BUT UNISSUED BOND AUTHORITY

The Town has remaining authorized but unissued bond authority of \$2,120,000. The unissued bond authority is as follows:

Chapter/Section	Year	Description	Original Authorization	Bonds Issued	BANs Outstanding	Remaining Authority
RI General Laws 45-12-2	2020	Wastewater	\$ 1,550,000	\$ --	\$ --	\$ 1,550,000
RI Local Acts 06/07	2021	School	2,000,000	1,730,000	--	270,000
RI Local Acts 09/10	2021	Road and Water	11,000,000	10,700,000	--	300,000
		Total	<u>\$ 14,550,000</u>	<u>\$ 12,430,000</u>	<u>\$ --</u>	<u>\$ 2,120,000</u>

NOTE 10 - PENSION PLANS

EMPLOYEES' RETIREMENT SYSTEM (ERS) – DEFINED BENEFIT PLAN

General Information about the Pension Plan

Plan Description

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

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

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

Benefit Provisions

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

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

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

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

At June 30, 2023, the Westerly School Department reported a liability of \$34,322,991 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Westerly School Department as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the School were as follows:

Westerly School Department proportionate share of the net pension liability	\$ 34,322,991
State's proportionate share of the net pension liability associated with the Westerly School Department	<u>25,384,263</u>
Total Net Pension Liability	<u><u>\$ 59,707,254</u></u>

The net pension liability was measured as of June 30, 2022, 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, 2021, rolled forward to June 30, 2022. The Westerly School Department proportion of the net pension liability was based on a projection of the Westerly School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2022 the Westerly School Department's proportion was 1.27088347%.

Contributions

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the Plan. For fiscal 2023, the Westerly School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The state and the Westerly School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by the Westerly School Department; the rates were 11.12% and 15.04% of annual covered payroll for the fiscal year ended June 30, 2022, for the State and the Westerly School Department, respectively. The Westerly School Department contributed approximately \$4,135,363, \$4,008,561 and \$3,867,975 for the fiscal years ended June 30, 2023, 2022 and 2021, respectively, equal to 100% of the required contributions for each year. The on-behalf contribution made by the State of Rhode Island for the defined benefit pension plan for the fiscal year ended June 30, 2023 was \$2,669,740. This amount has been included in the Fund Statements (School Unrestricted Fund) as revenue and education expenditures.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

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

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

For the year ended June 30, 2023, the Westerly School Department recognized gross pension expense of \$1,726,091 and revenue of \$798,941 for support provided by the State. At June 30, 2023, the Westerly School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 4,135,363	\$ --
Differences between expected and actual experience	508,361	(667,583)
Changes of assumptions	692,248	(514,593)
Net difference between projected and actual earnings on pension plan investments	5,218,793	(5,936,963)
Changes in proportion and differences between employer contributions and proportionate share of contributions	127,519	(2,956,532)
Total	\$ 10,682,284	\$ (10,075,671)

The \$4,135,363 reported as deferred outflows of resources related to pensions resulting from the School contributions in fiscal year 2023 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2024	\$ (1,156,114)
2025	(1,228,246)
2026	(1,564,465)
2027	660,920
2028	(159,830)
Thereafter	(81,015)
Total	\$ (3,528,750)

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

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

Actuarial Assumptions

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

Inflation	2.5%
Salary increases	3.0% to 13.0%
Investment rate of return	7.0%

Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.

The actuarial assumptions used in the June 30, 2021, valuation rolled forward to June 30, 2022, and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six period ended June 30, 2019 as approved by the System's Board on May 20, 2020..

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 40 sources. The June 30, 2022, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity:		
U.S. Equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
Sub-Total	40.00%	
Private Growth:		
Private Equity	12.50%	9.42%
Non-Core RE	2.50%	4.80%
Sub-Total	15.00%	
Income:		
Equity Options	2.00%	5.25%
EMD (50/50) Blend	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
Sub-Total	12.00%	
Crisis Protection Class:		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
Sub-Total	10.00%	
Inflation Protection:		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
Sub-Total	8.00%	
Volatility Protection:		
IG Corp Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
Sub-Total	15.00%	
Total	100.00%	

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

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

Actuarial Assumptions (Continued)

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

Discount Rate

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

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability	\$ 43,061,012	\$ 34,322,991	\$ 26,383,514

Pension Plan Fiduciary Net Position

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) – DEFINED BENEFIT

General Information about the Pension Plan

Plan Description

The Municipal Employees' Retirement System (MERS) – an agent multiple-employer defined benefit pension plan - provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Law and placed under the management of the Employee's Retirement System of Rhode Island (ERSRI) Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate. Benefit provisions are subject to amendment by the General Assembly.

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at www.ersri.org.

Benefits Provided

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

Salary: Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

Final Average Compensation (FAC): Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three-year FAC as of July 1, 2012 or the five-year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

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

General Employees

Members with less than five years of contributory service as of June 30, 2012, and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age (SSNRA).

Members who had at least five years of contributory service as of June 30, 2012, will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's prior Retirement Date, described below, and the retirement age applicable to members hired after June 30, 2012, as described above. The interpolation is based on service as of June 30, 2012, divided by projected service at the member's prior Retirement Date. The minimum retirement age is 59.

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

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

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

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

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% of the member's monthly FAC for each year of service from July 1, 2012 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.0% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.0% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

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

Other Benefit Provisions

Death and disability benefits are also provided to members. A member is eligible for a disability retirement provided he/she has credit for at least five years of service or if the disability is work-related. Members are not eligible for an ordinary disability benefit if they are eligible for unreduced retirement. Joint and survivor benefit options are available to retirees. For some employees, a Social Security Option is also available where an annuity is paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

Post-retirement benefit increases are paid to members who retire after June 30, 2012. Members will be eligible to receive cost of living increases at the later of the member's third anniversary of retirement and the month following their SSNRA (age 55 for members designated as police officers and/or firefighters). When a municipality elects coverage, it may elect either COLA C (covering only current and future active members and excluding members already retired) or COLA B (covering current retired members as well as current and future active members).

a. The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.

b. Effective July 1, 2015, the COLA is determined based on 50% of The Plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was The Plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%

c. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$27,184 for 2020, \$27,608 for 2021, and \$27,901 for 2022.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

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

Employees Covered by Benefit Terms

At the June 30, 2022, valuation date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	7
Inactive, Nonretired Members	<u>1</u>
Total	<u><u>8</u></u>

Contributions

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$0 in the year ended June 30, 2022. There was no covered annual covered payroll as the Town has no active employees in The Plan.

Net Pension Liability (Asset)

The total pension liability (asset) was determined by actuarial valuations performed as of June 30, 2021, and rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

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

Employees Covered by Benefit Terms (Continued)

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2022 measurement date (June 30, 2021 valuation rolled forward to June 30, 2022)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.25% ; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.50%
Mortality	Mortality – variants of the PUB (10) Tables for Health and Disabled Retirees, projected with Scale Ultimate MP16
Cost of Living Adjustments	All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision.

The actuarial assumptions used in the June 30, 2021, valuation rolled forward to June 30, 2022 and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six year period ended June 30, 2019 as approved by the System's Board on May 22, 2020.

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 40 sources. The June 30, 2022 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

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

Employees Covered by Benefit Terms (Continued)

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity:		
U.S. Equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
Sub-Total	40.00%	
Private Growth:		
Private Equity	12.50%	9.42%
Non-Core RE	2.50%	4.80%
Sub-Total	15.00%	
Income:		
Equity Options	2.00%	5.25%
EMD (50/50) Blend	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
Sub-Total	12.00%	
Crisis Protection Class:		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
Sub-Total	10.00%	
Inflation Protection:		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
Sub-Total	8.00%	
Volatility Protection:		
IG Corp Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
Sub-Total	15.00%	
Total	100.00%	

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

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

Employees Covered by Benefit Terms (Continued)

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

Discount Rate

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

Changes in Net Pension Liabilities

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances as of June 30, 2021:	\$ 685,664	\$ 887,595	\$ (201,931)
Changes for the Year			
Interest on the total pension liability	43,642	--	43,642
Difference between expected and actual experience	75,309	--	75,309
Net investment income	--	(20,768)	20,768
Benefit payments, including employee refunds	(124,425)	(124,425)	--
Administrative expense	--	(708)	708
Net changes	(5,474)	(145,901)	140,427
Balances as of June 30, 2022	\$ 680,190	\$ 741,694	\$ (61,504)

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

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

Changes in Net Pension Liabilities (Continued)

Sensitivity of the Net Pension Liability (Asset) to changes in the discount rate

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability (Asset)	\$ 11,699	\$ (61,504)	\$ (128,053)

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2023, the employer recognized pension expense of \$52,365. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments:	\$ 70,080	\$ (86,707)
Total	<u>\$ 70,080</u>	<u>\$ (86,707)</u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

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

Changes in Net Pension Liabilities (Continued)

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

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2024	\$ (9,540)
2025	(9,594)
2026	(13,197)
2027	15,704
Total	<u>\$ (16,627)</u>

TEACHERS' SURVIVORS BENEFIT PLAN (TSB)

General Information about the Pension Plan

Plan Description

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

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

General Information about the Pension Plan (Continued)

Eligibility and Plan Benefits

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

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

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

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

<u>Highest Annual Salary</u>	<u>Basic Monthly Spouses' Benefit</u>
\$17,000 or less	\$ 825
\$17,001 to \$25,000	\$ 963
\$25,001 to \$33,000	\$ 1,100
\$33,001 to \$40,000	\$ 1,238
\$40,001 and over	\$ 1,375

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

General Information about the Pension Plan (Continued)

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

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

Contributions

The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the Plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$11,500; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits.

The Town contributed \$32,957, \$34,377 and \$33,461 for the fiscal years ended June 30, 2023, 2022 and 2021, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2023, the Westerly School Department reported an asset of \$7,665,664 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2022, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022. The Westerly School Department proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2022 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2022 the Westerly School Department proportion was 4.36220589%.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

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

For the year ended June 30, 2023, the Westerly School Department recognized pension benefit of \$722,261. At June 30, 2023, the Westerly School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 33,556	\$ --
Differences between expected and actual experience	188,378	(987,214)
Changes of assumptions	186,268	(256,756)
Net difference between projected and actual earnings on pension plan investments	1,614,489	(1,791,783)
Changes in proportion and differences between employer contributions and proportionate share of contributions	628,769	(149,306)
Total	\$ 2,651,460	\$ (3,185,059)

\$33,556 reported as deferred outflows of resources related to pensions resulting from the Westerly School Department contributions in fiscal year 2023 subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent period. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2024	\$ (120,636)
2025	(225,858)
2026	(353,117)
2027	219,487
2028	(79,387)
Thereafter	(7,645)
Total	\$ (567,156)

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

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

Actuarial Assumptions

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

Inflation	2.5%
Salary increases	3.0% to 13.0%
Investment rate of return	7.0%

Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.

Cost of living adjustment – eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment – for valuation purposes, a 2.5% cost of living adjustment is assumed.

The actuarial assumptions used in the June 30, 2021, valuation and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six year period ended June 30, 2019 as approved by the System's Board on May 22, 2020..

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 40 sources. The June 30, 2022, expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

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

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity:		
U.S. Equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
Sub-Total	40.00%	
Private Growth:		
Private Equity	12.50%	9.42%
Non-Core RE	2.50%	4.80%
Sub-Total	15.00%	
Income:		
Equity Options	2.00%	5.25%
EMD (50/50) Blend	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
Sub-Total	12.00%	
Crisis Protection Class:		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
Sub-Total	10.00%	
Inflation Protection:		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
Sub-Total	8.00%	
Volatility Protection:		
IG Corp Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
Sub-Total	15.00%	
Total	100.00%	

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

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

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

Discount Rate

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

Sensitivity of the Net Pension Liability (Asset) to changes in the discount rate

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Asset	\$ (6,729,249)	\$ (7,665,664)	\$ (8,516,452)

Pension Plan Fiduciary Net Position

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN TRUST FUNDS

General Information about the Pension Plan

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

Plan Description and Benefits Provided

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

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN TRUST FUNDS (CONTINUED)

Plan Description and Benefits Provided (Continued)

At July 1, 2021, Plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	54
Terminated plan member entitled to but not yet receiving benefits	3
Active Plan Members	<u>47</u>
Total	<u><u>104</u></u>

Summary of Significant Accounting Policies

Basis of Accounting

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

Method Used to Value Investments

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

Funding Policy

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

Administrative costs of The Plan are financed through investment earnings.

Pension Trust Funds

The Town maintains a police pension trust fund to account for its fiduciary responsibility. The following schedules present the net position held in trust for pension benefits and OPEB Trust at June 30, 2023 and the changes in net position for the year then ended. Included in the Police Pension trust funds are OPEB assets related to a medical subaccount. Those assets are not used to offset the total pension liability.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN TRUST FUNDS (CONTINUED)

Schedule of Plan Net Position

	Police Pension Trust	OPEB Trust	Total
Assets:			
Cash and cash equivalents	\$ 786,690	\$ 386,275	\$ 1,172,965
Investments, at fair value	46,134,298	7,805,718	53,940,016
Other accounts receivables	109,197	26,030	135,227
Total assets	<u>47,030,185</u>	<u>8,218,023</u>	<u>55,248,208</u>
Liabilities:			
Accounts payable and accrued expenses	<u>--</u>	<u>211,728</u>	<u>211,728</u>
Net Position:			
Restricted for Pension and OPEB Benefits	<u>\$ 47,030,185</u>	<u>\$ 8,006,295</u>	<u>\$ 55,036,480</u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN TRUST FUNDS (CONTINUED)

Schedule of Changes in Plan Net Position

	Police Pension Trust	OPEB Trust	Total
Additions:			
Contributions			
Employer	\$ 1,945,900	\$ 1,109,481	\$ 3,055,381
Plan members	<u>531,605</u>	<u>--</u>	<u>531,605</u>
Total Contributions	<u>2,477,505</u>	<u>1,109,481</u>	<u>3,586,986</u>
Net investment income:			
Net appreciation in fair value of investments	4,267,281	535,357	4,802,638
Interest and dividends	<u>954,128</u>	<u>197,482</u>	<u>1,151,610</u>
Total Investment Income	<u>5,221,409</u>	<u>732,839</u>	<u>5,954,248</u>
Total Additions	<u>7,698,914</u>	<u>1,842,320</u>	<u>9,541,234</u>
Deductions:			
Benefits	3,172,603	--	3,172,603
Police retiree health care	--	956,463	956,463
Administration expense	<u>87,262</u>	<u>55,532</u>	<u>142,794</u>
Total Deductions	<u>3,259,865</u>	<u>1,011,995</u>	<u>4,271,860</u>
Changes in Net Position	4,439,049	830,325	5,269,374
Net Position at Beginning of Year	<u>42,591,136</u>	<u>7,175,970</u>	<u>49,767,106</u>
Net Position at End of Year	<u>\$ 47,030,185</u>	<u>\$ 8,006,295</u>	<u>\$ 55,036,480</u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN TRUST FUNDS (CONTINUED)

Investment Policy

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

The following was the Board's adopted asset allocation policy as of June 30, 2023:

Asset Class	Target Allocation
Equity	70.00%
Fixed Income	28.00%
Cash	<u>2.00%</u>
Total	<u><u>100.00%</u></u>

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.03%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN TRUST FUNDS (CONTINUED)

Net Pension Liability

The components of the net pension liability of the Town at June 30, 2023 were as follows:

Total pension liability	\$ 61,802,280
Plan fiduciary net position	<u>(47,030,185)</u>
Total Net Pension Liability	<u>\$ 14,772,095</u>
Plan fiduciary net position as a percentage of the total pension liability	76.10%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement.

Mortality rates were based on the PubS-2010 Public Safety Mortality table with generational improvements from 2010 using scale MP-21, the PubS-2010 Disabled Public Safety Mortality table with generational improvements from 2010 using scale MP-21, and the Continuing Survivor Mortality table with generational improvements from 2010 using scale MP-21.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 (see discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	4.90%
Fixed Income	2.90%
Cash	0.40%

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN TRUST FUNDS (CONTINUED)

Net Pension Liability (Continued)

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

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period June 1, 2010, through June 30, 2020.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2022	\$ 59,619,362	\$ 42,591,136	\$ 17,028,226
Changes for the Year			
Service cost	1,206,400	--	1,206,400
Interest on the total pension liability	4,146,842	--	4,146,842
Difference between expected and actual experience	--	--	--
Changes in assumptions	--	--	--
Employer contributions	--	1,945,900	(1,945,900)
Employee contributions	--	529,852	(529,852)
Net investment income	--	5,133,506	(5,133,506)
Benefit payments, including employee refunds	(3,170,324)	(3,170,324)	--
Other	--	115	(115)
Net changes	2,182,918	4,439,049	(2,256,131)
Balances as of June 30, 2023	\$ 61,802,280	\$ 47,030,185	\$ 14,772,095

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN TRUST FUNDS (CONTINUED)

Net Pension Liability (Continued)

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability	\$ 22,962,238	\$ 14,772,095	\$ 8,068,218

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

For the year ended June 30, 2023, the Town recognized pension expense of \$349,905. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience:	\$ 258,967	\$ (99,624)
Changes in assumption:	127,582	(128,968)
Net difference between projected and actual earnings on pension plan investments:	6,495,168	(4,980,801)
Total	\$ 6,881,717	\$ (5,209,393)

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN TRUST FUNDS (CONTINUED)

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

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

Year Ending June 30,	Net Deferred Outflows of Resources
2024	\$ 510,086
2025	(36,734)
2026	1,647,528
2027	(448,556)
Total	\$ 1,672,324

SUMMARY OF DEFERRED INFLOWS/OUTFLOWS, NET PENSION LIABILITY AND ASSET FOR ALL DEFINED BENEFIT PENSION PLANS

	MERS General Plan	TSB Plan	ERS Teachers Plan	Police Pension Plan	Total
Deferred outflows	\$ 70,080	\$ 2,651,460	\$ 10,682,284	\$ 6,881,717	\$ 20,285,541
Deferred inflows	86,707	3,185,059	10,075,671	5,209,393	18,556,830
Net pension liability	--	--	34,322,991	14,772,095	49,095,086
Net pension asset	61,504	7,665,664	--	--	7,727,168
Pension (expense) benefit	(52,365)	722,261	2,894,481	(349,905)	3,214,472

INTERNATIONAL CITY MANAGEMENT ASSOCIATION (ICMA) PENSION PLAN

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

INTERNATIONAL CITY MANAGEMENT ASSOCIATION (ICMA) PENSION PLAN (CONTINUED)

Employees contribute 6% or more of their qualified salary to a maximum of 25% not to exceed \$30,000. The Town contributes 10% of the qualified salary. Plan provisions and contribution requirements are established and may be amended by the Town Council. The Town's contribution for the years ended June 30, 2023 and 2022 were \$437,164 and \$411,150, respectively.

