

TOWN OF WEST WARWICK, RHODE ISLAND
FINANCIAL STATEMENTS
JUNE 30, 2021



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AUDIT, TAX, AND CONSULTING

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TOWN OF WEST WARWICK, RHODE ISLAND
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Introductory Section

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LIST OF TOWN OFFICIALS
Town of West Warwick, Rhode Island

TOWN COUNCIL

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

TOWN MANAGER

Mark Knott

SCHOOL COMMITTEE

Luis R. Colon, Jr., Chairperson
Rene Coutu, Vice Chairman
Susan St. Amand, Clerk
Joseph A. DiMartino
Angela Coburn

DEPARTMENT DIRECTORS

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

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Financial Section

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INDEPENDENT AUDITORS' REPORT

To the Members of the West Warwick Town Council
Town of West Warwick, Rhode Island

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of West Warwick, Rhode Island, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of West Warwick, Rhode Island's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of West Warwick, Rhode Island, as of June 30, 2021 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.

Emphasis of a Matter

During fiscal year ended June 30, 2021, the Town of West Warwick, Rhode Island adopted GASB Statement No. 84, Fiduciary Activities. As a result of the implementation of this standard, the Town of West Warwick, Rhode Island reported a restatement for the change in accounting principle (see Note 16). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

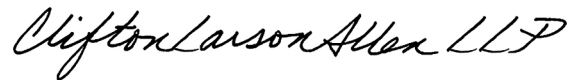
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of West Warwick, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and Annual Supplemental Transparency Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the Annual Supplemental Transparency Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the Annual Supplemental Transparency Report are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2022 on our consideration of the Town of West Warwick, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of West Warwick, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of West Warwick, Rhode Island's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Cranston, Rhode Island
January 20, 2022

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**TOWN OF WEST WARWICK, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

As management of the Town of West Warwick, we offer readers of the Town of West Warwick's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the Town's financial statements that follow this section.

Financial Highlights

- ❖ The Town's government-wide net position decreased by \$400,156 as a result of this year's current operations. On a government-wide basis the liabilities and deferred inflows of resources exceeded the Town's assets and deferred outflows of resource creating a net position deficiency of \$146,312,975. Net position of the business-type activities decreased by \$667,046, while the net position of Governmental Activities increased by \$266,890.
- ❖ The Town's Government-wide (governmental and business-type activities) operating expenses were \$127,547,775 while revenues collected were \$127,147,619.
- ❖ As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$17,472,761. 20.76% of this amount, \$3,627,521 is unassigned.
- ❖ At the end of the current fiscal year, the General Fund's unassigned fund balance was \$3,675,083 or 8.7% of the total General Fund budgetary expenditures (excluding education) for the fiscal year. In accordance with generally accepted accounting principles (GAAP), the current fiscal year's revenues and other financing sources exceeded expenditures and other financing uses transfers by \$182,083.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The Town of West Warwick maintains 86 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and School Unrestricted Fund which are considered to be major funds. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements which can be found in the supplementary information section of the audited financial statements. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in Exhibits A-1 through A-8.

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

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

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

The proprietary fund financial statements are presented on Exhibits V, VI and VII.

Fiduciary Funds - Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are *not* reflected in the government-wide financial statement because resources of those funds are *not* available to support the Town of West Warwick's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

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

Notes to Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented on pages 24 through 70.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information pertinent to the Town of West Warwick's operations. Required Supplementary information is presented on pages 71 through 81.

The combining statements referred to earlier in connection with nonmajor governmental funds and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules are presented on pages 82 through 113.

Government-wide Financial Analysis

As noted earlier, over time net position may serve as a useful indicator of a government's financial position and an important determinant of its ability to finance services in the future. In the case of the Town of West Warwick, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$146,690,575 as of June 30, 2021.

Town of West Warwick, Rhode Island Statement of Net Position June 30, 2021 and June 30, 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 28,693,206	\$ 24,608,274	\$ 15,266,804	\$ 17,025,661	\$ 43,960,010	\$ 41,633,935
Capital assets	<u>61,372,161</u>	<u>62,341,148</u>	<u>49,330,442</u>	<u>50,997,639</u>	<u>110,702,603</u>	<u>113,338,787</u>
Total Assets	<u>90,065,367</u>	<u>86,949,422</u>	<u>64,597,246</u>	<u>68,023,300</u>	<u>154,662,613</u>	<u>154,972,722</u>
Deferred outflows of resources	<u>28,150,050</u>	<u>33,037,047</u>	<u>441,065</u>	<u>710,115</u>	<u>28,591,115</u>	<u>33,747,162</u>
Other liabilities	16,199,546	10,811,191	3,191,416	3,389,404	19,390,962	14,200,595
Long-term liabilities	<u>267,853,269</u>	<u>276,795,116</u>	<u>22,336,942</u>	<u>25,202,654</u>	<u>290,190,211</u>	<u>301,997,770</u>
Total Liabilities	<u>284,052,815</u>	<u>287,606,307</u>	<u>25,528,358</u>	<u>28,592,058</u>	<u>309,581,173</u>	<u>316,198,365</u>
Deferred inflows of resources	<u>19,628,247</u>	<u>18,306,623</u>	<u>357,283</u>	<u>321,641</u>	<u>19,985,530</u>	<u>18,628,264</u>
Net Position:						
Net investment in capital assets	25,389,573	23,751,810	35,612,884	34,941,717	61,002,457	58,693,527
Restricted	5,532,102	3,278,270	-	-	5,532,102	3,278,270
Unrestricted	<u>(216,387,320)</u>	<u>(212,956,541)</u>	<u>3,539,786</u>	<u>4,877,999</u>	<u>(212,847,534)</u>	<u>(208,078,542)</u>
Total Net Position	\$ <u>(185,465,645)</u>	\$ <u>(185,926,461)</u>	\$ <u>39,152,670</u>	\$ <u>39,819,716</u>	\$ <u>(146,312,975)</u>	\$ <u>(146,106,745)</u>

Note: Prior year net position was restated, balances represent financials prior to restatement

The Town's net position includes \$61,002,457 invested in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire these assets that are still outstanding and any restricted cash still remaining on these debt obligations. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The Town's overall negative net position of \$146,050,344 at June 30, 2021 is primarily attributable to the legacy costs related to unfunded pension and OPEB liabilities which totaled approximately \$240,000,000 at June 30, 2021.