LABORERS' INTERNATIONAL UNION OF NORTH AMERICA NATIONAL PENSION FUND

Plan Description and Benefits Provided

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

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

Eligibility

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

Benefits

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

Funding Policy

The contribution requirements of the Town and employees are established by contract and may be amended by union negotiation. The Town was required to contribute the following amounts for fiscal year ended June 30, 2023; bus drivers and aides – Employer \$2.74, Employee \$.53 per hour; school maintenance, secretarial and clerical employees - Employer \$3.46, Employee \$.35 per hour; town public works and secretarial employees: Employer: \$2.30, Employee \$1.37 per hour. The Town was also required to contribute \$0.06 per hour to an annuity fund (maximum of \$4,000 annually for School employees).

The total contribution for fiscal years ended June 30, 2023, 2022 and 2021 was \$1,034,741, \$1,016,249 and \$1,022,688, respectively.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 10 - PENSION PLANS (CONTINUED)

SCHOOL DEPARTMENT PENSION PROGRAM

All School Department unaffiliated, classified, appointed employees participate in an agreed-upon 403(b) pension program, which is funded by the School Department. The School Department's contribution is 10% of the qualified employee's salary per year. The employees do not contribute to The Plan. The contributions are made to an eligible plan of the employee's choice. All school employees are eligible by federal law to participate in a payroll deduction tax deferred plan, which must be arranged by a broker or private insurance carrier. Total contributions for the year ended June 30, 2023, were \$216,827.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS

POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description

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

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

Employees Covered by Benefit Terms

As of June 30, 2023, the following employees were covered by the benefit terms:

Retirees	55
Active employees	<u>52</u>
Total	<u><u>107</u></u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Contributions

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

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

Investments

Investment Policy

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

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

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 9.03%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

The targeted investment allocation and expected real rate of return is as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and equivalents	0 - 10%	0.40%
Equities	35 - 75%	14.30%
Fixed income	25 - 50%	6.60%

Total OPEB Liability

The Town's total OPEB liability of \$11,894,029 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date: July 1, 2023

Discount Rate: 7.00%

Payroll Growth: 2.00% per year for general wage inflation plus merit/productivity increases ranging between 2.25% - 13.00% over 0-15 years of service.

Inflation Rate: 2.00% per year

Cost Method: Entry Age Normal Level % Salary

Health Care Trend Rates: 7.5% for 2023, decreasing by 0.5% per year to an ultimate rate of 4.5% for 2032 and later years.

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Changes in Total OPEB Liability

Changes in total OPEB liability for the year ended June 30, 2023 consisted of the following:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2022	\$ 18,887,037	\$ 7,175,970	\$ 11,711,067
Changes for the year:			
Service Cost	179,814	--	179,814
Interest	1,301,769	--	1,301,769
Changes of assumptions	152,270	--	152,270
Differences between expected and actual experience	335,897	--	335,897
Contributions - employer	--	1,109,481	(1,109,481)
Net investment income	--	732,838	(732,838)
Benefit payments	(956,463)	(956,463)	--
Trust administrative expenses	--	(55,531)	55,531
Net Changes	<u>1,013,287</u>	<u>830,325</u>	<u>182,962</u>
Balance at June 30, 2023	<u>\$ 19,900,324</u>	<u>\$ 8,006,295</u>	<u>\$ 11,894,029</u>

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Total OPEB liability	\$ 14,169,257	\$ 11,894,029	\$ 9,985,427

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5% decreasing to 3.5%) or 1-percentage-point higher (8.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.5% Decreasing to 3.5%)	Current Health Care Trend Rates (7.5% Decreasing to 4.5%)	1% Increase (8.5% Decreasing to 5.5%)
Total OPEB liability	\$ 10,013,446	\$ 11,894,029	\$ 14,120,435

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

For the year ended June 30, 2023, the Town recognized OPEB benefit of \$2,490,668 in the Government-wide Statement of Activities. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 484,600	\$ (649,651)
Changes in assumptions	188,517	(1,340,080)
Net difference between projected and actual earnings in OPEB plan investments	344,945	--
Total	\$ 1,018,062	\$ (1,989,731)

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

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

Year Ended June 30,	
2024	\$ (1,670,932)
2025	238,653
2026	408,409
2027	52,201
	<u>\$ (971,669)</u>

NOTE 12 - RISK MANAGEMENT

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. During the ordinary course of its operations, the Town is party to various claims, legal actions and complaints. In the opinion of the Town's management and legal counsel, these matters are not anticipated to have a material financial impact on the Town.

HEALTH FUND

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

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 - RISK MANAGEMENT (CONTINUED)

HEALTH FUND (CONTINUED)

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

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

Fiscal Year	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
2022-23	\$ 1,408,018	\$ 9,144,261	\$ 9,877,595	\$ 674,684
2021-22	\$ 1,194,213	\$ 11,244,014	\$ 11,030,209	\$ 1,408,018

NOTE 13 - TAX ABATEMENTS

The Town of Westerly enters into tax abatement agreements with local businesses under its Economic Development Tax Incentive Program for Commercially Zoned Property. Under the Program, new businesses locating in commercially zoned property with the Town or existing businesses that are expanding may qualify for a tax incentive. At June 30, 2023, the Town did not have any active tax abatement agreements.

NOTE 14 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 1, 2024, which is the date the financial statements were available for issuance.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WESTERLY, RHODE ISLAND

RSI-1

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL – GENERAL FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Revised Budget	Actual	Variance
Revenues				
General property taxes and payments in lieu of taxes	\$ 77,536,403	\$ 77,536,403	\$ 76,228,367	\$ (1,308,036)
Intergovernmental and departmental	16,594,064	16,604,064	19,817,384	3,213,320
Licenses and permits	720,092	720,092	966,861	246,769
Fines and penalties	201,400	201,400	226,314	24,914
Use of property and money	567,000	567,000	1,158,518	591,518
Other revenue	1,936,261	1,936,261	2,287,205	350,944
Total Revenues	<u>97,555,220</u>	<u>97,565,220</u>	<u>100,684,649</u>	<u>3,119,429</u>
Expenditures				
Current:				
Legislative, judicial and general administrative	7,811,178	7,768,569	7,148,314	620,255
Public works	5,598,225	5,707,583	4,803,156	904,427
Public safety	8,729,660	8,755,946	8,372,739	383,207
Health and welfare	1,453,037	1,453,037	1,431,259	21,778
Conservation and development	29,500	29,500	3,566	25,934
Parks and recreation	771,113	771,411	632,255	139,156
Planning	975,838	992,918	964,930	27,988
Capital improvements/restricted programs	3,970,335	3,795,897	755,404	3,040,493
Debt services	11,011,113	11,011,113	11,009,233	1,880
Total Expenditures	<u>40,349,999</u>	<u>40,285,974</u>	<u>35,120,856</u>	<u>5,165,118</u>
Excess of Revenues Over Expenditures				
Before Other Financing Sources	<u>57,205,221</u>	<u>57,279,246</u>	<u>65,563,793</u>	<u>8,284,547</u>
Other Financing Sources (Uses)				
Transfers in	--	--	13,764	13,764
Transfers out - other	(147,937)	(221,962)	(221,962)	--
Transfers out - School unrestricted fund - appropriation	(57,057,284)	(57,057,284)	(57,433,925)	(376,641)
Net Other Financing Sources	<u>(57,205,221)</u>	<u>(57,279,246)</u>	<u>(57,642,123)</u>	<u>(362,877)</u>
Excess of Revenues Over Expenditures and Other Financing Sources				
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 7,921,670</u>	<u>\$ 7,921,670</u>

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-2

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
(NON-GAAP BUDGETARY BASIS) BUDGET AND ACTUAL – GENERAL FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budgeted Revenues	Revised Budgeted Revenues	Actual Revenues	Variance
Property Taxes				
Current property taxes	\$ 72,781,790	\$ 72,781,790	\$ 73,960,625	\$ 1,178,835
Motor vehicle - excise tax	2,493,813	2,493,813	(22,104)	(2,515,917)
Personal property taxes	1,360,800	1,360,800	1,530,781	169,981
Prior year property taxes	550,000	550,000	359,320	(190,680)
Pilot - housing authority	15,000	15,000	15,910	910
Tax interest, lien fees and other	335,000	335,000	383,835	48,835
Total Property Taxes	<u>77,536,403</u>	<u>77,536,403</u>	<u>76,228,367</u>	<u>(1,308,036)</u>
Intergovernmental and Departmental				
State motor vehicle - excise tax phase out	2,889,153	2,889,153	5,765,522	2,876,369
State grant-in-aid - general	3,434,325	3,434,325	2,909,462	(524,863)
State grant-in-aid - library	368,242	368,242	411,306	43,064
State grant-in-aid - school operation	7,997,821	7,997,821	8,374,462	376,641
State grant-in-aid - school housing aid	1,580,523	1,580,523	1,937,668	357,145
Total Intergovernmental and Departmental	<u>16,270,064</u>	<u>16,270,064</u>	<u>19,398,420</u>	<u>3,128,356</u>
Licenses and permits	720,092	720,092	966,861	246,769
Fines and penalties	201,400	201,400	226,314	24,914
Use of property and money	567,000	567,000	1,158,518	591,518
Other revenues	1,936,261	1,936,261	2,287,205	350,944
Recreation	324,000	334,000	418,964	84,964
Total Revenues	<u>97,555,220</u>	<u>97,565,220</u>	<u>100,684,649</u>	<u>3,119,429</u>
Transfers in	--	--	13,764	13,764
Total Revenue and Other Financing Sources	<u>\$ 97,555,220</u>	<u>\$ 97,565,220</u>	<u>\$ 100,698,413</u>	<u>\$ 3,133,193</u>

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-3

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES (NON-GAAP BUDGETARY BASIS) BUDGET AND ACTUAL – GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Legislative, Judicial and General Administrative				
Legislative				
Town council	\$ 65,786	\$ 65,786	\$ 59,951	\$ 5,835
Finance board	2,000	2,000	378	1,622
Judicial				
Legal Services	501,724	501,724	443,812	57,912
Probate Court	99,911	99,911	90,530	9,381
Municipal Court	89,722	94,447	96,823	(2,376)
Administrative				
Board of canvassers	169,240	174,708	148,817	25,891
Town clerk	388,878	385,758	328,757	57,001
Town manager	519,197	411,905	385,068	26,837
Finance department	646,908	677,160	566,753	110,407
Assessment Administration	358,078	365,140	348,144	16,996
Management information systems	723,983	732,760	680,185	52,575
Human resources	272,433	277,831	221,565	56,266
Tax Collector	286,203	292,324	270,294	22,030
Insurance	428,473	428,473	428,473	--
Benefits				
Pension and OPEB	3,258,642	3,258,642	3,078,764	179,878
Total Legislative, Judicial and General Administrative	7,811,178	7,768,569	7,148,314	620,255
Public Works				
Town buildings	834,008	839,383	772,970	66,413
Public works administration	233,554	248,664	250,170	(1,506)
Tree warden	1,000	1,000	1,000	--
Highway and drainage	2,604,890	2,684,578	2,636,844	47,734
Snow and ice control	268,500	268,500	43,496	225,004
Utilities	715,450	715,450	391,081	324,369
Equipment maintenance	527,176	527,176	397,863	129,313
Engineering	413,647	422,832	309,732	113,100
Total Public Works	5,598,225	5,707,583	4,803,156	904,427
Public Safety				
Police department	8,052,120	8,057,416	7,724,390	333,026
Animal shelter	363,074	363,074	316,294	46,780
Technology	239,407	260,397	257,934	2,463
Harbor master	63,476	63,476	63,434	42
Emergency preparedness	11,583	11,583	10,687	896
Total Public Safety	8,729,660	8,755,946	8,372,739	383,207
Health and Welfare				
Subsidies	1,453,037	1,453,037	1,431,259	21,778
Conservation and Development				
Conservation commission	19,500	19,500	1,505	17,995
Municipal land trust	10,000	10,000	2,061	7,939
Total Conservation and Development	29,500	29,500	3,566	25,934

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-3

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES AND OTHER FINANCING SOURCES
(NON-GAAP BUDGETARY BASIS) BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Parks and Recreation				
Recreation and leisure	765,913	766,211	628,055	138,156
Celebration of public events	5,200	5,200	4,200	1,000
Total Parks and Recreation	<u>771,113</u>	<u>771,411</u>	<u>632,255</u>	<u>139,156</u>
Planning and Zoning				
Planning and zoning/codes/grants	975,838	992,918	964,930	27,988
Capital Improvements/Restricted Programs				
Restricted programs	1,484,000	1,494,000	113,679	1,380,321
Capital improvements	2,486,335	2,301,897	641,725	1,660,172
Total Capital Improvements/Restricted Programs	<u>3,970,335</u>	<u>3,795,897</u>	<u>755,404</u>	<u>3,040,493</u>
Debt Service				
Town debt service	4,968,401	4,968,401	4,966,431	1,970
School debt service	6,042,712	6,042,712	6,042,802	(90)
Total Debt Service	<u>11,011,113</u>	<u>11,011,113</u>	<u>11,009,233</u>	<u>1,880</u>
Education	<u>57,057,284</u>	<u>57,057,284</u>	<u>57,433,925</u>	<u>(376,641)</u>
Total Expenditures	<u>97,407,283</u>	<u>97,343,258</u>	<u>92,554,781</u>	<u>4,788,477</u>
Transfers to Other Funds				
Transfers out	147,937	221,962	221,962	--
Total Expenditures and Other Financing Uses	<u>\$ 97,555,220</u>	<u>\$ 97,565,220</u>	<u>\$ 92,776,743</u>	<u>\$ 4,788,477</u>

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-4

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL – SCHOOL UNRESTRICTED FUND**

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Revised Budget	Actual	Variance
Revenues				
Local appropriation	\$ 49,059,463	\$ 49,059,463	49,059,463	\$ --
Tuition preschool	51,500	51,500	31,590	(19,910)
Tuition from other districts	16,516	16,516	80,107	63,591
Transportation revenue	5,000	5,000	5,300	300
Rental income	17,323	17,323	14,620	(2,703)
Miscellaneous	3,396	3,396	24,530	21,134
Fund Balance	--	--	531,500	531,500
Insurance proceeds	--	--	513	513
Unrestricted grant in aid	8,374,462	8,374,462	8,374,462	--
Medicaid reimbursement	1,158,803	1,158,803	1,055,014	(103,789)
Total Revenues	<u>58,686,463</u>	<u>58,686,463</u>	<u>59,177,099</u>	<u>490,636</u>
Expenditures				
Salaries & other compensation	33,125,918	32,998,286	32,480,731	517,555
Employee benefits	13,941,696	13,271,095	12,955,136	315,959
Purchased services	8,107,397	8,612,594	8,420,963	191,631
Supplies & materials	2,675,692	2,929,289	2,835,038	94,251
Equipment	743,721	744,421	600,988	143,433
Miscellaneous	92,039	130,778	103,570	27,208
Total Expenditures	<u>58,686,463</u>	<u>58,686,463</u>	<u>57,396,426</u>	<u>1,290,037</u>
Excess of Expenditures Over Revenues				
Before Other Financing Sources	<u>--</u>	<u>--</u>	<u>1,780,673</u>	<u>1,780,673</u>
Other Financing Sources				
Transfer in	--	--	90,907	90,907
Transfer out	--	--	(531,500)	(531,500)
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>(440,593)</u>	<u>(440,593)</u>
Excess Revenues and Other Sources Over				
(Under) Expenditures and Other Sources	<u>--</u>	<u>--</u>	<u>1,340,080</u>	<u>1,340,080</u>
Excess Revenues and Other Sources Over				
(Under) Expenditure and Other Sources				
After Consent Order Transfer from				
General Fund for Deficit Reduction	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,340,080</u>	<u>\$ 1,340,080</u>

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-5

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	1.27088347%	1.29729303%	1.29260947%	1.33240909%	1.37796227%	1.39327%	1.51113000%	1.53100236%	1.59668000%
Employer's proportionate share of the net pension liability	\$ 34,322,991	\$ 30,530,471	\$ 41,298,948	\$ 42,514,093	\$ 43,780,963	\$ 43,944,932	\$ 45,085,674	\$ 42,148,536	\$ 38,863,318
State's proportionate share of the net pension liability associated with the school district	<u>25,384,263</u>	<u>22,641,081</u>	<u>30,686,130</u>	<u>31,847,458</u>	<u>32,657,454</u>	<u>33,211,810</u>	<u>30,877,067</u>	<u>28,794,557</u>	<u>26,650,367</u>
Total	<u>\$ 59,707,254</u>	<u>\$ 53,171,552</u>	<u>\$ 71,985,078</u>	<u>\$ 74,361,551</u>	<u>\$ 76,438,417</u>	<u>\$ 77,156,742</u>	<u>\$ 75,962,741</u>	<u>\$ 70,943,093</u>	<u>\$ 65,513,685</u>
Employer's covered employee payroll	\$ 22,371,796	\$ 21,814,977	\$ 21,207,968	\$ 21,372,258	\$ 21,022,126	\$ 21,166,211	\$ 20,549,149	\$ 19,317,292	\$ 24,523,661
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	153.42%	139.95%	194.73%	198.92%	208.26%	207.62%	45.58%	45.83%	63.10%
Plan fiduciary net position as a percentage of the total pension liability	62.10%	66.50%	54.30%	54.60%	54.30%	54.00%	61.40%	56.49%	61.40%