Town of West Warwick, Rhode Island
Statement of Changes in Net Position
June 30, 2021 and June 30, 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$ 3,968,438	\$ 3,716,222	\$ 8,457,017	\$ 8,639,218	\$ 12,425,455	\$ 12,355,440
Operating grants and contributions	39,412,505	33,287,912	666,798	968,983	40,079,303	34,256,895
Capital grants and contributions	193,895	1,499,945		-	193,895	1,499,945
General Revenues:						
Property taxes	67,763,701	67,241,206			67,763,701	67,241,206
Motor vehicle phase-out taxes	757,501	1,818,002			757,501	1,818,002
State aid and in lieu of taxes not restricted for specific programs	1,011,081	1,778,082			1,011,081	1,778,082
Grants and contributions not restricted to specific programs	4,383,041	678,879			4,383,041	678,879
Investment income	226,503	224,787	8,563	66,887	235,066	291,674
Miscellaneous	298,576	305,291			298,576	305,291
Total revenues	118,015,241	110,550,326	9,132,378	9,675,088	127,147,619	120,225,414
Program Expenses:						
General government	17,355,429	16,359,729			17,355,429	16,359,729
Public safety	21,018,849	20,616,645			21,018,849	20,616,645
Public works	5,128,630	4,398,652			5,128,630	4,398,652
Public libraries	664,678	431,388			664,678	431,388
Parks, recreation and other	1,031,565	1,062,557			1,031,565	1,062,557
Senior Center	223,000	223,000			223,000	223,000
Education	70,767,356	67,053,994			70,767,356	67,053,994
Debt service	1,558,844	1,015,388			1,558,844	1,015,388
Wastewater			8,449,658	8,525,490	8,449,658	8,525,490
Civic Center			577,621	750,161	577,621	750,161
Municipal Court			89,886	122,089	89,886	122,089
School Lunch Program			682,259	1,268,986	682,259	1,268,986
Total expenses	117,748,351	111,161,353	9,799,424	10,666,726	127,547,775	121,828,079
Change in net position	266,890	(611,027)	(667,046)	(991,638)	(400,156)	(1,602,665)
Net Position - Beginning of Year	(185,732,535)	(185,315,434)	39,819,716	40,811,354	(145,912,819)	(144,504,080)
Net Position - End of Year	\$ (185,465,645)	\$ (185,926,461)	\$ 39,152,670	\$ 39,819,716	\$ (146,312,975)	\$ (146,106,745)

Note: Prior year net position was restated, balances represent financials prior to restatement

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

Analysis of the Town of West Warwick's Operations

The following analysis provides a summary of the Town's operations for the fiscal year ended June 30, 2021. Comparative data for fiscal 2021 and 2020 is presented in the table above. Governmental activities increased the Town's net position by \$266,890 for the current period, while business-type activities decreased the Town's net position by \$667,046. Overall, the Town's net position decreased by \$400,156, over the prior year's net position.

The net change in fund balance for the fiscal year ended June 30, 2021 was an increase of \$2,514,210 for the Town's governmental fund types. In the statement of activities, expenses for capital items are not recorded as expense but shown on the balance sheet, which resulted in a decrease of \$178,146 net of depreciation to the Town's net position. Governmental Funds report principal repayments on debt obligations as expenditures and debt issuances as other financing sources; however, the repayment and issuances have no effect on the net position, which increased the net position by \$1,373,527. Changes to net pension and OPEB liabilities and related deferred inflows and outflows resulted in a decrease to the Town's net position of \$3,573,468. See the reconciliation at Exhibit IV for more detailed explanation of differences between changes in fund balance of the Governmental Funds and changes in net position of the Governmental Activities.

Financial Analysis of the Town of West Warwick's Funds

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$14,472,761. Approximately 20.5% of the total amount, or \$3,564,212 constituted unassigned fund balances. The remainder of the fund balance is nonspendable, restricted, or committed specific purposes.

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

Unrestricted net position of the enterprise funds totaled \$3,539,786 while the net investment in capital assets for these funds was \$35,612,884 resulting in a total net position of \$39,152,670. This net position consisted of \$36,698,290 for the Wastewater Authority, \$108,176 for the Municipal Court, \$1,501,390 for the School Lunch Program, and \$536,103 for the Civic Center.

The Town also maintains Internal Service Funds for the Town and School Department's self-insured medical and dental claims and activity (Healthcare Management Fund), and for renewable and energy efficiency activities (Energy Efficiency Fund). During the fiscal year ended June 30, 2021 the Internal Service Funds reported a change in net position of \$412,602. As a result, ending net position as of June 30, 2021 was a cumulative surplus of \$192,371. There is a zero net position in the Healthcare Management Fund. The \$192,371 surplus in the Energy Efficiency Fund is expected to continue to grow with future renewable energy credits from the Wind Turbines.

General Fund Budgetary Highlights

For the year ended June 30, 2021, the General Fund revenues and other financing sources were over budget by \$4,258,119 (revenue surplus 4.18%) while expenditures and other financing uses were over budget by \$3,576,036 (6% over expended). This resulted in budgetary basis surplus of \$682,083 for the fiscal year ended June 30, 2021. See RSI-1 for details.

Revenues

Total tax revenues exceeded budgetary estimates by \$1,102,869, due to strong tax collection efforts by the Tax Collector's office.