Notes:

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

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-6

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM - TEACHERS
LAST NINE FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 4,135,363	\$ 4,008,561	\$ 3,867,975	\$ 3,734,519	\$ 3,529,793	\$ 3,257,862	\$ 3,020,763	\$ 3,097,654	\$ 3,491,094
Contributions in relation to the actuarially determined contribution	<u>4,135,363</u>	<u>4,008,561</u>	<u>3,867,975</u>	<u>3,734,519</u>	<u>3,529,793</u>	<u>3,257,862</u>	<u>3,020,763</u>	<u>3,097,654</u>	<u>3,491,094</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered-employee payroll	\$ 22,371,796	\$ 21,814,977	\$ 21,207,968	\$ 21,372,258	\$ 21,022,126	\$ 21,166,211	\$ 22,919,294	\$ 22,561,209	\$ 24,523,661
Contributions as a percentage of covered- employee payroll	18.48%	18.38%	18.24%	17.47%	16.79%	15.39%	13.18%	13.73%	14.24%
Contributions as a percentage of covered- federal employee payroll	0.304182239	30.61%	30.53%	29.24%	28.76%	15.39%	21.44%	22.60%	22.60%

Notes:

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

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-7

REQUIRED SUPPLEMENTARY INFORMATION MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM SCHEDULE OF CHANGES IN THE TOWN OF WESTERLY'S NET PENSION LIABILITY AND RELATED RATIOS LAST NINE FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Interest on the total pension liability	43,642	41,159	57,000	59,413	60,644	63,046	64,320	60,047	65,369
Changes of benefit terms	--	--	--	--	--	--	--	(108)	--
Difference between expected and actual experience of the total pension liability	75,309	129,171	(132,536)	26,325	54,835	34,782	64,388	140,725	--
Changes of assumptions	--	--	(22,230)	--	--	69,481	--	--	5,469
Benefit payments, including refunds of employee contributions	(124,425)	(145,313)	(111,759)	(128,647)	(137,474)	(145,691)	(145,691)	(141,691)	(141,905)
Net change in total pension liability	(5,474)	25,017	(209,525)	(42,909)	(21,995)	21,618	(16,983)	58,973	(71,067)
Total pension liability – beginning	685,664	660,647	870,172	913,081	935,076	913,458	930,441	871,468	942,535
Total pension liability – ending (a)	<u>\$ 680,190</u>	<u>\$ 685,664</u>	<u>\$ 660,647</u>	<u>\$ 870,172</u>	<u>\$ 913,081</u>	<u>\$ 935,076</u>	<u>\$ 913,458</u>	<u>\$ 930,441</u>	<u>\$ 871,468</u>
Plan Fiduciary Net Position									
Contributions – employer	\$ --	\$ 181,261	\$ 181,261	\$ 181,261	\$ --	\$ 362,522	\$ 181,400	\$ 181,261	\$ 183,142
Net investment income	(20,768)	191,974	24,110	35,167	35,934	61,832	2,011	6,300	29,732
Benefit payments, including refunds of employee contributions	(124,425)	(145,313)	(111,759)	(128,647)	(137,474)	(145,691)	(145,691)	(141,691)	(141,905)
Pension plan administrative expense	(708)	(731)	(664)	(549)	(478)	(584)	(2,400)	(254)	(186)
Other	--	--	--	--	--	(2)	--	--	--
Net change in plan fiduciary net position	(145,901)	227,191	92,948	87,232	(102,018)	278,077	35,320	45,616	70,783
Plan fiduciary net position – beginning	887,595	660,404	567,456	480,224	582,242	304,165	268,845	223,229	152,446
Plan fiduciary net position – ending (b)	<u>\$ 741,694</u>	<u>\$ 887,595</u>	<u>\$ 660,404</u>	<u>\$ 567,456</u>	<u>\$ 480,224</u>	<u>\$ 582,242</u>	<u>\$ 304,165</u>	<u>\$ 268,845</u>	<u>\$ 223,229</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ (61,504)</u>	<u>\$ (201,931)</u>	<u>\$ 243</u>	<u>\$ 302,716</u>	<u>\$ 432,857</u>	<u>\$ 352,834</u>	<u>\$ 609,293</u>	<u>\$ 661,596</u>	<u>\$ 648,239</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	109.04%	129.45%	99.96%	65.21%	52.59%	62.27%	33.30%	28.89%	25.62%

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

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-8

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN'S CONTRIBUTIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN
LAST NINE FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ --	\$ 181,261	\$ 181,261	\$ 181,261	\$ --	\$ 362,522	\$ 181,400	\$ 182,261	\$ 183,142
Contributions in relation to the actuarially determined contribution	--	181,261	181,261	181,261	--	362,522	181,400	182,261	183,142
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Notes:

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

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-9

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE TOWN OF WESTERLY'S POLICE PENSION LIABILITY AND RELATED RATIOS LAST NINE FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service cost	\$ 1,206,400	\$ 1,142,852	\$ 989,653	\$ 925,576	\$ 957,819	\$ 904,511	\$ 974,655	\$ 917,082	\$ 851,843
Interest on the total pension liability	4,146,842	4,005,000	3,872,716	3,607,501	3,475,720	3,375,546	3,320,232	3,224,788	3,036,062
Difference between expected and actual experience of the total pension liability	--	(149,436)	--	1,294,831	--	(355,566)	(978,160)	47,387	(499,006)
Changes of assumptions	--	69,971	(322,423)	404,679	(107,909)	1,399,336	1,264,408	(835,428)	991,037
Benefit payments, including refunds of employee contributions	(3,170,324)	(3,040,904)	(2,565,862)	(2,449,903)	(2,371,675)	(2,194,835)	(2,248,159)	(2,029,473)	(1,795,715)
Net change in total pension liability	2,182,918	2,027,483	1,974,084	3,782,684	1,953,955	3,128,992	2,332,976	1,324,356	2,584,221
Total pension liability – beginning	59,619,362	57,591,879	55,617,795	51,835,111	49,881,156	46,752,164	44,419,188	43,094,832	40,510,611
Total pension liability – ending (a)	<u>\$ 61,802,280</u>	<u>\$ 59,619,362</u>	<u>\$ 57,591,879</u>	<u>\$ 55,617,795</u>	<u>\$ 51,835,111</u>	<u>\$ 49,881,156</u>	<u>\$ 46,752,164</u>	<u>\$ 44,419,188</u>	<u>\$ 43,094,832</u>
Plan Fiduciary Net Position									
Contributions – employer	\$ 1,945,900	\$ 1,891,700	\$ 1,786,470	\$ 1,759,248	\$ 1,795,200	\$ 1,850,000	\$ 1,720,000	\$ 1,713,800	\$ 1,716,400
Contributions – employee	529,852	479,675	504,550	465,602	473,884	447,302	388,426	382,932	384,672
Net investment income	5,133,506	(6,989,098)	10,864,997	1,634,808	2,781,295	2,863,907	3,482,244	129,896	1,255,952
Benefit payments, including refunds of employee contributions	(3,170,324)	(3,040,904)	(2,565,862)	(2,449,903)	(2,371,675)	(2,194,835)	(2,248,159)	(2,029,473)	(1,795,715)
Other	115	2,555	259	--	--	--	--	--	--
Net change in plan fiduciary net position	4,439,049	(7,656,072)	10,590,414	1,409,755	2,678,704	2,966,374	3,342,511	197,155	1,561,309
Plan fiduciary net position – beginning	42,591,136	50,247,208	39,656,794	38,247,039	35,568,335	32,601,961	29,259,450	29,062,295	27,500,986
Plan fiduciary net position – ending (b)	<u>\$ 47,030,185</u>	<u>\$ 42,591,136</u>	<u>\$ 50,247,208</u>	<u>\$ 39,656,794</u>	<u>\$ 38,247,039</u>	<u>\$ 35,568,335</u>	<u>\$ 32,601,961</u>	<u>\$ 29,259,450</u>	<u>\$ 29,062,295</u>
Net pension liability - ending (a) - (b)	<u>\$ 14,772,095</u>	<u>\$ 17,028,226</u>	<u>\$ 7,344,671</u>	<u>\$ 15,961,001</u>	<u>\$ 13,588,072</u>	<u>\$ 14,312,821</u>	<u>\$ 14,150,203</u>	<u>\$ 15,159,738</u>	<u>\$ 14,032,537</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.10%	71.44%	87.25%	71.30%	73.79%	71.31%	69.73%	65.87%	67.44%
Covered Employee Payroll	\$ 4,693,078	\$ 4,448,415	\$ 3,975,573	\$ 3,768,316	\$ 3,866,804	\$ 3,665,217	\$ 4,077,370	\$ 4,077,370	\$ 3,802,837
Net Pension Liability as a Percentage of Covered-Employee Payroll	314.76%	382.79%	184.74%	423.56%	351.40%	390.50%	347.04%	371.80%	369.00%

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-10

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOWN'S CONTRIBUTIONS-POLICE PENSION LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,945,900	\$ 1,891,700	\$ 1,786,470	\$ 1,759,248	\$ 1,636,400	\$ 1,610,200	\$ 1,667,700	\$ 1,713,800	\$ 1,716,400	\$ 1,816,000
Contributions in relation to the actuarially determined contribution	<u>1,945,900</u>	<u>1,891,700</u>	<u>1,786,470</u>	<u>1,759,248</u>	<u>1,795,200</u>	<u>1,850,000</u>	<u>1,720,000</u>	<u>1,713,800</u>	<u>1,716,400</u>	<u>1,816,000</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (158,800)</u>	<u>\$ (239,800)</u>	<u>\$ (52,300)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ (313,344)</u>
Covered-employee payroll	\$ 4,693,078	\$ 4,448,415	\$ 3,975,573	\$ 3,768,316	\$ 3,866,804	\$ 3,665,217	\$ 4,077,370	\$ 4,077,370	\$ 3,802,837	\$ 3,497,794
Contributions as a percentage of covered-employee payroll	41.46%	42.53%	44.94%	46.69%	46.43%	50.47%	42.18%	42.03%	45.13%	51.92%

Notes:

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

Notes to Schedule

Valuation date: July 1, 2022
 Measurement date: June 30, 2023

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age method
Amortization method	Closed 30-year level dollar amortization of the Unfunded Actuarial Accrued Liability
Asset valuation method	Fair market value of assets on the measurement date adjusted for a five year phase in of gains and losses of plan assets at 20% per year
Inflation	2.50%
Salary increases	4% to 15%
Investment rate of return	7.00%, net of pension plan investment expenses
Retirement age	Various based on service years, with separate scales for hires before and after July 1, 2010
Mortality	PubS-2010 Public Safety Mortality Table with generational improvements from 2010 using scale MP-20.

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-11

**REQUIRED SUPPLEMENTARY INFORMATION
WESTERLY RETIREMENT SYSTEM - POLICE PENSION
SCHEDULE OF INVESTMENT RETURNS
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expenses	12.03%	-14.24%	27.56%	3.65%	7.92%	7.49%	11.26%	0.45%	4.46%	12.20%

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-12

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's portion of the net pension asset	4.36220589%	4.66962827%	4.48687935%	4.59546894%	4.74506999%	4.79335383%	4.90954266%	5.13115531%	5.15362918%
Town's proportionate share of the net pension asset	\$ 7,665,664	\$ 9,138,145	\$ 5,328,778	\$ 5,213,368	\$ 4,233,992	\$ 3,965,369	\$ 4,888,524	\$ 4,790,221	\$ 6,407,029
Town's covered employee payroll	\$ 24,686,536	\$ 24,670,999	\$ 24,590,735	\$ 24,460,018	\$ 24,795,819	\$ 24,882,810	\$ 24,036,620	\$ 23,007,389	\$ 24,523,661
Town's proportionate share of the net pension liability as a percentage of its covered employee payroll	31.05%	37.04%	21.67%	21.31%	17.08%	15.94%	20.34%	20.82%	26.13%
Plan fiduciary net position as a percentage of the total pension liability	177.70%	185.70%	153.10%	150.20%	137.40%	136.10%	153.30%	146.60%	173.30%

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-13

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN'S CONTRIBUTIONS
TEACHERS' SURVIVORS BENEFIT PLAN
LAST NINE FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 33,556	\$ 34,377	\$ 33,461	\$ 33,672	\$ 34,276	\$ 35,305	\$ 29,664	\$ 30,144	\$ 30,983
Contributions in relation to the actuarially determined contribution	<u>33,556</u>	<u>34,377</u>	<u>33,461</u>	<u>33,672</u>	<u>34,276</u>	<u>35,305</u>	<u>29,664</u>	<u>30,144</u>	<u>30,983</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered-employee payroll	\$ 24,686,536	\$ 24,670,999	\$ 24,590,735	\$ 24,460,018	\$ 24,795,819	\$ 24,882,810	\$ 24,036,620	\$ 23,007,389	\$ 24,523,661
Contributions as a percentage of covered-employee payroll	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%	0.12%	0.13%	0.13%

Notes:

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

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-14

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:							
Service cost	\$ 179,814	\$ 180,480	\$ 167,514	\$ 166,945	\$ 298,837	\$ 341,151	\$ 1,254,229
Interest	1,301,769	1,244,036	1,292,683	1,238,966	1,100,334	1,106,276	1,331,128
Changes in benefit terms	--	--	--	--	--	--	(11,013,747)
Differences between expected and actual experience	335,897	359,802	(1,527,984)	179,938	(1,605,924)	(2,380,680)	(5,228,968)
Changes of assumptions	152,270	--	266,810	--	(8,040,490)	(2,185,085)	383,434
Benefit payments	<u>(956,463)</u>	<u>(961,230)</u>	<u>(854,489)</u>	<u>(784,748)</u>	<u>(738,632)</u>	<u>(725,982)</u>	<u>(691,914)</u>
Net change in total OPEB liability	1,013,287	823,088	(655,466)	801,101	(8,985,875)	(3,844,320)	(13,965,838)
Total OPEB Liability-beginning	<u>18,887,037</u>	<u>18,063,949</u>	<u>18,719,415</u>	<u>17,918,314</u>	<u>26,904,189</u>	<u>30,748,509</u>	<u>44,714,347</u>
Total OPEB Liability-ending	<u>19,900,324</u>	<u>18,887,037</u>	<u>18,063,949</u>	<u>18,719,415</u>	<u>17,918,314</u>	<u>26,904,189</u>	<u>30,748,509</u>
Plan fiduciary net position:							
Contributions-employer	1,109,481	1,276,541	1,258,061	1,252,893	1,535,800	1,912,794	400,000
Net investment income (loss)	732,838	(867,388)	1,290,874	325,129	448,087	239,784	271,666
Benefit payments	(956,463)	(961,230)	(854,489)	(784,748)	(738,632)	(725,982)	(691,914)
Administrative expense	<u>(55,531)</u>	<u>(57,173)</u>	<u>(51,872)</u>	<u>(49,940)</u>	<u>(35,575)</u>	<u>(37,013)</u>	<u>(22,640)</u>
Net change in plan fiduciary net position	830,325	(609,250)	1,642,574	743,334	1,209,680	1,389,583	(42,888)
Plan fiduciary net position-beginning	<u>7,175,970</u>	<u>7,785,220</u>	<u>6,142,646</u>	<u>5,399,312</u>	<u>4,189,632</u>	<u>2,800,049</u>	<u>2,842,937</u>
Plan fiduciary net position-ending	<u>8,006,295</u>	<u>7,175,970</u>	<u>7,785,220</u>	<u>6,142,646</u>	<u>5,399,312</u>	<u>4,189,632</u>	<u>2,800,049</u>
Net OPEB Liability	<u>\$ 11,894,029</u>	<u>\$ 11,711,067</u>	<u>\$ 10,278,729</u>	<u>\$ 12,576,769</u>	<u>\$ 12,519,002</u>	<u>\$ 22,714,557</u>	<u>\$ 27,948,460</u>
Plan fiduciary net position as a percentage of the total OPEB liability	40.23%	37.99%	43.10%	32.81%	30.13%	15.57%	9.11%
Covered-employee payroll	\$ 4,420,685	\$ 3,990,113	\$ 3,911,875	\$ 3,603,494	\$ 3,463,796	\$ 3,778,768	\$ 3,668,707
Net OPEB liability as a percentage of covered-employee payroll	269.05%	293.50%	262.76%	349.02%	361.42%	601.11%	761.81%

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-15

**REQUIRED SUPPLEMENTARY INFORMATION
WESTERLY RETIREMENT SYSTEM - OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF TOWN OF WESTERLY'S CONTRIBUTIONS
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,251,149	\$ 1,104,980	\$ 1,275,774	\$ 1,252,893	\$ 1,365,184	\$ 1,501,065	\$ 1,912,794	\$ 2,784,810	\$ 936,800	\$ 966,300
Contributions in relation to the actuarially determined contribution	<u>1,109,481</u>	<u>1,276,541</u>	<u>1,258,061</u>	<u>1,252,893</u>	<u>1,535,800</u>	<u>1,912,794</u>	<u>400,000</u>	<u>386,000</u>	<u>429,600</u>	<u>429,600</u>
Contribution deficiency (excess)	<u>\$ 141,668</u>	<u>\$ (171,561)</u>	<u>\$ 17,713</u>	<u>\$ --</u>	<u>\$ (170,616)</u>	<u>\$ (411,729)</u>	<u>\$ 1,512,794</u>	<u>\$ 2,398,810</u>	<u>\$ 507,200</u>	<u>\$ 536,700</u>
Percentage contributed	89%	116%	99%	100%	112%	127%	21%	14%	46%	44%
Employee covered payroll	\$ 4,420,685	\$ 3,990,113	\$ 3,911,875	\$ 3,603,494	\$ 3,463,796	\$ 3,778,768	\$ 3,668,707	\$ 3,406,417	\$ 3,307,201	\$ 3,384,654
Contribution as a % of covered payroll	25.1%	32.0%	32.2%	34.8%	44.3%	50.6%	10.9%	11.3%	13.0%	12.7%

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-16

**REQUIRED SUPPLEMENTARY INFORMATION
WESTERLY OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF INVESTMENT RETURNS
LAST SEVEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expenses	9.03%	-11.92%	19.53%	5.48%	6.94%	4.75%	9.63%

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-17

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Budget preparation and budgetary basis of accounting:

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

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

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

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

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

TOWN OF WESTERLY, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

RSI-17

(a) Budgetary to GAAP Basis Reconciliation

The following reconciliation summarizes the difference for the Town's General Fund between budgetary and GAAP basis accounting principles for the fiscal year ended June 30, 2023:

Total Revenues and Other Financing Sources	\$	100,698,413
Budgetary revenues are different than GAAP revenues because of the following reconciling items:		
Capital Lease Issue		1,060,564
Revenues for funds not reported as budgetary revenues, but included for financial reporting purposes:		
Revaluation Fund revenues		178
Miscellaneous Donation Fund revenues		7,630
Athletic Fund revenues		9,314
School Unrestricted Fund revenues		1,211,674
School Unrestricted Fund transfers in		90,907
State of Rhode Island on behalf of the Town payments to the Employee Retirement System		2,669,740
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - <i>Exhibit IV</i>	\$	105,748,420
Total Expenditures and Other Financing Uses	\$	92,776,743
Budgetary expenditures are different than GAAP expenditures because of the following reconciling items:		
Equipment purchased through capital lease		1,060,564
Expenditures for funds not reported as budgetary expenditures, but are included in GAAP expenditures:		
FSA Fund expenditures		27,463
Miscellaneous Donation Fund expenditures		18,419
School Unrestricted Fund expenditures		57,396,426
School Unrestricted Fund transfers out		531,500
State of Rhode Island on behalf of the Town payments to the Employee Retirement System		2,669,740
Town General Fund appropriation to School General Fund		(49,059,463)
Town General Fund transfer out of LEA Aid to School General Fund		(8,374,462)
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - <i>Exhibit IV</i>	\$	97,046,930

TOWN OF WESTERLY, RHODE ISLAND

RSI-17

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Budget compliance:

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

OTHER SUPPLEMENTARY INFORMATION

Town of Westerly
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2023

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 75,491,406	\$ -
Last Year's Levy Tax Collection	326,716	-
Prior Years Property Tax Collection	32,604	-
Interest & Penalty	336,773	-
PILOT & Tax Treaty (excluded from levy) Collection	15,910	-
Other Local Property Taxes	24,958	-
Licenses and Permits	966,861	-
Fines and Forfeitures	226,314	-
Investment Income	777,158	-
Departmental	2,630,862	-
Rescue Run Revenue	-	-
Police & Fire Detail	456,845	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	111,697
Impact Aid	-	-
Medicaid	-	1,055,014
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	555,111
CDBG	-	-
COPS Grants	12,511	-
SAFER Grants	-	-
Other Federal Aid Funds	223,895	3,028,517
COVID - ESSER	-	1,379,275
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	45,950	80,332
COVID - Other	-	-
COVID - ARPA	1,418,573	26,449
MV Excise Tax Reimbursement	220,009	-
State PILOT Program	197,328	-
Distressed Community Relief Fund	-	-
Library Resource Aid	411,306	-
Library Construction Aid	-	-
Public Service Corporation Tax	278,749	-
Meals & Beverage Tax / Hotel Tax	2,067,150	-
LEA Aid	-	8,376,940
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	1,937,668	-
State Food Service Revenue	-	8,831
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	366,235	1,024,895
Motor Vehicle Phase Out	5,545,513	-
Other Revenue	-	732,835
Local Appropriation for Education	-	49,059,463
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	<u>\$ 94,011,294</u>	<u>\$ 65,439,359</u>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	13,764	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	1,060,564	-
Rounding	-	-
Total Other Financing Sources	<u>\$ 1,074,328</u>	<u>\$ -</u>

Town of Westerly
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2023

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public	Parks and	Police
	Government	Finance	Services	IT			Works	Rec	Department
Compensation- Group A	\$ 940,784	\$ 849,827	\$ -	\$ 242,470	\$ 555,354	\$ -	\$ 2,290,517	\$ 373,460	\$ 5,745,562
Compensation - Group B	-	-	-	-	-	-	-	-	-
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	5,195	7,461	-	9,316	610	-	84,645	6,470	399,551
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	96,801	147,909	-	49,427	122,128	-	393,012	26,079	891,635
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	6,106	7,786	-	2,203	5,664	-	31,325	1,555	45,909
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	50,898	62,344	-	17,619	47,260	-	179,611	28,365	157,544
Life Insurance	24,556	1,981	-	483	1,560	-	4,363	300	5,839
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	960	31,931	-	462	1,383	-	1,959	287	54,816
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	59,446	75,417	-	19,459	61,477	-	200,171	10,339	55,218
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
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	4,728,872	-	-	-	-	-	-	-	-
Purchased Services	356,726	174,663	294,651	106,371	144,972	-	377,290	85,048	143,593
Materials/Supplies	41,096	53,807	-	60,174	9,968	-	484,532	42,780	332,896
Software Licenses	35,196	46,038	-	27,952	13,336	-	28,234	4,737	19,276
Capital Outlays	-	-	-	-	-	-	1,273,077	-	-
Insurance	413,500	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	1,505	-	65,320	45,317	-
Vehicle Operations	-	-	-	-	10,320	-	334,061	-	323,263
Utilities	34,850	-	-	-	-	-	342,005	-	32,457
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	28,554	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	-	-	-
Trash Removal & Recycling	-	-	-	-	-	-	43,349	-	-
Claims & Settlements	86,537	-	-	-	-	-	-	-	-
Community Support	160,661	-	-	-	-	-	-	-	-
Other Operation Expenditures	36,801	7,604	-	286	15,068	826,306	120,271	12,255	10,979
Tipping Fees	-	-	-	-	-	-	-	-	-
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	\$ 7,078,985	\$ 1,466,768	\$ 294,651	\$ 536,222	\$ 990,605	\$ 826,306	\$ 6,282,296	\$ 636,992	\$ 8,218,538

Town of Westerly
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2023

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ -	\$ -	\$ 261,367	\$ -	\$ -	\$ -	\$ 11,259,341	\$ 23,585,811
Compensation - Group B	-	-	-	-	-	-	-	3,142,366
Compensation - Group C	-	-	-	-	-	-	-	7,642,407
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	8,934	-	-	-	522,182	1,078
Overtime - Group B	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	137,188
Police & Fire Detail	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	-	-	18,331	-	-	-	1,745,322	4,013,132
Active Medical Insurance- Group B	-	-	-	-	-	-	-	403,443
Active Medical Insurance- Group C	-	-	-	-	-	-	-	2,034,554
Active Dental insurance- Group A	-	-	401	-	-	-	100,949	193,980
Active Dental Insurance- Group B	-	-	-	-	-	-	-	19,242
Active Dental Insurance- Group C	-	-	-	-	-	-	-	76,298
Payroll Taxes	-	-	20,764	-	-	-	564,405	1,132,319
Life Insurance	-	-	280	-	-	-	39,362	252,836
State Defined Contribution- Group A	-	-	-	-	-	-	-	547,107
State Defined Contribution - Group B	-	-	-	-	-	-	-	54,347
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	1,085	-	-	-	92,883	95,043
Other Benefits- Group B	-	-	-	-	-	-	-	14,572
Other Benefits- Group C	-	-	-	-	-	-	-	11,775
Local Defined Benefit Pension- Group A	-	-	14,799	-	-	-	496,326	29,013
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	38,805
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	44,123
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	3,452,596
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	428,234
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	4,728,872	872,605
Purchased Services	-	-	19,104	-	-	-	1,702,418	9,065,240
Materials/Supplies	-	-	84,513	-	-	-	1,109,766	1,693,623
Software Licenses	-	-	1,946	-	-	-	176,715	515,163
Capital Outlays	-	-	54,823	-	-	-	1,327,900	1,475,702
Insurance	-	-	-	-	-	-	413,500	650,063
Maintenance	-	-	14,622	-	-	-	126,764	1,128,918
Vehicle Operations	-	-	-	-	-	-	667,644	676,693
Utilities	-	-	-	-	-	-	409,312	1,401,007
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	28,554	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	-	-
Trash Removal & Recycling	-	-	-	-	-	-	43,349	-
Claims & Settlements	-	-	-	-	-	-	86,537	40,000
Community Support	-	-	-	-	-	-	160,661	-
Other Operation Expenditures	-	-	8,624	-	-	-	1,038,194	576,941
Tipping Fees	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	49,059,463	-	-	49,059,463	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	4,034,948	-	4,034,948	-
Municipal Debt- Interest	-	-	-	-	931,483	-	931,483	-
School Debt- Principal	-	-	-	-	4,819,149	-	4,819,149	-
School Debt- Interest	-	-	-	-	1,223,653	-	1,223,653	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ 509,593	\$ 49,059,463	\$ 11,009,233	\$ -	\$ 86,909,652	\$ 65,446,223

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	221,962	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 221,962	\$ -
Net Change in Fund Balance¹	7,954,008	(6,865)
Fund Balance1- beginning of year	\$17,949,715	\$7,993,672
Funds removed from Reportable Government Services (RGS)	(5,889)	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	17,943,826	7,993,672
Rounding	-	-
Fund Balance¹ - end of year	\$ 25,897,834	\$ 7,986,807

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

Town of Westerly
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2023

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, 2022 adjusted						\$ 17,949,715	-	\$ 17,949,715	
<i>Removed funds for fiscal 2022 - Funds under materiality threshold but reported in PY</i>						(5,889)	-	(5,889)	
<i>No funds added to RGS for Fiscal 2022</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2022</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2023 adjusted						<u>\$ 17,943,826</u>	<u>-</u>	<u>\$ 17,943,826</u>	
General Fund	\$ 100,684,827	\$ 1,074,328	\$ 36,208,883	\$ 57,655,887	\$ 7,894,385	\$ 17,766,578	\$ -	\$ 17,766,578	\$ 25,660,963
ARPA	1,418,573	-	1,418,573	-	-	-	-	-	-
COPS	12,511	-	12,511	-	-	6	-	6	6
FEMA COVID 19	45,950	-	10,000	-	35,950	-	-	-	35,950
Other Federal - Highway Safety Grant	15,565	-	15,565	-	-	-	-	-	-
Other Federal - Body Cameras	64,141	-	64,141	-	-	-	-	-	-
Other Federal - RIDOT Paving	54,823	-	54,823	-	-	-	-	-	-
Other Federal - Clean Vessel Act	50,304	-	50,304	-	-	-	-	-	-
Other Federal - Conservation	12,339	-	12,339	-	-	-	-	-	-
Other Federal - Emergency Management	1,250	-	1,250	-	-	-	-	-	-
Other Federal - FDA Tobacco	300	-	300	-	-	-	-	-	-
Other Federal - Federal Forfeiture	25,173	-	1,500	-	23,673	177,242	-	177,242	200,915
Totals per audited financial statements	<u>\$ 102,385,756</u>	<u>\$ 1,074,328</u>	<u>\$ 37,850,189</u>	<u>\$ 57,655,887</u>	<u>\$ 7,954,008</u>	<u>\$ 17,943,826</u>	<u>\$ -</u>	<u>\$ 17,943,826</u>	<u>\$ 25,897,834</u>
Reconciliation from financial statements to MTP2									
	\$ -	\$ -	\$ 49,059,463	\$ (49,059,463)	\$ -	\$ -	\$ -	\$ -	\$ -
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2			8,374,462	(8,374,462)	-	-	-	-	-
Reclass of LEA aid reported in audit as use to expense			(8,374,462)	-	-	-	-	-	-
Reduction in other state revenue for LEA aid reported in General Fund	(8,374,462)		(8,374,462)	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 94,011,294</u>	<u>\$ 1,074,328</u>	<u>\$ 86,909,652</u>	<u>\$ 221,962</u>	<u>\$ 7,954,008</u>	<u>\$ 17,943,826</u>	<u>\$ -</u>	<u>\$ 17,943,826</u>	<u>\$ 25,897,834</u>

Town of Westerly
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2023

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, 2022 adjusted <i>No misc. adjustments made for fiscal 2022</i>						\$ 7,993,672	\$ -	\$ 7,993,672	
Fund Balance¹ - per MTP-2 at June 30, 2023 adjusted						<u>\$ 7,993,672</u>	<u>\$ -</u>	<u>\$ 7,993,672</u>	
School Unrestricted Fund	\$ 3,898,358	\$ 57,524,832	\$ 60,084,585	\$ 531,500	\$ 807,105	\$ 6,594,251	\$ -	\$ 6,594,251	\$ 7,401,356
School Lunch fund	893,305	-	874,549	-	18,756	182,352	-	182,352	201,108
School Restricted Fund	5,883,510	440,593	7,156,829	-	(832,726)	1,217,069	-	1,217,069	384,343
Totals per audited financial statements	<u>\$ 10,675,173</u>	<u>\$ 57,965,425</u>	<u>\$ 68,115,963</u>	<u>\$ 531,500</u>	<u>\$ (6,865)</u>	<u>\$ 7,993,672</u>	<u>\$ -</u>	<u>\$ 7,993,672</u>	<u>\$ 7,986,807</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	\$ 49,059,463	\$ (49,059,463)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reclass of LEA Aid reported in audit as source to revenue	8,374,462	(8,374,462)	-	-	-	-	-	-	-
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,669,740)	-	(2,669,740)	-	-	-	-	-	-
Elimination of transfers between school funds	-	(531,500)	-	(531,500)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 65,439,359</u>	<u>\$ -</u>	<u>\$ 65,446,223</u>	<u>\$ -</u>	<u>\$ (6,865)</u>	<u>\$ 7,993,672</u>	<u>-</u>	<u>\$ 7,993,672</u>	<u>\$ 7,986,807</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Miscellaneous variance between MTP2 and UCOA	\$ (3)		\$ (7)						
Totals per UCOA Validated Totals Report Dated 1/11/24	<u>\$ 65,439,356</u>		<u>\$ 65,446,216</u>						

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

TOWN OF WESTERLY, RHODE ISLAND

A-2

NOTES TO OTHER SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 - BASIS OF PRESENTATION

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

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

NOTE 2 - REPORTABLE GOVERNMENT SERVICES

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

NOTE 3 - ALLOCATIONS

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

NOTE 4 - EMPLOYEE GROUPS

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

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

NOTES TO OTHER SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 4 - EMPLOYEE GROUPS (CONTINUED)

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

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

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

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

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

NOTE 5 - EDUCATION REVENUE AND EXPENDITURES

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

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

TOWN OF WESTERLY, RHODE ISLAND

B-1

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS**

JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 1,316,490	\$ 2,959,442	\$ 4,275,932
Restricted cash held in escrow	1,149,026	--	1,149,026
Investments	1,820	--	1,820
Accounts and other receivables	27,812	--	27,812
Due from federal and state governments	49,962	--	49,962
Total Assets	<u>\$ 2,545,110</u>	<u>\$ 2,959,442</u>	<u>\$ 5,504,552</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 272,692	\$ 61,356	\$ 334,048
Due to other funds	864,966	--	864,966
Unearned Revenue	18,015	--	18,015
Total Liabilities	<u>1,155,673</u>	<u>61,356</u>	<u>1,217,029</u>
Fund Balance			
Restricted	1,367,863	--	1,367,863
Committed	21,574	2,898,086	2,919,660
Total Fund Balance	<u>1,389,437</u>	<u>2,898,086</u>	<u>4,287,523</u>
Total Liabilities and Fund Balance	<u>\$ 2,545,110</u>	<u>\$ 2,959,442</u>	<u>\$ 5,504,552</u>

TOWN OF WESTERLY, RHODE ISLAND

B-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Revenues			
Intergovernmental	\$ 1,168,665	\$ 16,748	\$ 1,185,413
Charges for services	275,876	--	275,876
Capital grants and contributions	36,000	--	36,000
Investment income	6,773	--	6,773
Total Revenues	<u>1,487,314</u>	<u>16,748</u>	<u>1,504,062</u>
Expenditures			
Current:			
Legislative, executive and administrative	1,250	--	1,250
Public safety	113,167	--	113,167
Health and welfare	17,158	--	17,158
Conservation and development	62,643	--	62,643
Education	874,549	--	874,549
Capital outlay	997,426	1,090,838	2,088,264
Total Expenditures	<u>2,066,193</u>	<u>1,090,838</u>	<u>3,157,031</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures Before Other Financing Sources (Uses)	<u>(578,879)</u>	<u>(1,074,090)</u>	<u>(1,652,969)</u>
Other Financing Sources (Uses)			
Transfers to other funds	--	(13,764)	(13,764)
Total Other Financing Sources (Uses)	<u>--</u>	<u>(13,764)</u>	<u>(13,764)</u>
Net Change in Fund Balances	<u>(578,879)</u>	<u>(1,087,854)</u>	<u>(1,666,733)</u>
Fund Balances - Beginning of Year	<u>1,968,316</u>	<u>3,985,940</u>	<u>5,954,256</u>
Fund Balances - End of Year	<u>\$ 1,389,437</u>	<u>\$ 2,898,086</u>	<u>\$ 4,287,523</u>