Intergovernmental revenues exceeded budgetary estimates by \$2,929,848, due to an increase to State Aid to Schools and the receipt of state provided Corona Virus Relief Funds. This increase stemmed from the federal relief package distributed to the State and was passed through to the local communities to cover issues arising from the current Covid-19 Pandemic.

Departmental revenues exceeded budgetary estimates by \$205,532, due to better than anticipated revenues in the town clerk and building offices.

Expenditures

General Government came in under budgetary estimates by \$241,124 as a result of vacant positions in various departments town wide. These vacancies lead to less employee costs and a reduction in completed projects resulting in less spending.

Public Safety expenditures were over budgetary estimates by \$769,219. The over expenditures were a direct result of an increase in overtime to cover reduced staffing due to attrition, injured on duty and covid related absences.

Public Works expenditures came in \$45,191 over budgetary estimates due to appropriate staffing conditions leading to the ability to complete current and past projects that had back logged due to the prior years lack of staffing.

Other Financing Uses exceeded budgetary estimates by \$1,489,933, primarily due to an increase in School State Aid (which would be transferred to the School Department if received).

Capital Assets

The Town of West Warwick's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$110,702,603 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, plant facilities, infrastructure, extensions and mains, and construction in progress.

Statement of Capital Assets, Net June 30, 2021 and June 30, 2020

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 9,268,414	\$ 9,268,414	\$ 432,700	\$ 432,700	\$ 9,701,114	\$ 9,701,114
Construction in progress	672,285	1,155,744	-	50,874	672,285	1,206,618
Land and improvements	1,259,129	1,191,261	595,793	634,763	1,854,922	1,826,024
Buildings and improvements	16,543,048	16,417,885	35,381,413	36,499,499	51,924,461	52,917,384
Machinery and equipment	19,910,110	20,103,351	4,912,236	4,812,103	24,822,346	24,915,454
Infrastructure	13,719,175	14,204,493	8,008,300	8,567,700	21,727,475	22,772,193
Total	\$ <u>61,372,161</u>	\$ <u>62,341,148</u>	\$ <u>49,330,442</u>	\$ <u>50,997,639</u>	\$ <u>110,702,603</u>	\$ <u>113,338,787</u>

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

Debt Administration

At the end of the current fiscal year, the Town of West Warwick's Governmental Activities had a total bonded debt of \$35,164,515. Of this amount, 100% comprises bonded debt backed by the full faith and credit of the government. The following is a summary of the Town's long-term debt.

Town of West Warwick, Rhode Island Bonds, Notes, and Lease Purchase Obligations June 30, 2021 and June 30, 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Bonds and notes payable	\$ 35,164,515	\$ 37,937,515	\$ 16,905,000	\$ 19,216,000	\$ 52,069,515	\$ 57,153,515
Lease purchase obligations	1,164,160	595,687	27,649	54,641	1,191,809	650,328
Unamortized bond premiums	154,796	274,630			154,796	274,630
Total	\$ 36,483,471	\$ 38,807,832	\$ 16,932,649	\$ 19,270,641	\$ 53,416,120	\$ 58,078,473

The Town's general obligation bond rating as assigned by Moody's Investors Service was recently raised to Baa1 as a result of a review and the determination that the Town had a positive outlook. The State of Rhode Island imposes a limit of 3% of the fair value of all taxable Town property on the general obligation debt that a municipality can issue. The Town of West Warwick's limit is approximately \$76,000,000 at year end. The Town's outstanding general obligation debt is \$35,164,515 at year-end; of which \$31,354,515 is subject to the legal debt margin.

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

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

The Town of West Warwick's total General Fund budget for fiscal year 2021 amounts to \$101,751,513 which reflects an increase of \$1,093,498, or 1.09% above the fiscal year 2020 budget of \$100,658,015. Of the Town's 2021 budget, 57.6% is budgeted for education expenditures and 42.4% is budgeted for general government. The State of Rhode Island is budgeted to contribute \$27,009,115 to the Town's education department based on State Aid in fiscal 2021.

The Town's tax rate for residential real estate for fiscal year 2021 is \$23.00 per \$1,000 of assessed value with 40% allocated for general government and 60% allocated for education. For fiscal year 2020 the Town's tax rate for residential real estate was \$22.57 per \$1,000 of assessed value with 40% allocated for general government and 60% allocated for education.

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

With the completion of these projects, every Town-owned building, including all schools, Town Hall, Wastewater facility, ice rink, field house, library and senior center are now using 100% renewable energy that we are producing. The estimated savings of this initiative over the next 20 years is in excess of \$20 million after debt service. During Fiscal year 2019, the Town contracted with a consultant to sell excess energy credits. In FY 2021, sales generated totaled \$595,095 in revenue for the energy fund.

Request for Information

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

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Basic Financial Statements

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TOWN OF WEST WARWICK, RHODE ISLAND
STATEMENT OF NET POSITION
JUNE 30, 2021