TOWN OF WESTERLY, RHODE ISLAND

**NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023**

	School Lunch Fund	Neuter Surcharge Fund	Town Clerks Fund	Civil Defense Fund	Conservation Grants (NOAA)	2012 A&B Refunding	Opioid Settlements
Assets							
Cash and cash equivalents	\$ 406,215	\$ 4,761	\$ 160,560	\$ 94,664	\$ --	\$ --	\$ 212,776
Restricted cash held in escrow	--	--	--	--	--	--	--
Investments	--	--	--	--	--	--	--
Accounts and other receivables	26,721	--	--	--	--	--	--
Due from federal and state governments	30,936	--	--	--	--	--	--
Total Assets	<u>\$ 463,872</u>	<u>\$ 4,761</u>	<u>\$ 160,560</u>	<u>\$ 94,664</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 212,776</u>
Liabilities and Fund Balance							
Liabilities							
Accounts payable	\$ 150,222	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	96,354	--	--	--	--	--	--
Deferred revenue	16,188	--	--	--	--	--	--
Total Liabilities	<u>262,764</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance							
Restricted	201,108	4,761	160,560	94,664	--	--	212,776
Committed	--	--	--	--	--	--	--
Total Fund Balance	<u>201,108</u>	<u>4,761</u>	<u>160,560</u>	<u>94,664</u>	<u>--</u>	<u>--</u>	<u>212,776</u>
Total Liabilities and Fund Balance	<u>\$ 463,872</u>	<u>\$ 4,761</u>	<u>\$ 160,560</u>	<u>\$ 94,664</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 212,776</u>

TOWN OF WESTERLY, RHODE ISLAND

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**NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023**

	RIIB Bond Dredging Grant Match	RIIB Bond 2011 Refunding	\$15,000,000 Bond Fund	RIDOT Paving	Highway Safety Grant	Substance Abuse 132
Assets						
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 11,856
Restricted cash held in escrow	2,569	1,146,312	145	--	--	--
Investments	--	--	--	--	--	--
Accounts and other receivables	--	--	--	--	--	--
Due from federal and state governments	--	--	--	--	572	--
Total Assets	<u>\$ 2,569</u>	<u>\$ 1,146,312</u>	<u>\$ 145</u>	<u>\$ --</u>	<u>\$ 572</u>	<u>\$ 11,856</u>
Liabilities and Fund Balance						
Liabilities						
Accounts payable	\$ --	\$ 120,700	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	608,266	--	--	572	--
Deferred revenue	--	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>728,966</u>	<u>--</u>	<u>--</u>	<u>572</u>	<u>--</u>
Fund Balance						
Restricted	2,569	417,346	145	--	--	11,856
Committed	--	--	--	--	--	--
Total Fund Balance	<u>2,569</u>	<u>417,346</u>	<u>145</u>	<u>--</u>	<u>--</u>	<u>11,856</u>
Total Liabilities and Fund Balance	<u>\$ 2,569</u>	<u>\$ 1,146,312</u>	<u>\$ 145</u>	<u>\$ --</u>	<u>\$ 572</u>	<u>\$ 11,856</u>

TOWN OF WESTERLY, RHODE ISLAND

B-3

**NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023**

	COPS Grant	Federal Forfeiture	South County Health Grant	FEMA Storms	FEMA Public Assistance COVID19	Pumpout Boat	EMA Grant
Assets							
Cash and cash equivalents	\$ --	\$ 355,835	\$ --	\$ --	\$ 35,950	\$ 6,994	\$ --
Restricted cash held in escrow	--	--	--	--	--	--	--
Investments	--	--	--	--	--	--	--
Accounts and other receivables	--	--	--	--	--	--	--
Due from federal and state governments	--	--	--	--	--	11,544	5,567
Total Assets	<u>\$ --</u>	<u>\$ 355,835</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 35,950</u>	<u>\$ 18,538</u>	<u>\$ 5,567</u>
Liabilities and Fund Balance							
Liabilities							
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,770	\$ --
Due to other funds	--	154,093	--	--	--	--	5,567
Deferred revenue	--	827	--	--	--	--	--
Total Liabilities	<u>--</u>	<u>154,920</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,770</u>	<u>5,567</u>
Fund Balance							
Restricted	--	200,915	--	--	35,950	--	--
Committed	--	--	--	--	--	16,768	--
Total Fund Balance	<u>--</u>	<u>200,915</u>	<u>--</u>	<u>--</u>	<u>35,950</u>	<u>16,768</u>	<u>--</u>
Total Liabilities and Fund Balance	<u>\$ --</u>	<u>\$ 355,835</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 35,950</u>	<u>\$ 18,538</u>	<u>\$ 5,567</u>

TOWN OF WESTERLY, RHODE ISLAND

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**NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023**

	Permanent Neighbor Fund	Honor Roll Fund	Class of 1886	Police Misc Grants	Town Donations	Animal Shelter Grants	Total Special Revenue Funds
Assets							
Cash and cash equivalents	\$ 1,765	\$ 1,330	\$ 5	\$ 16,771	\$ --	7,008	\$ 1,316,490
Restricted cash held in escrow	--	--	--	--	--	--	1,149,026
Investments	--	--	1,820	--	--	--	1,820
Accounts and other receivables	--	--	--	--	--	1,091	27,812
Due from federal and state governments	--	--	--	1,343	--	--	49,962
Total Assets	<u>\$ 1,765</u>	<u>\$ 1,330</u>	<u>\$ 1,825</u>	<u>\$ 18,114</u>	<u>\$ --</u>	<u>\$ 8,099</u>	<u>\$ 2,545,110</u>
Liabilities and Fund Balance							
Liabilities							
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 272,692
Due to other funds	114	--	--	--	--	--	864,966
Deferred revenue	--	--	--	--	--	1,000	18,015
Total Liabilities	<u>114</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,000</u>	<u>1,155,673</u>
Fund Balance							
Restricted	--	--	--	18,114	--	7,099	1,367,863
Committed	1,651	1,330	1,825	--	--	--	21,574
Total Fund Balance	<u>1,651</u>	<u>1,330</u>	<u>1,825</u>	<u>18,114</u>	<u>--</u>	<u>7,099</u>	<u>1,389,437</u>
Total Liabilities and Fund Balance	<u>\$ 1,765</u>	<u>\$ 1,330</u>	<u>\$ 1,825</u>	<u>\$ 18,114</u>	<u>\$ --</u>	<u>\$ 8,099</u>	<u>\$ 2,545,110</u>

TOWN OF WESTERLY, RHODE ISLAND

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NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	School Lunch Fund	Neuter Surcharge Fund	Town Clerks Fund	Civil Defense Fund	Conservation Grants (NOAA)	2012 A&B Refunding	Opioid Settlements
Revenues							
Intergovernmental	\$ 643,158	\$ --	\$ --	\$ 8,233	\$ 12,339	\$ --	\$ 82,375
Charges for services	250,147	661	25,068	--	--	--	--
Investment Income	--	--	--	--	--	--	--
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	<u>893,305</u>	<u>661</u>	<u>25,068</u>	<u>8,233</u>	<u>12,339</u>	<u>--</u>	<u>82,375</u>
Expenditures							
Current:							
Legislative, executive and administrative	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--	--
Conservation and development	--	--	--	--	12,339	--	--
Education	874,549	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	3,320	--
Total Expenditures	<u>874,549</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>12,339</u>	<u>3,320</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	<u>18,756</u>	<u>661</u>	<u>25,068</u>	<u>8,233</u>	<u>--</u>	<u>(3,320)</u>	<u>82,375</u>
Net Change in Fund Balances	<u>18,756</u>	<u>661</u>	<u>25,068</u>	<u>8,233</u>	<u>--</u>	<u>(3,320)</u>	<u>82,375</u>
balances - Beginning of Year	<u>182,352</u>	<u>4,100</u>	<u>135,492</u>	<u>86,431</u>	<u>--</u>	<u>3,320</u>	<u>130,401</u>
balances - End of Year	<u>\$ 201,108</u>	<u>\$ 4,761</u>	<u>\$ 160,560</u>	<u>\$ 94,664</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 212,776</u>

TOWN OF WESTERLY, RHODE ISLAND

B-4

**NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	RIIB Bond Dredging Grant Match	RIIB Bond 2011 Refunding	\$15,000,000 Bond Fund	RIDOT Paving	Highway Safety Grant	Substance Abuse 132
Revenues						
Intergovernmental	\$ --	\$ --	\$ --	\$ 54,823	\$ 15,565	\$ 4,520
Charges for services	--	--	--	--	--	--
Investment Income	--	--	--	--	--	--
Capital grants and contributions	--	--	--	--	--	--
Total Revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>54,823</u>	<u>15,565</u>	<u>4,520</u>
Expenditures						
Current:						
Legislative, executive and administrative	--	--	--	--	--	--
Public safety	--	--	--	--	15,565	--
Health and welfare	--	--	--	--	--	--
Conservation and development	--	--	--	--	--	--
Education	--	--	--	--	--	--
Capital outlay	--	815,830	--	54,823	--	--
Total Expenditures	<u>--</u>	<u>815,830</u>	<u>--</u>	<u>54,823</u>	<u>15,565</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures Before Other Financing Sources (Uses)	<u>--</u>	<u>(815,830)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,520</u>
Net Change in Fund Balances	<u>--</u>	<u>(815,830)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>4,520</u>
alances - Beginning of Year	<u>2,569</u>	<u>1,233,176</u>	<u>145</u>	<u>--</u>	<u>--</u>	<u>7,336</u>
alances - End of Year	<u>\$ 2,569</u>	<u>\$ 417,346</u>	<u>\$ 145</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 11,856</u>

TOWN OF WESTERLY, RHODE ISLAND

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**NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	COPS Grant	Federal Forfeiture	South County Health Grant	FEMA Storms	FEMA Public Assistance COVID19	Pumpout Boat	EMA Grant
Revenues							
Intergovernmental	\$ 12,505	\$ 18,539	\$ 7,158	\$ 108,453	\$ 45,950	\$ 67,072	\$ 1,250
Charges for services	--	--	--	--	--	--	--
Investment Income	--	6,634	--	--	--	--	--
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	<u>12,505</u>	<u>25,173</u>	<u>7,158</u>	<u>108,453</u>	<u>45,950</u>	<u>67,072</u>	<u>1,250</u>
Expenditures							
Current:							
Legislative, executive and administrative	--	--	--	--	--	--	1,250
Public safety	12,511	1,500	--	--	--	--	--
Health and welfare	--	--	7,158	--	10,000	--	--
Conservation and development	--	--	--	--	--	50,304	--
Education	--	--	--	--	--	--	--
Capital outlay	--	--	--	108,453	--	--	--
Total Expenditures	<u>12,511</u>	<u>1,500</u>	<u>7,158</u>	<u>108,453</u>	<u>10,000</u>	<u>50,304</u>	<u>1,250</u>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	<u>(6)</u>	<u>23,673</u>	<u>--</u>	<u>--</u>	<u>35,950</u>	<u>16,768</u>	<u>--</u>
Net Change in Fund Balances	<u>(6)</u>	<u>23,673</u>	<u>--</u>	<u>--</u>	<u>35,950</u>	<u>16,768</u>	<u>--</u>
alances - Beginning of Year	<u>6</u>	<u>177,242</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
alances - End of Year	<u>\$ --</u>	<u>\$ 200,915</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 35,950</u>	<u>\$ 16,768</u>	<u>\$ --</u>

TOWN OF WESTERLY, RHODE ISLAND

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**NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Permanent Neighbor Fund	Honor Roll Fund	Class of 1886	Police Misc Grants	Town Donations	Animal Shelter Grants	Total Special Revenue Funds
Revenues							
Intergovernmental	\$ --	\$ --	\$ --	\$ 81,704	\$ --	\$ 5,021	\$ 1,168,665
Charges for services	--	--	--	--	--	--	275,876
Investment Income	31	16	92	--	--	--	6,773
Capital grants and contributions	--	--	--	--	15,000	21,000	36,000
Total Revenues	<u>31</u>	<u>16</u>	<u>92</u>	<u>81,704</u>	<u>15,000</u>	<u>26,021</u>	<u>1,487,314</u>
Expenditures							
Current:							
Legislative, executive and administrative	--	--	--	--	--	--	1,250
Public safety	--	--	--	64,691	--	18,900	113,167
Health and welfare	--	--	--	--	--	--	17,158
Conservation and development	--	--	--	--	--	--	62,643
Education	--	--	--	--	--	--	874,549
Capital outlay	--	--	--	--	15,000	--	997,426
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>64,691</u>	<u>15,000</u>	<u>18,900</u>	<u>2,066,193</u>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	<u>31</u>	<u>16</u>	<u>92</u>	<u>17,013</u>	<u>--</u>	<u>7,121</u>	<u>(578,879)</u>
Net Change in Fund Balances	<u>31</u>	<u>16</u>	<u>92</u>	<u>17,013</u>	<u>--</u>	<u>7,121</u>	<u>(578,879)</u>
balances - Beginning of Year	<u>1,620</u>	<u>1,314</u>	<u>1,733</u>	<u>1,101</u>	<u>--</u>	<u>(22)</u>	<u>1,968,316</u>
balances - End of Year	<u>\$ 1,651</u>	<u>\$ 1,330</u>	<u>\$ 1,825</u>	<u>\$ 18,114</u>	<u>\$ --</u>	<u>\$ 7,099</u>	<u>\$ 1,389,437</u>

TOWN OF WESTERLY, RHODE ISLAND

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**NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2023**

	Capital Projects Fund	DEM Chapman Pond Boat Launch	DEM Riverfront Park	Bike Path Loops	Capital Projects Funds Totals
Assets					
Cash and cash equivalents	\$ 2,913,308	\$ 334	\$ 45,800	\$ --	\$ 2,959,442
Total Assets	<u>\$ 2,913,308</u>	<u>\$ 334</u>	<u>\$ 45,800</u>	<u>\$ --</u>	<u>\$ 2,959,442</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ 61,022	\$ 334	\$ --	\$ --	\$ 61,356
Total Liabilities	<u>61,022</u>	<u>334</u>	<u>--</u>	<u>--</u>	<u>61,356</u>
Fund Balance					
Committed	2,852,286	--	45,800	--	2,898,086
Total Fund Balance	<u>2,852,286</u>	<u>--</u>	<u>45,800</u>	<u>--</u>	<u>2,898,086</u>
Total Liabilities and Fund Balance	<u>\$ 2,913,308</u>	<u>\$ 334</u>	<u>\$ 45,800</u>	<u>\$ --</u>	<u>\$ 2,959,442</u>

TOWN OF WESTERLY, RHODE ISLAND

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**NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Capital Projects Fund	DEM Chapman Pond Boat Launch	DEM Riverfront Park	Bike Path Loops	Capital Projects Funds Totals
Revenues					
Intergovernmental	\$ --	\$ --	\$ --	\$ 16,748	\$ 16,748
Total Revenues	<u> --</u>	<u> --</u>	<u> --</u>	<u> 16,748</u>	<u> 16,748</u>
Expenditures					
Capital outlay	1,074,090	--	--	16,748	1,090,838
Total Expenditures	<u>1,074,090</u>	<u> --</u>	<u> --</u>	<u> 16,748</u>	<u>1,090,838</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures Before Other Financing Sources (Uses)	<u>(1,074,090)</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u>(1,074,090)</u>
Other Financing Sources (Uses)					
Transfers to other funds	<u>(13,764)</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u>(13,764)</u>
Total Other Financing Sources (Uses)	<u>(13,764)</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u>(13,764)</u>
Net Change in Fund Balances	<u>(1,087,854)</u>	<u> --</u>	<u> --</u>	<u> --</u>	<u>(1,087,854)</u>
Fund Balances - Beginning of Year	<u>3,940,140</u>	<u> --</u>	<u> 45,800</u>	<u> --</u>	<u>3,985,940</u>
Fund Balances - End of Year	<u>\$ 2,852,286</u>	<u>\$ --</u>	<u>\$ 45,800</u>	<u>\$ --</u>	<u>\$ 2,898,086</u>

TOWN OF WESTERLY, RHODE ISLAND

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C1

**FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

	Lois B. Stillment Fund	Richmond Brewer Fund	Irene Vose Fund	Martha C. Babcock Memorial	Premio L. Russo Memorial	Otis P. Chapman Fund	Francis Pat Coyle Memorial
Assets							
Cash and cash equivalents	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Investments	<u>15,882</u>	<u>56,834</u>	<u>80,391</u>	<u>4,941</u>	<u>2,520</u>	<u>3,128</u>	<u>1,699</u>
Total Assets	<u>\$ 15,882</u>	<u>\$ 56,834</u>	<u>\$ 80,391</u>	<u>\$ 4,941</u>	<u>\$ 2,520</u>	<u>\$ 3,128</u>	<u>\$ 1,699</u>
Liabilities and Net Position							
Liabilities							
Accounts payable	\$ 1,000	\$ --	\$ --	\$ --	\$ 35	\$ 200	\$ --
Other payable	<u>11,993</u>	<u>1,254</u>	<u>598</u>	<u>197</u>	<u>455</u>	<u>102</u>	<u>1,200</u>
Total Liabilities	<u>12,993</u>	<u>1,254</u>	<u>598</u>	<u>197</u>	<u>490</u>	<u>302</u>	<u>1,200</u>
Net Position							
Net position held in trust	<u>2,889</u>	<u>55,580</u>	<u>79,793</u>	<u>4,744</u>	<u>2,030</u>	<u>2,826</u>	<u>499</u>
Net Position	<u>2,889</u>	<u>55,580</u>	<u>79,793</u>	<u>4,744</u>	<u>2,030</u>	<u>2,826</u>	<u>499</u>
Total Liabilities and Net Position	<u>\$ 15,882</u>	<u>\$ 56,834</u>	<u>\$ 80,391</u>	<u>\$ 4,941</u>	<u>\$ 2,520</u>	<u>\$ 3,128</u>	<u>\$ 1,699</u>

TOWN OF WESTERLY, RHODE ISLAND

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**FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

	Betty Zerbarini Fund	Berardinelli Trust Fund	John J. & Mary C. Smith Scholarship	Robert F. Serra Fund	Private-Purpose Trust Funds Totals
Assets					
Cash and cash equivalents	\$ --	\$ 8	\$ --	\$ --	\$ 8
Investments	<u>1,827</u>	<u>31,112</u>	<u>20,296</u>	<u>2,903</u>	<u>221,533</u>
Total Assets	<u>\$ 1,827</u>	<u>\$ 31,120</u>	<u>\$ 20,296</u>	<u>\$ 2,903</u>	<u>\$ 221,541</u>
Liabilities and Net Position					
Liabilities					
Accounts payable	\$ 100	\$ --	\$ 100	\$ 25	\$ 1,460
Other payable	<u>725</u>	<u>--</u>	<u>1,219</u>	<u>474</u>	<u>18,217</u>
Total Liabilities	<u>825</u>	<u>--</u>	<u>1,319</u>	<u>499</u>	<u>19,677</u>
Net Position					
Net position held in trust	<u>1,002</u>	<u>31,120</u>	<u>18,977</u>	<u>2,404</u>	<u>201,864</u>
Net Position	<u>1,002</u>	<u>31,120</u>	<u>18,977</u>	<u>2,404</u>	<u>201,864</u>
Total Liabilities and Net Position	<u>\$ 1,827</u>	<u>\$ 31,120</u>	<u>\$ 20,296</u>	<u>\$ 2,903</u>	<u>\$ 221,541</u>

TOWN OF WESTERLY, RHODE ISLAND

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**FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Lois B. Stillment Fund	Richmond Brewer Fund	Irene Vose Fund	Martha C. Babcock Memorial	Premio L. Russo Memorial	Otis P. Chapman Fund	Francis Pat Coyle Memorial
Revenues							
Investment income	\$ 799	\$ 2,859	\$ 4,045	\$ 249	\$ 127	\$ 157	\$ 85
Total Revenues	<u>799</u>	<u>2,859</u>	<u>4,045</u>	<u>249</u>	<u>127</u>	<u>157</u>	<u>85</u>
Expenditures							
Miscellaneous	1,000	71	2,384	--	70	200	--
Total Expenditures	<u>1,000</u>	<u>71</u>	<u>2,384</u>	<u>--</u>	<u>70</u>	<u>200</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	(201)	2,788	1,661	249	57	(43)	85
Net Change in Net Position	<u>(201)</u>	<u>2,788</u>	<u>1,661</u>	<u>249</u>	<u>57</u>	<u>(43)</u>	<u>85</u>
Net Position - Beginning of Year	<u>3,090</u>	<u>52,792</u>	<u>78,132</u>	<u>4,495</u>	<u>1,973</u>	<u>2,869</u>	<u>414</u>
Net Position - End of Year	<u>\$ 2,889</u>	<u>\$ 55,580</u>	<u>\$ 79,793</u>	<u>\$ 4,744</u>	<u>\$ 2,030</u>	<u>\$ 2,826</u>	<u>\$ 499</u>

TOWN OF WESTERLY, RHODE ISLAND

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**FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Betty Zerbarini Fund	Berardinelli Trust Fund	John J. & Mary C. Smith Scholarship	Robert F. Serra Fund	Private-Purpose Trust Funds Totals
Revenues					
Investment income	\$ 92	\$ 1,565	\$ 1,021	\$ 146	\$ 11,145
Total Revenues	<u>92</u>	<u>1,565</u>	<u>1,021</u>	<u>146</u>	<u>11,145</u>
Expenditures					
Miscellaneous	100	--	100	25	3,950
Total Expenditures	<u>100</u>	<u>--</u>	<u>100</u>	<u>25</u>	<u>3,950</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures Before Other Financing Sources (Uses)	<u>(8)</u>	<u>1,565</u>	<u>921</u>	<u>121</u>	<u>7,195</u>
Net Change in Net Position	<u>(8)</u>	<u>1,565</u>	<u>921</u>	<u>121</u>	<u>7,195</u>
Net Position - Beginning of Year	<u>1,010</u>	<u>29,555</u>	<u>18,056</u>	<u>2,283</u>	<u>194,669</u>
Net Position - End of Year	<u>\$ 1,002</u>	<u>\$ 31,120</u>	<u>\$ 18,977</u>	<u>\$ 2,404</u>	<u>\$ 201,864</u>

TOWN OF WESTERLY, RHODE ISLAND

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**FIDUCIARY FUNDS - CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

	Title II P.W.E.A.	Probate Escrow	Construction Escrow Deposits Fund	Custodial Funds Totals
Assets				
Cash and cash equivalents	\$ 1	\$ 57,135	\$ 8,000	\$ 65,136
Investments	<u>4,452</u>	<u>--</u>	<u>--</u>	<u>4,452</u>
Total Assets	<u>\$ 4,453</u>	<u>\$ 57,135</u>	<u>\$ 8,000</u>	<u>\$ 69,588</u>
Net Position				
Net position held in trust	\$ 4,453	\$ 57,135	\$ 8,000	\$ 69,588
Net Position	<u>4,453</u>	<u>57,135</u>	<u>8,000</u>	<u>69,588</u>
Total Net Position	<u>\$ 4,453</u>	<u>\$ 57,135</u>	<u>\$ 8,000</u>	<u>\$ 69,588</u>

TOWN OF WESTERLY, RHODE ISLAND

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**FIDUCIARY FUNDS - CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Title II P.W.E.A.	Probate Escrow	Construction Escrow Deposits	Custodial Funds Totals
Revenues				
Investment income	\$ 224	\$ 22	\$ --	\$ 246
Miscellaneous	--	8,245	--	8,245
Total Revenues	224	8,267	--	8,491
Excess (Deficiency) of Revenues Over (Under)				
Expenditures Before Other Financing Sources (Uses)	224	8,267	--	8,491
Net Change in Net Position	224	8,267	--	8,491
Net Position - Beginning of Year	4,229	48,868	8,000	61,097
Net Position - End of Year	\$ 4,453	\$ 57,135	\$ 8,000	\$ 69,588

TOWN OF WESTERLY, RHODE ISLAND

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**COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS - DETAIL OF GENERAL FUND
JUNE 30, 2023**

	General Fund	School General Fund	Total General Funds
Assets			
Cash and cash equivalents	\$ 18,757,249	\$ 7,506,772	\$ 26,264,021
Real estate and personal property tax receivable	333,927	--	333,927
Due from federal and state governments	164,015	--	164,015
Due from other funds	4,443,196	--	4,443,196
Other receivables	130,112	555,490	685,602
Prepaid items	4,607,958	288,415	4,896,373
Other assets	2,699,244	1,063,749	3,762,993
Total Assets	<u>\$ 31,135,701</u>	<u>\$ 9,414,426</u>	<u>\$ 40,550,127</u>
Liabilities, Deferred Inflows and Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 1,893,794	\$ 1,776,378	\$ 3,670,172
Due to other funds	--	236,692	236,692
Unearned revenue	542,510	--	542,510
Total Liabilities	<u>2,436,304</u>	<u>2,013,070</u>	<u>4,449,374</u>
Deferred Inflows of Resources			
Unavailable revenue - leases	2,820,000	--	2,820,000
Unavailable revenue - property taxes	218,434	--	218,434
Total Deferred Inflows of Resources	<u>3,038,434</u>	<u>--</u>	<u>3,038,434</u>
Fund Balances			
Non-spendable	7,307,202	1,352,164	8,659,366
Restricted	--	4,812,992	4,812,992
Committed	216,542	1,236,200	1,452,742
Unassigned	18,137,219	--	18,137,219
Total Fund Balances	<u>25,660,963</u>	<u>7,401,356</u>	<u>33,062,319</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 31,135,701</u>	<u>\$ 9,414,426</u>	<u>\$ 40,550,127</u>

TOWN OF WESTERLY, RHODE ISLAND

E-2

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - DETAIL OF GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	General Fund	School General Fund	Total General Funds
Revenues			
General property taxes and payments in lieu of taxes	\$ 76,228,367	\$ --	\$ 76,228,367
Intergovernmental and departmental	19,817,384	1,194,890	21,012,274
Licenses and permits	966,861	9,314	976,175
Fines and forfeitures	226,314	--	226,314
Charges for service	1,950,634	--	1,950,634
Investment income	777,158	--	777,158
On behalf pension contribution	--	2,669,740	2,669,740
Other revenues	718,109	24,414	742,523
Total revenues	<u>100,684,827</u>	<u>3,898,358</u>	<u>104,583,185</u>
Expenditures			
Legislative and executive	7,175,777	--	7,175,777
Parks and recreation	632,255	--	632,255
Planning	964,930	--	964,930
Public safety	8,372,739	--	8,372,739
Public works	4,803,156	--	4,803,156
Health, welfare and community development	1,431,259	--	1,431,259
Conservation and development	3,566	--	3,566
Education	--	57,414,845	57,414,845
Debt service	11,009,233	--	11,009,233
Capital outlay	1,815,968	--	1,815,968
On behalf pension contribution	--	2,669,740	2,669,740
Total expenditures	<u>36,208,883</u>	<u>60,084,585</u>	<u>96,293,468</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>64,475,944</u>	<u>(56,186,227)</u>	<u>8,289,717</u>
Other financing sources (uses)			
Transfers from other funds	13,764	57,524,832	104,671
Transfers to other funds	(57,655,887)	(531,500)	(753,462)
Capital lease proceeds	1,060,564	--	1,060,564
Total other financing sources (uses)	<u>(56,581,559)</u>	<u>56,993,332</u>	<u>411,773</u>
Net change in fund balances	7,894,385	807,105	8,701,490
Fund balances - beginning of year	<u>17,766,578</u>	<u>6,594,251</u>	<u>24,360,829</u>
Fund balances - end of year	<u>\$ 25,660,963</u>	<u>\$ 7,401,356</u>	<u>\$ 33,062,319</u>

STATISTICAL SECTION

TOWN OF WESTERLY, RHODE ISLAND

TABLE 1

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEAR									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	\$ 82,591,557	\$ 83,443,820	\$ 86,169,198	\$ 91,221,136	\$ 91,523,267	\$ 85,256,075	\$ 92,791,496	\$ 96,776,891	\$ 97,685,775	\$ 106,743,192
Restricted	6,519,002	7,790,677	7,601,874	6,453,686	6,744,578	19,168,409	18,144,714	16,832,687	21,272,630	21,541,222
Unrestricted	<u>(37,643,132)</u>	<u>(35,741,526)</u>	<u>(42,181,757)</u>	<u>(42,281,476)</u>	<u>(60,982,992)</u>	<u>(54,669,124)</u>	<u>(52,378,261)</u>	<u>(36,159,494)</u>	<u>(28,731,452)</u>	<u>(21,790,161)</u>
Total Governmental Activities net position	<u>51,467,427</u>	<u>55,492,971</u>	<u>51,589,315</u>	<u>55,393,346</u>	<u>37,284,853</u>	<u>49,755,360</u>	<u>58,557,949</u>	<u>77,450,084</u>	<u>90,226,953</u>	<u>106,494,253</u>
Business-Type Activities										
Net investment in capital assets	29,236,676	29,485,916	30,030,849	31,019,004	31,789,291	34,632,105	35,268,483	35,444,002	35,338,334	36,384,946
Unrestricted	<u>7,163,504</u>	<u>8,059,250</u>	<u>8,357,137</u>	<u>8,257,819</u>	<u>10,831,669</u>	<u>9,106,258</u>	<u>9,313,578</u>	<u>10,560,328</u>	<u>12,766,001</u>	<u>13,939,858</u>
Total Business-Type Activities net position	<u>36,400,180</u>	<u>37,545,166</u>	<u>38,387,986</u>	<u>39,276,823</u>	<u>42,620,960</u>	<u>43,738,363</u>	<u>44,582,061</u>	<u>46,004,330</u>	<u>48,104,335</u>	<u>50,324,804</u>
Total										
Net investment in capital assets	111,828,233	112,929,736	116,200,047	122,240,140	123,312,558	119,888,180	128,059,979	132,220,893	133,024,109	143,128,138
Restricted	6,519,002	7,790,677	7,601,874	6,453,686	6,744,578	19,168,409	18,144,714	16,832,687	21,272,630	21,541,222
Unrestricted	<u>(30,479,628)</u>	<u>(27,682,276)</u>	<u>(33,824,620)</u>	<u>(34,023,657)</u>	<u>(50,151,323)</u>	<u>(45,562,866)</u>	<u>(43,064,683)</u>	<u>(25,599,166)</u>	<u>(15,965,451)</u>	<u>(7,850,303)</u>
Total Net Position	<u>\$ 87,867,607</u>	<u>\$ 93,038,137</u>	<u>\$ 89,977,301</u>	<u>\$ 94,670,169</u>	<u>\$ 79,905,813</u>	<u>\$ 93,493,723</u>	<u>\$ 103,140,010</u>	<u>\$ 123,454,414</u>	<u>\$ 138,331,288</u>	<u>\$ 156,819,057</u>

Source: Town of Westerly Annual Financial Statements

TOWN OF WESTERLY, RHODE ISLAND

TABLE 2

CHANGES IN NET POSITION, LAST TEN FISCAL YEARS GOVERNMENTAL ACTIVITIES (ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Legislative, judicial & general administrative	\$ 5,047,531	\$ 4,708,957	\$ 4,707,273	\$ 6,148,593	\$ 20,376,569	\$ 19,339,909	\$ 17,729,465	\$ 18,702,398	\$ 18,330,858	\$ 17,227,201
Public works	7,634,376	7,891,734	8,030,694	6,962,464	5,313,151	5,994,189	6,285,256	6,897,337	6,980,662	7,473,800
Public safety	8,569,273	10,097,782	11,395,743	9,023,890	6,300,762	3,739,044	5,849,362	4,041,929	6,655,688	6,868,106
Health and welfare	1,193,857	932,767	1,625,117	1,444,325	1,598,964	1,304,095	1,399,797	1,541,288	1,683,661	1,520,843
Conservation and development	8,058	24,852	18,168	44,730	948,771	287,270	933,919	49,409	159,567	66,209
Parks and recreation	1,162,690	1,400,753	1,295,865	1,309,351	1,266,933	846,809	834,164	791,124	771,399	813,674
Planning and zoning	762,142	743,772	782,652	198,784	800,231	851,445	994,532	1,036,939	928,575	973,187
Public education	61,614,560	60,242,455	62,732,292	62,428,690	68,507,646	69,042,392	68,366,203	66,829,820	68,669,619	71,462,478
Interest	2,131,894	4,597,122	3,898,458	3,435,937	1,857,957	2,117,781	1,932,042	2,038,437	1,356,732	1,290,088
Total Governmental Activities	<u>88,124,381</u>	<u>90,640,194</u>	<u>94,486,262</u>	<u>90,996,764</u>	<u>106,970,984</u>	<u>103,522,934</u>	<u>104,324,740</u>	<u>101,928,681</u>	<u>105,536,761</u>	<u>107,695,586</u>
Business-Type Activities										
Water	4,255,925	4,087,550	4,274,095	4,239,920	4,185,008	4,419,105	4,627,534	4,927,301	4,423,782	4,995,329
Sewer	3,437,290	3,577,374	3,758,100	3,719,113	3,508,531	3,570,498	4,052,068	3,649,601	4,003,813	4,375,829
Transfer station	--	--	--	--	1,953,345	2,601,240	2,836,332	2,757,179	3,222,049	3,709,775
Other nonmajor	--	--	--	--	368,562	451,069	392,975	7,540	--	--
Beach	--	--	--	--	--	--	--	--	--	--
Total Business-Type Activities	<u>7,693,215</u>	<u>7,664,924</u>	<u>8,032,195</u>	<u>7,959,033</u>	<u>10,015,446</u>	<u>11,041,912</u>	<u>11,908,909</u>	<u>11,341,621</u>	<u>11,649,644</u>	<u>13,080,933</u>
Total Expenses	<u>\$ 95,817,596</u>	<u>\$ 98,305,118</u>	<u>\$ 102,518,457</u>	<u>\$ 98,955,797</u>	<u>\$ 116,986,430</u>	<u>\$ 114,564,846</u>	<u>\$ 116,233,649</u>	<u>\$ 113,270,302</u>	<u>\$ 117,186,405</u>	<u>\$ 120,776,519</u>
Program Revenues										
Governmental Activities										
Charges for services:										
Legislative, judicial & general administrative	\$ 1,170,950	\$ 1,004,773	\$ 1,211,251	\$ 1,164,508	\$ 11,654,047	\$ 12,677,812	\$ 13,129,554	\$ 13,066,479	\$ 12,566,627	\$ 12,087,066
Public works	2,451,873	2,369,581	2,561,957	2,901,374	31,471	32,563	36,239	34,475	35,509	33,458
Public safety	261,017	384,141	361,958	507,607	980,614	945,592	782,544	2,926,061	807,646	981,591
Health and welfare	51,367	49,498	38,606	95,320	12,489	5,167	1,926	3,646	579	661
Conservation and development	34,504	11,876	16,759	7,577	--	--	--	--	--	15,000
Parks and recreation	223,944	226,461	300,888	239,660	351,884	311,411	319,168	354,911	358,281	408,964
Planning and zoning	75,703	67,330	65,508	52,239	557,855	605,677	728,532	725,434	974,681	873,821
Public education	794,130	825,349	822,436	836,314	2,165,528	1,866,086	1,239,646	1,558,316	2,215,109	1,427,158
Other activities	--	--	--	--	475,878	476,899	478,682	480,752	467,280	381,133
Operating grants and contributions	17,480,083	18,292,668	15,552,575	16,052,500	14,577,457	13,700,087	12,194,415	13,725,293	16,711,119	21,022,965
Capital grants and contributions	129,017	482,120	91,443	147,507	2,845,247	2,431,095	191,118	368,611	661,953	16,748
Total Governmental Activities Program Revenues	<u>22,672,588</u>	<u>23,713,797</u>	<u>21,023,381</u>	<u>22,004,606</u>	<u>33,652,470</u>	<u>33,052,389</u>	<u>29,101,824</u>	<u>33,243,978</u>	<u>34,798,784</u>	<u>37,248,565</u>
Business-Type Activities										
Charges for services:										
Water	4,724,623	4,481,837	4,856,600	4,867,342	4,134,104	4,297,693	4,323,065	5,002,900	4,285,743	5,195,962
Sewer	3,750,359	3,738,352	3,757,947	3,661,087	3,390,651	3,633,827	3,754,515	3,813,804	3,695,197	3,917,926
Transfer station	--	--	--	--	1,964,107	2,450,499	2,750,959	3,115,091	3,509,252	4,597,184
Other non major funds	--	--	--	--	91,104	123,847	81,854	--	--	--
Total Business-Type Activities	<u>8,474,982</u>	<u>8,220,189</u>	<u>8,614,547</u>	<u>8,528,429</u>	<u>9,579,966</u>	<u>10,505,866</u>	<u>10,910,393</u>	<u>11,931,795</u>	<u>11,490,192</u>	<u>13,711,072</u>
Total Program Revenues	<u>\$ 31,147,570</u>	<u>\$ 31,933,986</u>	<u>\$ 29,637,928</u>	<u>\$ 30,533,035</u>	<u>\$ 43,232,436</u>	<u>\$ 43,558,255</u>	<u>\$ 40,012,217</u>	<u>\$ 45,175,773</u>	<u>\$ 46,288,976</u>	<u>\$ 50,959,637</u>