EXHIBIT I

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 16,599,040	\$ 4,263,275	\$ 20,862,315
Restricted cash	3,321,306	3,215,091	6,536,397
Cash with fiscal agent	663,859	-	663,859
Restricted Investments	309,270	-	309,270
Receivables:			
Property taxes, net	1,999,596	-	1,999,596
Assessment and usage fees receivable, net	-	741,250	741,250
Municipal debt service assessments receivable	-	664,033	664,033
Intergovernmental	2,605,591	76,174	2,681,765
Other receivables	2,721,971	902,271	3,624,242
Internal balances	(264,951)	264,951	-
Prepaid items	737,524	-	737,524
Total current assets	<u>28,693,206</u>	<u>10,127,045</u>	<u>38,820,251</u>
Noncurrent assets:			
Receivables:			
Assessment and usage fees receivable, net	-	1,218,110	1,218,110
Municipal debt service assessments receivable	-	3,921,649	3,921,649
Capital assets not being depreciated	9,940,699	432,700	10,373,399
Capital assets, net of accumulated depreciation	51,431,462	48,897,742	100,329,204
Total noncurrent assets	<u>61,372,161</u>	<u>54,470,201</u>	<u>115,842,362</u>
Total assets	<u>90,065,367</u>	<u>64,597,246</u>	<u>154,662,613</u>
Deferred Outflows of Resources:			
Deferred charge on refunding	100,322	-	100,322
Related to pensions	19,977,947	288,796	20,266,743
Related to OPEB	8,071,781	152,269	8,224,050
Total deferred outflows of resources	<u>28,150,050</u>	<u>441,065</u>	<u>28,591,115</u>
Liabilities:			
Current liabilities:			
Accounts payable	7,120,452	405,348	7,525,800
Accrued liabilities	373,983	211,540	585,523
Accrued interest payable	322,429	139,004	461,433
Accrued compensated absences	1,525,000	46,000	1,571,000
Unearned revenue	-	21,875	21,875
Current portion of lease purchase obligations	323,682	27,649	351,331
Current portion of bonds and notes payable	6,534,000	2,340,000	8,874,000
Total current liabilities	<u>16,199,546</u>	<u>3,191,416</u>	<u>19,390,962</u>
Noncurrent liabilities:			
Accrued compensated absences	6,099,000	184,808	6,283,808
Net pension liability	175,221,325	6,513,619	181,734,944
Net OPEB liability	56,907,155	1,073,515	57,980,670
Lease purchase obligations	840,478	-	840,478
Bonds and loans payable	28,630,515	14,565,000	43,195,515
Bond premium	154,796	-	154,796
Total noncurrent liabilities	<u>267,853,269</u>	<u>22,336,942</u>	<u>290,190,211</u>
Total liabilities	<u>284,052,815</u>	<u>25,528,358</u>	<u>309,581,173</u>
Deferred Inflows of Resources:			
Related to pensions	9,630,008	168,678	9,798,686
Related to OPEB	9,997,989	188,605	10,186,594
Advance tax collections	250	-	250
Total deferred inflows of resources	<u>19,628,247</u>	<u>357,283</u>	<u>19,985,530</u>
Net Position:			
Net investment in capital assets	25,389,573	35,612,884	61,002,457
Restricted for:			
Education	352,368	-	352,368
Public Safety	286,423	-	286,423
Parks	197,595	-	197,595
Capital Projects	912,927	-	912,927
Economic development	150,094	-	150,094
General Government	2,119	-	2,119
Debt service	3,630,576	-	3,630,576
Unrestricted	<u>(216,387,320)</u>	<u>3,539,786</u>	<u>(212,847,534)</u>
Total Net Position	<u>\$ (185,465,645)</u>	<u>\$ 39,152,670</u>	<u>\$ (146,312,975)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST WARWICK, RHODE ISLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT II

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 17,355,429	\$ 1,178,845	\$ 3,421,264	\$ 3,249	\$ (12,752,071)	\$ -	\$ (12,752,071)
Public safety	21,018,849	1,820,877	148,970	-	(19,049,002)	-	(19,049,002)
Public works	5,128,630	812,165	533,243	-	(3,783,222)	-	(3,783,222)
Parks	664,678	103,225	-	-	(561,453)	-	(561,453)
Public libraries	1,031,565	53,326	199,027	-	(779,212)	-	(779,212)
Senior center	223,000	-	-	-	(223,000)	-	(223,000)
Education	70,767,356	-	35,110,001	190,646	(35,466,709)	-	(35,466,709)
Interest on long-term debt	1,558,844	-	-	-	(1,558,844)	-	(1,558,844)
Total governmental activities	<u>117,748,351</u>	<u>3,968,438</u>	<u>39,412,505</u>	<u>193,895</u>	<u>(74,173,513)</u>	<u>-</u>	<u>(74,173,513)</u>
Business-Type Activities:							
Wastewater Authority	8,449,658	7,739,036	-	-	-	(710,622)	(710,622)
Civic Center	577,621	623,030	-	-	-	45,409	45,409
Municipal Court	89,886	70,875	-	-	-	(19,011)	(19,011)
School Lunch Program	682,259	24,076	666,798	-	-	8,615	8,615
Total business-type activities	<u>9,799,424</u>	<u>8,457,017</u>	<u>666,798</u>	<u>-</u>	<u>-</u>	<u>(675,609)</u>	<u>(675,609)</u>
Total	<u>\$ 127,547,775</u>	<u>\$ 12,425,455</u>	<u>\$ 40,079,303</u>	<u>\$ 193,895</u>	<u>(74,173,513)</u>	<u>(675,609)</u>	<u>(74,849,122)</u>
General revenues:							
Property taxes, levied for general purposes					67,763,701	-	67,763,701
Motor vehicle phase-out taxes					757,501	-	757,501
Utilities taxes					344,712	-	344,712
State Aid to distressed communities					191,962	-	191,962
Hotel, meals, and beverage tax					474,407	-	474,407
Grants not restricted to specific programs					4,383,041	-	4,383,041
Unrestricted investment earnings					226,503	8,563	235,066
Miscellaneous					298,576	-	298,576
Total general revenues					<u>74,440,403</u>	<u>8,563</u>	<u>74,448,966</u>
Change in net position					266,890	(667,046)	(400,156)
Net Position at Beginning of Year, as restated					<u>(185,732,535)</u>	<u>39,819,716</u>	<u>(145,912,819)</u>
Net Position at End of Year					<u>\$ (185,465,645)</u>	<u>\$ 39,152,670</u>	<u>\$ (146,312,975)</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WEST WARWICK, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021**