TOWN OF WESTERLY, RHODE ISLAND

TABLE 2

CHANGES IN NET POSITION, LAST TEN FISCAL YEARS GOVERNMENTAL ACTIVITIES (ACCRUAL BASIS OF ACCOUNTING)

	FISCAL YEAR									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (Expenses) Revenues										
Governmental activities	\$ (65,451,793)	\$ (66,926,397)	\$ (73,462,881)	\$ (68,992,158)	\$ (73,318,514)	\$ (70,470,545)	\$ (75,222,916)	\$ (68,684,703)	\$ (70,737,977)	\$ (70,447,021)
Business-type activities	781,767	555,265	582,352	569,396	(435,480)	(536,046)	(998,516)	590,174	(159,452)	630,139
Total Net Expense	<u>\$ (64,670,026)</u>	<u>\$ (66,371,132)</u>	<u>\$ (72,880,529)</u>	<u>\$ (68,422,762)</u>	<u>\$ (73,753,994)</u>	<u>\$ (71,006,591)</u>	<u>\$ (76,221,432)</u>	<u>\$ (68,094,529)</u>	<u>\$ (70,897,429)</u>	<u>\$ (69,816,882)</u>
General Revenues and other Changes in Net Position										
Governmental activities										
Property taxes	\$ 65,605,977	\$ 68,528,551	\$ 68,367,279	\$ 70,244,120	\$ 71,442,426	\$ 74,137,027	\$ 73,224,033	\$ 77,500,103	\$ 77,380,216	\$ 75,964,318
On-behalf pension contributions	--	--	--	--	5,141,470	4,960,954	6,048,306	5,711,553	-	-
State aid and in lieu of taxes not restricted	2,400,544	2,519,706	2,737,650	2,735,220	1,393,019	1,747,784	2,268,079	1,178,723	2,931,295	6,232,320
Unrestricted investment earnings	30,786	32,886	50,854	71,802	165,931	257,337	331,867	123,888	121,232	998,355
Miscellaneous	133,290	247,693	146,118	31,120	2,494,828	2,629,567	3,118,131	2,141,660	3,886,575	3,741,290
Transfers	850,232	(376,895)	(369,522)	(316,002)	(817,699)	(791,617)	(964,911)	(771,844)	(804,472)	(221,962)
Residual equity on transfer	--	--	--	--	(2,125,451)	--	--	1,456,309	--	--
Total Governmental Activities	<u>69,020,829</u>	<u>70,951,941</u>	<u>70,932,379</u>	<u>72,766,260</u>	<u>77,694,524</u>	<u>82,941,052</u>	<u>84,025,505</u>	<u>87,340,392</u>	<u>83,514,846</u>	<u>86,714,321</u>
Business-Type Activities										
Unrestricted investment earnings	2,121	6,826	3,434	3,439	3,457	3,471	1,952	871	873	874
Miscellaneous	--	--	--	--	734,277	858,361	875,351	1,515,689	1,454,112	1,367,494
Residual equity on transfer	--	--	--	--	2,125,451	--	--	(1,456,309)	--	--
Transfers	(850,232)	376,895	369,522	316,002	817,699	791,617	964,911	771,844	804,472	221,962
Total Business-Type Activities	<u>(848,111)</u>	<u>383,721</u>	<u>372,956</u>	<u>319,441</u>	<u>3,680,884</u>	<u>1,653,449</u>	<u>1,842,214</u>	<u>832,095</u>	<u>2,259,457</u>	<u>1,590,330</u>
Total	<u>68,172,718</u>	<u>71,335,662</u>	<u>71,305,335</u>	<u>73,085,701</u>	<u>81,375,408</u>	<u>84,594,501</u>	<u>85,867,719</u>	<u>88,172,487</u>	<u>85,774,303</u>	<u>88,304,651</u>
Change in Net Position										
Governmental activities	3,569,036	4,025,544	(2,530,502)	3,774,102	4,376,010	12,470,507	8,802,589	18,655,689	12,776,869	16,267,300
Business-type activities	(66,344)	938,986	955,308	888,837	3,245,404	1,117,403	843,698	1,422,269	2,100,005	2,220,469
Total	<u>\$ 3,502,692</u>	<u>\$ 4,964,530</u>	<u>\$ (1,575,194)</u>	<u>\$ 4,662,939</u>	<u>\$ 7,621,414</u>	<u>\$ 13,587,910</u>	<u>\$ 9,646,287</u>	<u>\$ 20,077,958</u>	<u>\$ 14,876,874</u>	<u>\$ 18,487,769</u>

TOWN OF WESTERLY, RHODE ISLAND

TABLE 3

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

	FISCAL YEAR									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 840,328	\$ 3,727,798	\$ 2,481,536	\$ 1,964,480	\$ 65,142	\$ 1,160,288	\$ 1,074,747	\$ 1,204,941	\$ 1,050,830	\$ 8,659,366
Restricted	2,651,915	899,551	2,016,389	2,962,109	2,553,308	2,934,327	4,446,897	4,464,952	6,073,003	4,812,992
Committed	187,137	631,100	1,023,198	999,360	1,428,760	1,194,821	1,251,351	980,478	676,971	1,452,742
Assigned	500,000	275,000	475,000	--	--	--	--	--	--	--
Unassigned	8,606,291	5,873,316	5,498,327	8,565,108	10,148,541	9,421,232	11,091,308	14,865,230	16,560,025	18,137,219
Total General Fund	<u>12,785,671</u>	<u>11,406,765</u>	<u>11,494,450</u>	<u>14,491,057</u>	<u>14,195,751</u>	<u>14,710,668</u>	<u>17,864,303</u>	<u>21,515,601</u>	<u>24,360,829</u>	<u>33,062,319</u>
All Other Governmental Funds										
Nonspendable	--	--	--	--	--	--	26,522	74,826	50,984	7,828
Restricted	4,350,125	6,891,126	5,585,485	3,491,577	2,459,251	14,378,168	9,597,853	7,557,331	10,422,441	2,550,929
Committed	2,829,358	1,993,649	2,052,305	3,176,002	2,741,307	2,587,070	2,727,288	3,497,425	3,990,607	2,919,660
Unassigned	(644,817)	(56,941)	(86,125)	(296,685)	(15,470)	--	--	--	--	--
Total All Other Governmental Funds	<u>\$ 6,534,666</u>	<u>\$ 8,827,834</u>	<u>\$ 7,551,665</u>	<u>\$ 6,370,894</u>	<u>\$ 5,185,088</u>	<u>\$ 16,965,238</u>	<u>\$ 12,351,663</u>	<u>\$ 11,129,582</u>	<u>\$ 14,464,032</u>	<u>\$ 5,478,417</u>

Source: Town of Westerly Annual Financial Statements

TOWN OF WESTERLY, RHODE ISLAND

TABLE 4

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

	For the Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
General property taxes	\$ 67,111,282	\$ 67,701,397	\$ 68,353,018	\$ 71,006,084	\$ 71,539,943	\$ 73,698,475	\$ 75,129,029	\$ 76,154,156	\$ 78,153,783	\$ 76,228,367
Intergovernmental revenue	21,714,929	23,507,224	23,605,520	23,674,677	22,850,796	21,775,419	18,377,181	21,960,082	23,026,597	29,074,117
Operating grants and contributions	--	--	--	--	--	3,802	--	--	--	--
Capital grants and contributions	--	--	--	--	425,766	333,300	178,156	33,110	222,148	36,000
Licenses and permits	924,890	892,998	1,004,702	957,454	560,357	654,952	802,626	792,566	1,048,115	976,175
Charges for services	--	--	--	--	2,219,786	2,203,092	1,997,505	2,118,140	1,951,977	2,226,510
Fines and penalties	164,292	189,849	248,243	257,925	256,321	170,452	186,060	279,242	236,044	226,314
Interest on investments	27,407	29,172	49,446	70,392	165,931	257,337	331,867	123,888	121,232	783,931
On behalf pension contribution	--	--	--	--	2,428,738	2,452,730	2,515,237	2,606,081	2,670,323	2,669,740
Other revenues	2,341,541	2,246,949	1,703,633	2,183,082	624,886	645,411	987,855	1,443,433	1,232,306	1,168,176
Total Revenues	<u>92,284,341</u>	<u>94,567,589</u>	<u>94,964,562</u>	<u>98,149,614</u>	<u>101,072,524</u>	<u>102,194,970</u>	<u>100,505,516</u>	<u>105,510,698</u>	<u>108,662,525</u>	<u>113,389,330</u>
Expenditures										
Current:										
Legislative, judicial and general administrative	4,210,763	4,071,190	3,632,451	5,315,071	8,373,194	8,193,359	7,469,708	7,386,842	7,275,693	7,239,242
Public works	6,622,126	6,410,305	6,380,205	6,192,932	3,991,546	4,643,131	4,533,140	4,771,380	4,603,035	4,803,156
Public safety	8,087,246	8,797,203	8,475,679	6,859,372	7,265,723	7,199,836	7,482,934	8,179,195	8,700,096	8,485,906
Health and welfare	3,189,709	1,509,542	1,572,619	1,436,949	1,598,964	1,304,095	1,399,797	1,541,288	1,683,661	1,520,843
Conservation and development	8,058	28,591	16,756	43,642	948,771	287,270	933,919	49,409	159,567	66,209
Parks and recreation	988,760	1,169,251	1,431,213	1,130,853	1,084,395	615,498	662,115	638,917	540,659	632,255
Planning and zoning	784,507	749,471	771,227	654,428	788,633	836,315	986,275	1,028,682	920,318	964,930
Public education	58,575,405	59,794,583	59,884,514	60,841,322	59,568,409	60,505,306	58,678,106	61,914,837	61,259,343	63,925,179
On behalf pension contribution	--	--	--	--	2,428,738	2,452,730	2,515,237	2,606,081	2,670,323	2,669,740
Capital improvement/restricted programs	4,005,779	7,468,346	3,875,406	5,879,811	7,918,267	9,290,338	8,887,777	7,210,185	14,556,097	13,195,364
Debt service:										
Principal	5,874,438	5,874,438	5,874,438	5,874,438	9,449,364	9,897,806	9,854,483	10,024,564	10,137,977	11,009,233
Interest	4,004,773	4,557,382	5,269,860	4,178,583	--	--	--	--	--	--
Total Expenditures	<u>96,351,564</u>	<u>100,430,302</u>	<u>97,184,368</u>	<u>98,407,401</u>	<u>103,416,004</u>	<u>105,225,684</u>	<u>103,403,491</u>	<u>105,351,380</u>	<u>112,506,769</u>	<u>114,512,057</u>
Excess of revenues over (under) expenditures	<u>(4,067,223)</u>	<u>(5,862,713)</u>	<u>(2,219,806)</u>	<u>(257,787)</u>	<u>(2,343,480)</u>	<u>(3,030,714)</u>	<u>(2,897,975)</u>	<u>159,318</u>	<u>(3,844,244)</u>	<u>(1,122,727)</u>
Other Financing Sources (Uses)										
Bond and loan proceeds	--	--	--	1,350,000	--	15,000,000	1,000,000	11,205,000	17,175,000	--
Lease proceeds	2,347,516	778,992	1,194,433	1,039,625	1,254,864	1,117,398	1,402,946	615,804	1,753,194	1,060,564
Premium on debt	2,136,371	145,374	--	--	366,446	--	--	1,933,838	--	--
Issuance of refunding bonds	15,890,000	6,000,000	--	--	4,140,000	--	--	--	--	--
Payment to refunding bond escrow agent	(16,489,170)	--	--	--	(4,179,386)	--	--	(10,949,344)	(8,099,800)	--
Transfers from other funds	1,264,685	1,174,147	1,248,986	1,137,099	1,511,463	1,244,623	1,525,748	3,456,043	1,819,997	545,264
Transfers to other funds	(1,922,137)	(1,321,542)	(1,273,508)	(1,453,101)	(2,329,162)	(2,036,240)	(2,490,659)	(4,227,887)	(2,624,469)	(767,226)
Total Other Financing Sources	<u>3,227,265</u>	<u>6,776,971</u>	<u>1,169,911</u>	<u>2,073,623</u>	<u>764,225</u>	<u>15,325,781</u>	<u>1,438,035</u>	<u>2,033,454</u>	<u>10,023,922</u>	<u>838,602</u>
Net Change in Fund Balances	<u>\$ (839,958)</u>	<u>\$ 914,258</u>	<u>\$ (1,049,895)</u>	<u>\$ 1,815,836</u>	<u>\$ (1,579,255)</u>	<u>\$ 12,295,067</u>	<u>\$ (1,459,940)</u>	<u>\$ 2,192,772</u>	<u>\$ 6,179,678</u>	<u>\$ (284,125)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>10.70%</u>	<u>11.22%</u>	<u>11.94%</u>	<u>10.86%</u>	<u>9.89%</u>	<u>10.32%</u>	<u>10.43%</u>	<u>10.21%</u>	<u>10.35%</u>	<u>10.87%</u>

Source: Town of Westerly Annual Financial Statements

TOWN OF WESTERLY, RHODE ISLAND

TABLE 5

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(UNAUDITED)**

Fiscal Year Ended June 30	Real Property	Tangible Property	Motor Vehicles	less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate Real	Total Direct Tax Rate MV
2023	\$ 7,911,599,997	\$ 140,432,073	\$ -	\$ 84,309,335	\$ 7,967,722,735	9.62	-
2022	\$ 6,383,996,780	\$ 136,608,805	\$ 186,320,112	\$ 141,896,778	\$ 6,565,028,919	11.52	29.67
2021	\$ 6,344,781,480	\$ 133,872,207	\$ 180,057,582	\$ 130,358,756	\$ 6,528,352,513	11.31	29.67
2020	\$ 6,299,240,580	\$ 131,163,952	\$ 186,792,202	\$ 117,406,794	\$ 6,499,753,939	11.20	29.67
2019	\$ 5,718,629,930	\$ 125,509,234	\$ 189,482,508	\$ 101,133,577	\$ 5,932,488,094	11.88	29.67
2018	\$ 5,668,135,260	\$ 119,592,185	\$ 220,615,299	\$ 100,261,288	\$ 5,908,081,456	11.59	29.67
2017	\$ 5,618,394,130	\$ 121,142,653	\$ 218,935,856	\$ 102,135,031	\$ 5,856,336,030	11.36	29.67
2016	\$ 5,767,432,015	\$ 115,459,093	\$ 215,176,591	\$ 108,693,817	\$ 5,989,385,500	10.82	29.67
2015	\$ 5,720,353,700	\$ 117,617,714	\$ 208,705,482	\$ 109,796,164	\$ 5,936,880,732	10.64	29.67
2014	\$ 5,681,316,650	\$ 113,754,910	\$ 206,850,868	\$ 187,685,148	\$ 5,887,246,189	10.53	29.67

TOWN OF WESTERLY, RHODE ISLAND

TABLE 6

**PROPERTY TAX RATES
LAST TEN YEARS
(UNAUDITED)**

<u>Fiscal Year Ended June 30</u>	<u>Real Estate and Personal Property</u>	<u>Motor Vehicle</u>
2014	10.53	29.67
2015	10.64	29.67
2016	10.82	29.67
2017	11.36	29.67
2018	11.59	29.67
2019	11.88	29.67
2020	11.20	29.67
2021	11.31	29.67
2022	11.52	29.67
2023	9.62	0.00

Source: Finance Department, Westerly, Rhode Island

TOWN OF WESTERLY, RHODE ISLAND

TABLE 7

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)**

		12/31/2022				12/31/2012	
Name	Assessed Value	Rank	% Net Taxable Grand List	Name	Assessed Value	Rank	% Net Taxable Grand List
Rhode Island Energy Company	\$ 42,524,855	1	0.528%	Westerly Ventures, LLC	\$ 38,344,000	1	0.639%
Ocean House Hotel Partners, LLC	\$ 29,093,325	2	0.361%	National Grid	\$ 25,721,967	2	0.429%
Kahuna Rhode Island, LLC	\$ 26,049,100	3	0.324%	Ocean House Hotel Partners, LLC	\$ 24,323,700	3	0.405%
Washington Trust Co. (The)	\$ 23,221,505	4	0.288%	Washington Trust Co (The)	\$ 23,711,141	4	0.395%
Westerly Ventures, LLC	\$ 22,231,900	5	0.276%	Franklin Plaza, LLC	\$ 18,024,180	5	0.300%
Wall, Thomas R. IV	\$ 21,313,600	6	0.265%	Royce, Charles M.	\$ 17,221,900	6	0.287%
Misquamicut Club (The)	\$ 20,438,727	7	0.254%	George W. Whitney RT et al	\$ 17,176,400	7	0.286%
Harbor Land Strategic Realty, LLC	\$ 20,423,100	8	0.254%	Wall, Thomas R. IV	\$ 16,908,500	8	0.282%
George W. Whitney RT et al	\$ 17,734,900	9	0.220%	Kahuna Rhode Island, LLC	\$ 16,888,400	9	0.281%
Vogt Associates, Ltd.	\$ 17,718,300	10	0.220%	Misquamicut Club (The)	\$ 15,337,700	10	0.256%
GROSS ASSESSED VALUE AS OF 12/31/22:			\$8,052,032,070	GROSS ASSESSED VALUE AS OF 12/31/12			\$6,001,922,428