EXHIBIT III

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 11,576,314	\$ 4,458,269	\$ 564,457	\$ 16,599,040
Restricted cash	-	-	3,321,306	3,321,306
Cash with fiscal agent	-	-	663,859	663,859
Investments	-	-	158,787	158,787
Accounts receivable:				
Real estate and personal property taxes, net	1,999,596	-	-	1,999,596
Intergovernmental	360,712	401,146	1,836,380	2,598,238
Other receivables	349,959	134,706	7,971	492,636
Due from other funds	1,662,946	4,604,168	3,368,835	9,635,949
Prepaid items	222,810	395	1,730	224,935
Total Assets	\$ 16,172,337	\$ 9,598,684	\$ 9,923,325	\$ 35,694,346
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,019,269	\$ 4,204,070	\$ 407,447	\$ 5,630,786
Accrued expenditures	373,983	-	-	373,983
Due to other funds	8,531,225	-	1,835,624	10,366,849
Total liabilities	<u>9,924,477</u>	<u>4,204,070</u>	<u>2,243,071</u>	<u>16,371,618</u>
Deferred inflows of resources:				
Unavailable revenues - taxes	1,692,741	-	-	1,692,741
Unavailable revenues - EMS	156,976	-	-	156,976
Advance tax collections	250	-	-	250
Total deferred inflows of resources	<u>1,849,967</u>	<u>-</u>	<u>-</u>	<u>1,849,967</u>
Fund balances:				
Nonspendable	222,810	395	1,730	224,935
Restricted	-	-	5,381,619	5,381,619
Committed	-	5,394,219	2,344,467	7,738,686
Assigned	500,000	-	-	500,000
Unassigned	3,675,083	-	(47,562)	3,627,521
Total fund balances	<u>4,397,893</u>	<u>5,394,614</u>	<u>7,680,254</u>	<u>17,472,761</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,172,337	\$ 9,598,684	\$ 9,923,325	\$ 35,694,346

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

EXHIBIT III

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

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

Fund balances - total governmental funds (Exhibit III)	\$	17,472,761
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Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the funds:

Governmental capital assets	\$	121,971,399	
Less accumulated depreciation		<u>(76,425,478)</u>	
Net capital assets			45,545,921

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

EMS receivables	156,976
Property tax receivables greater than 60 days	1,692,741
Forward purchase contract	150,483
Deferred charge on refunding	100,322
Deferred outflows related to pension	19,977,947
Deferred outflows related to OPEB	8,071,781

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

192,371

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

Bonds and notes payable	(17,987,515)
Unamortized premium on bonds payable	(154,796)
Interest payable on bonds and notes	(140,000)
Capital leases payable	(1,164,160)
Accrued compensated absences	(7,624,000)
Net OPEB obligation	(56,907,155)
Net pension liability	(175,221,325)
Deferred inflows related to pension	(9,630,008)
Deferred inflows related to OPEB	<u>(9,997,989)</u>

Net Position of Governmental Activities (Exhibit I)	\$	<u><u>(185,465,645)</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF WEST WARWICK, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT IV

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes, interest and liens	\$ 68,350,006	\$ -	\$ -	\$ 68,350,006
Intergovernmental	5,932,200	29,462,793	5,803,341	41,198,334
Charges for services	2,903,668	-	1,113,192	4,016,860
Contributions and private grants	-	-	176,648	176,648
Medicaid	-	509,887	-	509,887
State on-behalf pension contributions	-	2,925,964	-	2,925,964
State on-behalf transportation contributions	-	51,993	-	51,993
Interest income	29,870	-	274,377	304,247
Other revenue	-	248,638	8,026	256,664
Total revenues	<u>77,215,744</u>	<u>33,199,275</u>	<u>7,375,584</u>	<u>117,790,603</u>
Expenditures:				
General government	3,100,846	-	13,277	3,114,123
Public safety	18,561,715	-	615,782	19,177,497
Public works	4,559,162	-	148,113	4,707,275
Parks	532,635	-	-	532,635
Public libraries	776,066	-	207,898	983,964
Senior center	223,000	-	38,226	261,226
Education	-	63,770,195	4,796,834	68,567,029
Benefits and other miscellaneous	13,465,189	-	-	13,465,189
Debt service	3,097,327	-	219,443	3,316,770
Capital outlay	-	-	1,965,974	1,965,974
Total expenditures	<u>44,315,940</u>	<u>63,770,195</u>	<u>8,005,547</u>	<u>116,091,682</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>32,899,804</u>	<u>(30,570,920)</u>	<u>(629,963)</u>	<u>1,698,921</u>
Other Financing Sources (Uses):				
Proceeds from Capital Lease	-	-	922,000	922,000
Transfers in	-	32,357,516	276,860	32,634,376
Transfers out	<u>(32,717,721)</u>	<u>(23,366)</u>	<u>-</u>	<u>(32,741,087)</u>
Total other financing sources (uses)	<u>(32,717,721)</u>	<u>32,334,150</u>	<u>1,198,860</u>	<u>815,289</u>
Net Change in Fund Balances	182,083	1,763,230	568,897	2,514,210
Fund Balances at Beginning of Year, as restated	<u>4,215,810</u>	<u>3,631,384</u>	<u>7,111,357</u>	<u>14,958,551</u>
Fund Balances at End of Year	<u>\$ 4,397,893</u>	<u>\$ 5,394,614</u>	<u>\$ 7,680,254</u>	<u>\$ 17,472,761</u>

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT IV

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

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 2,514,210
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and is reported as depreciation expense.

Capital outlay	2,206,512
Depreciation expense	(2,384,658)
Disposal of asset	(6,510)

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

Change in property tax receivable - accrual basis change	(586,305)
Change in EMS receivable - accrual basis change	9,462
Change in value of forward purchase contract	(77,744)
Change in deferred outflows related to pension	(4,292,216)
Change in deferred outflows related to OPEB	(476,609)

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

Principal payments on bonds and notes	1,942,000
Capital leases issuance	(922,000)
Principal payments on lease purchase obligations	353,527

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

Amortization of deferred charge on refunding	(118,172)
Amortization of premium	119,834
Change in accrued interest	11,000
Change in compensated absences	(11,000)
Change in net pension liability	2,922,261
Change in OPEB obligation	(27,930)
Change in deferred inflows related to pension	(752,573)
Change in deferred inflows related to OPEB	(568,801)

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

412,602

Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ 266,890</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF WEST WARWICK, RHODE ISLAND
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2021

EXHIBIT V

	Business-type Activities			Governmental
	Wastewater Authority	Nonmajor	Total	Internal Service Funds
Assets:				
Current assets:				
Cash and cash equivalents	\$ 3,238,063	\$ 1,025,212	\$ 4,263,275	\$ -
Assessment and usage fees receivable, net	741,250	-	741,250	-
Municipal debt service assessments receivable	664,033	-	664,033	-
Due from other federal and state government	-	76,174	76,174	-
Other receivables	-	902,271	902,271	2,236,688
Due from other funds	1,545,306	1,106,183	2,651,489	907,467
Prepaid expenses	-	-	-	512,589
Total current assets	<u>6,188,652</u>	<u>3,109,840</u>	<u>9,298,492</u>	<u>3,656,744</u>
Noncurrent assets:				
Restricted cash and cash equivalents	3,215,091	-	3,215,091	-
Assessment and usage fees receivable, net	1,218,110	-	1,218,110	-
Municipal debt service assessments receivable	3,921,649	-	3,921,649	-
Capital assets not being depreciated	301,600	131,100	432,700	-
Capital assets, net of accumulated depreciation	<u>47,445,346</u>	<u>1,452,396</u>	<u>48,897,742</u>	<u>15,826,240</u>
Total noncurrent assets	<u>56,101,796</u>	<u>1,583,496</u>	<u>57,685,292</u>	<u>15,826,240</u>
Total assets	<u>62,290,448</u>	<u>4,693,336</u>	<u>66,983,784</u>	<u>19,482,984</u>
Deferred Outflows of Resources:				
Related to pensions	288,796	-	288,796	-
Related to OPEB	<u>152,269</u>	<u>-</u>	<u>152,269</u>	<u>-</u>
Total deferred outflows of resources	<u>441,065</u>	<u>-</u>	<u>441,065</u>	<u>-</u>
Liabilities:				
Current liabilities:				
Accounts payable	246,818	158,530	405,348	1,489,666
Accrued liabilities	210,298	1,242	211,540	-
Accrued interest payable	138,700	304	139,004	182,429
Accrued compensated absences	42,000	4,000	46,000	-
Due to other funds	-	2,386,538	2,386,538	441,518
Unearned revenue	-	21,875	21,875	-
Current portion of capital lease obligations	-	27,649	27,649	-
Current portion of bonds and notes payable	<u>2,340,000</u>	<u>-</u>	<u>2,340,000</u>	<u>844,000</u>
Total current liabilities	<u>2,977,816</u>	<u>2,600,138</u>	<u>5,577,954</u>	<u>2,957,613</u>
Noncurrent liabilities:				
Accrued compensated absences	167,811	16,997	184,808	-
Net pension liability	6,513,619	-	6,513,619	-
Net OPEB liability	1,073,515	-	1,073,515	-
Bonds and loans payable	<u>14,565,000</u>	<u>-</u>	<u>14,565,000</u>	<u>16,333,000</u>
Total noncurrent liabilities	<u>22,319,945</u>	<u>16,997</u>	<u>22,336,942</u>	<u>16,333,000</u>
Total liabilities	<u>25,297,761</u>	<u>2,617,135</u>	<u>27,914,896</u>	<u>19,290,613</u>
Deferred Inflows of Resources:				
Related to pensions	168,678	-	168,678	-
Related to OPEB	<u>188,605</u>	<u>-</u>	<u>188,605</u>	<u>-</u>
Total deferred inflows of resources	<u>357,283</u>	<u>-</u>	<u>357,283</u>	<u>-</u>
Net Position:				
Net investment in capital assets	34,057,037	1,555,847	35,612,884	(1,350,760)
Unrestricted	<u>3,019,432</u>	<u>520,354</u>	<u>3,539,786</u>	<u>1,543,131</u>
Total Net Position	<u>\$ 37,076,469</u>	<u>\$ 2,076,201</u>	<u>\$ 39,152,670</u>	<u>\$ 192,371</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST WARWICK, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT VI

	Business-type Activities			Governmental
	Wastewater Authority	Nonmajor	Total	Internal Service Funds
Operating Revenues:				
Sales and charges for services	\$ 7,718,000	\$ 716,419	\$ 8,434,419	\$ 15,071,747
Intergovernmental	-	666,798	666,798	-
Other revenues	21,036	1,562	22,598	595,095
Total revenues	<u>7,739,036</u>	<u>1,384,779</u>	<u>9,123,815</u>	<u>15,666,842</u>
Operating Expenses:				
Salaries and benefits	2,307,299	275,470	2,582,769	-
Operations and supplies	3,252,024	960,774	4,212,798	571,188
Claims	-	-	-	12,024,199
Administration	-	-	-	1,430,971
Depreciation and amortization	2,462,043	112,250	2,574,293	784,330
Total operating expenses	<u>8,021,366</u>	<u>1,348,494</u>	<u>9,369,860</u>	<u>14,810,688</u>
Operating Income (Loss)	<u>(282,330)</u>	<u>36,285</u>	<u>(246,045)</u>	<u>856,154</u>
Nonoperating Revenues (Expenses):				
Investment income	8,563	-	8,563	-
Interest expense	(428,292)	(1,272)	(429,564)	(550,263)
Net nonoperating expenses	<u>(419,729)</u>	<u>(1,272)</u>	<u>(421,001)</u>	<u>(550,263)</u>
Income (Loss) Before Transfers	(702,059)	35,013	(667,046)	305,891
Transfers In	-	-	-	106,711
Change in Net Position	(702,059)	35,013	(667,046)	412,602
Net Position at Beginning of Year	<u>37,778,528</u>	<u>2,041,188</u>	<u>39,819,716</u>	<u>(220,231)</u>
Net Position at End of Year	<u>\$ 37,076,469</u>	<u>\$ 2,076,201</u>	<u>\$ 39,152,670</u>	<u>\$ 192,371</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WEST WARWICK, RHODE ISLAND
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