TOWN OF WESTERLY, RHODE ISLAND

TABLE 8

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(UNAUDITED)**

<u>Year Ended</u>	<u>Taxes Levied (net abatements)</u>	<u>Collected within the Fiscal Year Amount</u>	<u>% of Levy</u>	<u>Collected in Subsequent Years</u>	<u>Total Collections Amount</u>	<u>Balance Remaining</u>	<u>% of Levy</u>
2014	\$ 67,067,280	\$ 64,645,348	96.39%	\$ 2,421,932	\$ 67,067,280	\$ -	100.00%
2015	\$ 67,067,280	\$ 66,274,258	98.82%	\$ 684,069	\$ 66,958,327	\$ 106,905	99.84%
2016	\$ 69,019,265	\$ 67,949,144	98.45%	\$ 966,590	\$ 68,915,734	\$ 108,953	99.85%
2017	\$ 70,419,912	\$ 70,062,864	99.49%	\$ 268,666	\$ 70,331,530	\$ 103,531	99.87%
2018	\$ 71,870,646	\$ 71,490,180	99.47%	\$ 286,392	\$ 71,776,572	\$ 88,382	99.87%
2019	\$ 73,984,340	\$ 73,737,407	99.67%	\$ 158,811	\$ 73,896,218	\$ 94,074	99.88%
2020	\$ 76,259,195	\$ 75,457,592	98.95%	\$ 735,698	\$ 76,193,290	\$ 88,122	99.91%
2021	\$ 76,863,404	\$ 76,230,890	99.18%	\$ 556,216	\$ 76,787,106	\$ 65,905	99.90%
2022	\$ 78,570,089	\$ 78,159,894	99.48%	\$ 196,431	\$ 78,356,325	\$ 76,298	99.73%
2023	\$ 76,880,386	\$ 76,666,623	99.72%	\$ -	\$ 76,666,623	\$ 213,764	99.72%

TOWN OF WESTERLY, RHODE ISLAND

TABLE 9

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(UNAUDITED)**

Year	Governmental Activities				Business Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Notes and Loan Payable	Lease Liabilities	ROU Liabilities	General Obligation Bonds	Loans Payable	Lease Liabilities	ROU Liabilities			
2023	\$ 52,467,000	\$ 9,351,000	\$ 2,351,850	\$ 215,273	\$ 1,645,000	\$ 1,222,300	\$ 2,142,225	\$ 89,181	\$ 69,483,829	7.22%	\$ 2,959
2022	\$ 59,749,000	\$ 9,351,000	\$ 2,639,393	\$ -	\$ 1,700,000	\$ 1,489,300	\$ 2,214,289	\$ -	\$ 77,142,982	8.43%	\$ 3,455
2021	\$ 56,854,000	\$ 9,351,000	\$ 2,004,524	\$ -	\$ -	\$ 1,752,300	\$ 2,187,725	\$ -	\$ 72,149,549	7.88%	\$ 3,231
2020	\$ 50,603,000	\$ 21,286,000	\$ 2,140,086	\$ -	\$ -	\$ 2,529,212	\$ 2,479,221	\$ -	\$ 79,037,519	8.25%	\$ 3,384
2019	\$ 54,323,000	\$ 22,371,000	\$ 1,957,708	\$ -	\$ -	\$ 3,289,610	\$ 2,714,859	\$ -	\$ 84,656,177	9.13%	\$ 3,755
2018	\$ 43,840,000	\$ 23,456,000	\$ 2,121,462	\$ -	\$ -	\$ 3,863,915	\$ 2,692,776	\$ -	\$ 75,974,153	8.65%	\$ 3,358
2017	\$ 48,160,000	\$ 24,541,000	\$ 2,190,137	\$ -	\$ -	\$ 2,760,519	\$ 2,459,388	\$ -	\$ 80,111,045	9.48%	\$ 3,541
2016	\$ 51,145,000	\$ 22,703,812	\$ 2,342,516	\$ -	\$ -	\$ 3,307,808	\$ 2,491,760	\$ -	\$ 81,990,896	10.25%	\$ 3,620
2015	\$ 59,347,000	\$ 20,476,250	\$ 2,503,007	\$ -	\$ -	\$ 3,944,878	\$ 2,594,000	\$ -	\$ 88,865,135	10.98%	\$ 3,918
2014	\$ 52,955,000	\$ 26,052,688	\$ 2,844,049	\$ -	\$ -	\$ 4,569,370	\$ 20,000	\$ -	\$ 86,441,107	10.74%	\$ 3,803

TOWN OF WESTERLY, RHODE ISLAND

TABLE 10

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS
(UNAUDITED)**

Fiscal Year	General Obligation Bonds	Notes and Loan Payable	Total	(a) Percentage of Actual Taxable Value of Property	Per Capita
2023	\$ 52,467,000	\$ 9,351,000	\$ 61,818,000	0.78%	\$ 2,632
2022	\$ 59,749,000	\$ 9,351,000	\$ 69,100,000	1.05%	\$ 2,943
2021	\$ 56,854,000	\$ 9,351,000	\$ 66,205,000	1.01%	\$ 2,965
2020	\$ 50,603,000	\$ 21,286,000	\$ 71,889,000	1.11%	\$ 3,078
2019	\$ 54,323,000	\$ 22,371,000	\$ 76,694,000	1.29%	\$ 3,402
2018	\$ 43,840,000	\$ 23,456,000	\$ 67,296,000	1.14%	\$ 2,975
2017	\$ 48,160,000	\$ 24,541,000	\$ 72,701,000	1.24%	\$ 3,213
2016	\$ 51,145,000	\$ 22,703,812	\$ 73,848,812	1.23%	\$ 3,260
2015	\$ 59,347,000	\$ 20,476,250	\$ 79,823,250	1.34%	\$ 3,519
2014	\$ 52,955,000	\$ 26,052,688	\$ 79,007,688	1.34%	\$ 3,476

Source: Finance Department , Westerly, Rhode Island

(a) Total taxable assessed value

TOWN OF WESTERLY, RHODE ISLAND

TABLE 11

LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS (UNAUDITED)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total assessed value	\$ 5,887,246,189	\$ 5,936,880,732	\$ 5,989,385,500	\$ 5,856,336,030	\$ 5,908,081,456	\$ 5,932,488,094	\$ 6,499,753,939	\$ 6,528,352,513	\$ 6,565,028,919	\$ 7,967,722,735
Debt Limit (1)	\$ 176,617,386	\$ 178,106,422	\$ 179,681,565	\$ 175,690,081	\$ 177,242,444	\$ 177,974,643	\$ 194,992,618	\$ 195,850,575	\$ 196,950,868	\$ 239,031,682
Amount of Debt Subject to Limit	\$ 29,787,516	\$ 28,597,811	\$ 28,598,118	\$ 28,834,874	\$ 28,825,852	\$ 41,875,272	\$ 38,296,170	\$ 36,111,110	\$ 32,302,539	\$ 29,264,194
Legal Debt Margin	\$ 146,829,870	\$ 149,508,611	\$ 151,083,447	\$ 146,855,207	\$ 148,416,592	\$ 136,099,371	\$ 156,696,448	\$ 159,739,465	\$ 164,648,329	\$ 209,767,488
Legal Debt Margin as a Percentage of the Debt Limit	83.13%	83.94%	84.08%	83.59%	83.74%	76.47%	80.36%	81.56%	83.60%	87.76%

Source: Finance Department, Westerly, Rhode Island

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

TOWN OF WESTERLY, RHODE ISLAND

TABLE 12

DEMOGRAPHIC AND ECONOMIC STATISTICS (UNAUDITED) CURRENT AND HISTORIC COMPARISON

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Population	23,483	23,483	22,328	23,359	22,544	22,624	22,626	22,651	22,683	22,727	22,720	22,787
Median Age	N/A	N/A	N/A	49.3 years	46.6 years	45.6 years	45.7 years	45.6 years	45.1 years	44.5 years	44.1 years	44.2 years
High School Graduate Attainment (ages 18+)	N/A	N/A	N/A	93.0%	85.9%	90.1%	90.0%	89.5%	89.8%	88.8%	87.1%	86.9%
Bachelor's Degree Attainment (ages 25+)	N/A	N/A	N/A	37.1%	34.8%	32.8%	32.4%	31.6%	31.6%	31.9%	30.4%	29.4%
Median Household Income (past 12 months)	N/A	N/A	N/A	\$76,835	\$70,784	\$65,810	\$63,507	\$60,800	\$61,500	\$62,381	\$60,532	\$59,008
Per Capita Income (past 12 months)	N/A	N/A	N/A	\$44,360	\$40,999	\$38,821	\$37,358	\$35,304	\$35,694	\$35,420	\$33,854	\$33,698

Source: United States Census Bureau (including American Community Survey Not updated since 2020)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public School Enrollment	2,278	2,372	2,431	2,639	2,730	2,775	2,851	3,007	2,997	2,996	3,037	3,021

Source: Westerly Public Schools

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Unemployment Rate	2.8%	4.1%	6.2%	11.8%	3.9%	5.1%	5.1%	6.1%	7.2%	9.2%	10.6%	11.6%

Source: Rhode Island Department of Labor and Training

TOWN OF WESTERLY, RHODE ISLAND

TABLE 13

**FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
(UNAUDITED)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Government										
Town Manager	3	2	2	2	2	2	2	2	2	2
Town Solicitor	-	-	-	-	-	-	-	-	-	-
Finance	8	8	8	8	8	6	7	9	9	9
Town Clerk	6	6	6	6	6.5	7	7	7	7	7
Development Services	9	9	11	10.5	10	9.5	9.5	4	4	4
Assessment	5	5	4	5	5	5	5	5	5	5
Other	-	-	-	-	-	-	-	16	16	16
Human Resources	2	2	2	2	2	3.5	3.5	-	-	-
Information Technology	3	3	4	3.5	3.5	3	3	-	-	-
Animal Shelter	3	1	1	1.5	1.5	3	3	-	-	-
Tax Collections	4	4	4	4	4	4	4	-	-	-
Purchasing	1	1	1	1	1	1	0.5	-	-	-
Public Safety										
Sworn Officers	52	50	51	52	53	50	50	45	50	50
Support	9	12	16	13	13	12	11	11	11	11
Public Health										
Public Works	49	45	47	43	49	46	45	45	45	45
Water & Sewer	27	22	29	25	31	27	28	28	28	29
Public Welfare										
Recreation	2	2	2	2	2	1.5	1.5	2	2	2
Public Education										
Teachers	271	265	281	276	278	286	297	302	302	310
Pupil Support	216	207	221	261	263	236	230	234	234	233
Administration	20	20	22	19	23	36	39	38	38	34

TOWN OF WESTERLY, RHODE ISLAND

TABLE 14

OPERATING INDICATORS BY FUNCTION/PROGRAM (UNAUDITED)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government										
Marriage Licenses Issued	193	208	177	165	197	188	219	195	185	212
Death Certificates Recorded	-	184	468	426	340	309	313	357	368	287
Land Records Recorded	4,528	6,096	7,762	5,565	5,282	5,594	5,907	5,764	5,450	6,302
Registered Voters	17,122	19,638	19,535	19,134	18,477	18,296	18,014	17,728	17,224	17,729
Elections & Referenda	2	-	4	2	2	2	2	2	2	1
Planning & Development										
Building Permits Issued	3,028	2,922	2,809	2,466	2,416	2,310	2,230	2,399	1,984	2,482
Cost of Construction	98,761,076	103,770,683	76,193,467	77,780,036	68,950,851	55,964,294	54,592,394	69,905,961	47,232,404	52,404,978
Police										
Arrest	722	1,096	1,369	998	918	953	1,316	1,099	1,198	1,061
Parking Violations	1,739	1,095	2,295	1,813	1,642	1,918	626	1,754	1,860	1,196
Calls for Service	59,228	60,631	69,581	49,722	48,120	46,882	42,793	34,704	30,948	28,825
Public Works										
Street Resurfacing (miles)	2.7	8	3	5	1	3	1	9	6	7
Transfer station refuse (tons)	16259	16,091	17,398	12,587	12,208	10,674	9,760	10,077	12,692	13,383
Transfer station recyclables (tons)	4221.73	5,100	5,140	3,573	4,435	4,401	5,093	4,410	4,343	4,159
Parks & Recreation										
Programs Offered	55	46	71	77	78	101	70	68	63	61
Beach Passes Issued	3,915	3,465	3,470	3,429	3,085	2,972	2,756	2,591	2,552	2,454
Education										
Number of Students	2278	2,372	2,431	2,639	2,730	2,775	2,851	3,007	2,997	2,996
Water										
New Connections	24	17	20	80	64	65	59	69	76	86
Water Main Breaks	15	16	12	34	20	18	22	22	38	18
Avg daily consumption (thousands of gallons)	3,904	3,877	3,695	2,951	3,270	3,965	3,477	3,559	3,287	3,440
Sewer										
Average daily treatment (thousands of gallons)	2,200	2,151	2,020	2,573	2,743	2,634	2,167	2,195	2,060	2,227
Sewer treatment capacity (thousands of gallons)	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300

TOWN OF WESTERLY, RHODE ISLAND

TABLE 15

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (UNAUDITED)

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	60	60	60	60	60	60	55	52	47	46
Fire										
Fire Prevention is covered by five separate self-taxing Fire Districts										
Public Works										
Streets (miles)	137	137	136	136	136	156	156	156	156	145
Street Lights	3354	3354	3348	3348	3348	3028	3028	3153	3152	3150
Register Vehicles	117	119	100	109	122	113	115	103	107	103
Parks & Recreation										
Acreage	92	85	88	85	85	85	85	85	85	85
Parks & Playing Fields	7	6	7	6	6	6	6	6	6	6
Beaches	2	2	2	2	2	2	2	2	2	2
Community Centers	1	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1	1
Marina	1	1	1	1	1	1	1	1	1	1
Town Forest 54 Acres	1	1	1	1	1	1	1	1	1	1
Public Libraries										
Libraries	1	1	1	1	1	1	1	1	1	1
Schools										
Elementary Schools	3	3	3	3	3	4	4	4	4	4
Middle Schools	1	1	1	1	1	1	1	1	1	1
High Schools	1	1	1	1	1	1	1	1	1	1
School Buses	35	34	42	40	54	54	47	48	48	43
Water										
Water Mains (miles)	207	207	207	207	207	207	207	207	207	207
Fire Hydrants	1092	1092	1092	1092	1092	1092	1092	1091	1091	1091
Sewer										
Sanitary Sewers (miles)	61	61	61	61	61	61	61	61	61	61
Storm sewers (miles)	65	65	65	65	65	65	65	65	65	65
Treatment capacity (thousand gallons)	3300	3300	3300	3300	3300	3300	3300	3300	3300	3300

Source: Town capital asset records and various Town Departments

TOWN OF WESTERLY, RHODE ISLAND

TABLE 16

TAX COLLECTORS ANNUAL REPORT
(UNAUDITED)

Tax Roll List Year	Fiscal Year	Balance July 1, 2022	Current year Assessment	Additions	Adjustments & Abatements	over 10 yr old Receivables	Amount to be Collected	Current Year Collections	Balance June 30, 2023
2022	2023		\$ 76,922,967	\$ 34,779	\$ (77,359)	\$ -	\$ 76,880,387	\$ 76,666,623	\$ 213,764
2021	2022	410,194	-	-	(7,180)	-	403,014	326,716	76,298
2020	2021	85,620	-	-	(5,433)	-	80,187	14,282	65,905
2019	2020	94,835	-	-	(1,296)	-	93,539	5,417	88,122
2018	2019	99,351	-	-	(1,195)	-	98,156	4,083	94,073
2017	2018	91,413	-	-	(68)	-	91,345	2,963	88,382
2016	2017	104,728	-	-	(66)	-	104,662	1,130	103,532
2015	2016	110,548	-	-	(61)	-	110,487	1,685	108,802
2014	2015	108,576	-	-	(57)	-	108,519	1,614	106,905
2013	2014	136,813	-	-	(53)	134,842	136,760	1,917	-
		\$ 1,242,078	\$ 76,922,967	\$ 34,779	\$ (92,768)	\$ 134,842	\$ 78,107,056	\$ 77,026,430	\$ 945,783
									Allowance for Doubtful Accounts (624,083)
									\$ 321,700

FY 2023 Cash Collections Summary

July - August 2022 Collections Subject to 60-day FY 22 Accrual	September - June 2023 Collections	Total FY 2023 Cash Collections	July - August 2023 (FY 24) Cash Collections Subject to 60-day FY 23 Accrual
\$ 150,993	\$ 76,515,630	\$ 76,666,623	\$ 106,054
4,012	322,704	326,716	3,282
1,473	12,809	14,282	1,139
891	4,526	5,417	1,728
257	3,826	4,083	333
12	2,951	2,963	2,077
104	1,026	1,130	79
150	1,535	1,685	156
319	1,295	1,614	754
--	1,917	1,917	--
\$ 158,211	\$ 76,868,219	\$ 77,026,430	\$ 115,602

per cert \$ 76,922,967
per QDS 76,922,967
\$ --

Reconciliation of Current Year Property Tax Revenue

Current Year Collections	\$ 77,026,430
July - August 2023 Collections Subject to 60-day FY23 Accrual	115,602
	77,142,032
July - August 2022 Collections Subject to 2010 Revenue Written Off in 2022	4,191
60-day FY21 Accrual	(158,211) *
	\$ 76,988,012

* Total revenues include property tax and sewer assessment revenues.

Schedule of Net Assessed Property, Value by Category

Description of Property	Valuations December 31, 2021	Levy July 1, 2022
Real Property	\$ 7,837,184,347	\$ 75,306,900
Tangible	136,004,639	1,616,067
Total	7,973,188,986	76,922,967
Exemptions	(76,748,437)	--
Net Assessed Value	\$ 7,896,440,549	\$ 76,922,967