EXHIBIT VII

	Business-type Activities			Governmental
	Wastewater Authority	Nonmajor	Total	Internal Service Funds
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 8,672,893	\$ 4,432	\$ 8,677,325	\$ 14,449,269
Operating grants	-	666,798	666,798	-
Other receipts	21,036	1,562	22,598	-
Payments to suppliers	(3,265,839)	(906,066)	(4,171,905)	(1,855,624)
Payments to employees	(2,699,061)	(299,338)	(2,998,399)	-
Claims paid	-	-	-	(12,024,199)
Net cash provided by (used in) operating activities	<u>2,729,029</u>	<u>(532,612)</u>	<u>2,196,417</u>	<u>569,446</u>
Cash Flows from Noncapital Financing Activities:				
Interfund loans	901,148	1,061,193	1,962,341	711,056
Interfund transfers	-	-	-	106,711
Net cash provided by (used in) noncapital financing activities	<u>901,148</u>	<u>1,061,193</u>	<u>1,962,341</u>	<u>817,767</u>
Cash Flows from Capital and Related Financing Activities:				
Principal paid on bonds, notes and loans	(2,311,000)	(26,992)	(2,337,992)	(831,000)
Interest paid on bonds, notes and loans	(445,692)	(1,569)	(447,261)	(556,213)
Additions to property, plant and equipment	(873,515)	(33,580)	(907,095)	-
Net cash (used in) capital and related financing activities	<u>(3,630,207)</u>	<u>(62,141)</u>	<u>(3,692,348)</u>	<u>(1,387,213)</u>
Cash Flows from Investing Activities:				
Interest and dividends on investments	8,563	-	8,563	-
Net cash provided by (used in) investing activities	<u>8,563</u>	<u>-</u>	<u>8,563</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>8,533</u>	<u>466,440</u>	<u>474,973</u>	<u>-</u>
Cash and Cash Equivalents at Beginning of Year	<u>6,444,621</u>	<u>558,772</u>	<u>7,003,393</u>	<u>-</u>
Cash and Cash Equivalents at End of Year	<u>\$ 6,453,154</u>	<u>\$ 1,025,212</u>	<u>\$ 7,478,366</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (282,330)	\$ 36,285	\$ (246,045)	\$ 856,154
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	2,462,043	112,250	2,574,293	784,330
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	971,864	(700,376)	271,488	(1,217,573)
(Increase) decrease in prepaid expenses	-	-	-	121,181
(Increase) decrease in deferred outflows related to OPEB	192,963	-	192,963	-
(Increase) decrease in deferred outflows related to pensions	76,087	-	76,087	-
Increase (decrease) in accounts payable	15,022	54,708	69,730	25,354
Increase (decrease) in accrued liabilities	(28,837)	(5,852)	(34,689)	-
Increase (decrease) in unearned revenue	(16,971)	(11,611)	(28,582)	-
Increase (decrease) in net OPEB liability	(236,955)	-	(236,955)	-
Increase (decrease) in net pension liability	(445,916)	-	(445,916)	-
Increase (decrease) in deferred inflows related to OPEB	98,922	-	98,922	-
Increase (decrease) in deferred inflows related to pension	(63,280)	-	(63,280)	-
Increase (decrease) in accrued compensated absences	(13,583)	(18,016)	(31,599)	-
Total adjustments	<u>3,011,359</u>	<u>(568,897)</u>	<u>2,442,462</u>	<u>(286,708)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 2,729,029</u>	<u>\$ (532,612)</u>	<u>\$ 2,196,417</u>	<u>\$ 569,446</u>

The accompanying notes are an integral part of the financial statements

TOWN OF WEST WARWICK, RHODE ISLAND
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2021

EXHIBIT VIII

	Pension and Other-Post Employment Benefit Trust Funds	Custodial Funds
	<u> </u>	<u> </u>
Assets:		
Investments, at fair value:		
Mutual funds	\$ 56,385,888	\$ -
Alternative investments	2,971,506	-
Member contribution receivable	927,803	-
Other receivable	-	39,000
Total assets	<u>60,285,197</u>	<u>39,000</u>
Liabilities:		
Accounts payable	<u>313,014</u>	<u>-</u>
Net Position:		
Restricted for:		
Pension Benefits and OPEB Benefits	59,972,183	-
Individuals and organizations	-	39,000
Total net position	<u>\$ 59,972,183</u>	<u>\$ 39,000</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WEST WARWICK, RHODE ISLAND
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

EXHIBIT IX

	Pension and Other-Post Employment Benefit Trust Funds	Custodial Funds
Additions:		
Contributions:		
Employer contributions	\$ 15,125,020	\$ -
Plan members contributions	2,197,163	-
Total contributions	<u>17,322,183</u>	<u>-</u>
Investments income:		
Net change in fair value of investments	9,361,724	-
Investment management fees	(211,510)	-
Total investment income	<u>9,150,214</u>	<u>-</u>
Total additions	<u>26,472,397</u>	<u>-</u>
Deductions:		
Benefits	14,623,972	1,000
Administration	77,289	-
Total deductions	<u>14,701,261</u>	<u>1,000</u>
Change in Net Position	11,771,136	(1,000)
Net Position at Beginning of Year, as restated	<u>48,201,047</u>	<u>40,000</u>
Net Position at End of Year	<u>\$ 59,972,183</u>	<u>\$ 39,000</u>

The accompanying notes are an integral part of the financial statements

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting entity, the Town applied the criteria prescribed by GASB, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and 1) it is able to impose its will on that organization or 2) there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any one of the following conditions exists:

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

The Employee Retirement Trust Fund and OPEB Trust Fund are deemed to be component units for fiscal year 2021.

B. Basis of Presentation - Government-Wide Financial Statements

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

C. Basis of Presentation - Fund Financial Statements

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

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

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

The Town reports the following major governmental funds:

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

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

The Town reports the following major proprietary funds:

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

Additionally, the Town reports the following fund types:

Internal Service Funds

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

Fiduciary Fund Types

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

The proprietary, pension trust fund, other postemployment benefit trust funds, and custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting.

E. Cash and Cash Equivalents

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

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

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

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

F. Investments

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

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

G. Property Taxes

Real and personal property taxes are based on values assessed as of each December 31 (lien date) and attach as an enforceable lien on property as of July 1 (levy date). Taxes are due in equal quarterly installments on July 15th, October 15th, January 15th and April 15th following the levy date. The taxpayer may elect to pay the taxes in full or pay quarterly as noted above. Taxes due and unpaid after the respective due dates are subject to interest at a rate of 12% per annum calculated on the unpaid portion of the total tax dating back to July 15th. An automatic lien is placed on the taxpayer's property if payment has not been received by the tax due date. Property taxes levied are recorded as receivables in the fiscal year of the levy. Property tax revenues are recorded in accordance with the modified accrual basis of accounting in the fund financial statements.

H. Other Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes and intergovernmental receivables. Business-type activities report service and special assessment fees as its major receivables. In addition, at June 30, 2021 the Town's Wastewater Authority also reported a debt service assessments receivable due from local communities. This receivable represents the portion of long-term debt obligations which are reported as a liability of the Town of West Warwick, but which are to be reimbursed by surrounding communities in accordance with provisions of executed inter-municipal agreements.

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

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

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

I. Interfund Receivables and Payables

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

J. Prepaid Items

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

K. Capital Assets

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements as discussed below.

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

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

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

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

The Town reviews the carrying value of its long-lived assets to ensure that any impairment issues are identified and appropriately reflected in the financial statements. Should the expected cash flows be less than the carrying value, an impairment loss would be recognized to reduce the carrying value. There were no impairment losses recognized in fiscal 2021.

L. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes and EMS revenues. These amounts are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available.

M. Compensated Absences

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

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

N. Long-Term Obligations

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

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

O. Net Pension Liability

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

P. Pensions

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

Q. Net OPEB Liability

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

R. Fund Equity

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

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted

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

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

This represents amounts constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance

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

S. Fund Balance Flow Assumptions

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

T. Minimum Fund balance

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

U. Use of Estimates

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

Appropriations, if any, in addition to those contained in the annual operating budgets, except for the purpose of meeting a public emergency, are made upon the recommendation of the Town Manager with the Director of Finance's certification as to the General Fund surplus to meet such appropriations and with the Town Council's approval and approval of the citizens at a Financial Town Meeting.

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

B. Legal Debt Margin

The Town's legal debt margin as set forth by State Statute is limited to 3% of total taxable assessed value. The legal debt margin for the Town is \$75,030,791. As of June 30, 2021, \$31,354,515 of the Town's debt was subject to the legal debt margin.

**TOWN OF WEST WARWICK, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021**

C. Excess of Expenditures over Appropriations

For the year ended June 30, 2021, expenditures exceeded appropriations in the following categories:

General Fund

Board of canvassers	\$	18,361
EMA		65,387
Police		114,963
Fire		654,256
Public works		45,191
Parks		13,135
Transfer out to Debt Service Fund		628
Transfer out to Energy Efficiency Fund		106,711
Transfer out to Town Library Fund		97,821
Operating transfer to school unrestricted		1,284,773
Benefits and other miscellaneous		1,690,974

School Unrestricted Fund

Salaries	\$	270,689
Employee benefits		1,112,058
Capital Outlay		850,830
Transfers out		23,366

D. Fund Deficits

At June 30, 2021, the Town reported deficit fund balance/net position in the following funds:

Nonmajor Governmental Funds:

Library Grants	\$	46,894
Perkins		26
Preschool Expansion - Supplemental		596
Comprehensive Literacy State Development - Birth		46

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

3. CASH AND INVESTMENTS

Deposits

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

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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Deposit Custodial Credit Risk

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

As of June 30, 2021, the Town's entire bank balance of \$29,408,240 was covered by either FDIC insurance or collateral held in the Town's name.

Investments

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

As of June 30, 2021, the Town had the following investments:

	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
		<u>Less than 1</u>	<u>1-10</u>	<u>More than 10</u>
Interest-bearing investments:				
U.S. Government Securities	\$ 158,787	\$ 158,787	\$ -	\$ -
Forward purchase contract	<u>150,483</u>	<u>150,483</u>	<u>-</u>	<u>-</u>
Total	309,270	<u>\$ 309,270</u>	<u>\$ -</u>	<u>\$ -</u>
Other investments:				
Mutual funds	54,016,789			
Common stock	2,369,099			
Alternative instruments	<u>2,971,506</u>			
Total Investments	<u>\$ 59,666,664</u>			

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Presented below are the ratings for debt and mutual fund investments:

<u>Average Rating</u>	<u>U.S. Government Securities</u>	<u>Mutual Funds</u>
Aaa	\$ 158,787	\$ -
Unrated	<u>-</u>	<u>54,016,789</u>
	<u>\$ 158,787</u>	<u>\$ 54,016,789</u>

Interest Rate Risk

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

Credit Risk

Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Town has a formalized investment policy that limits investment choices for its pension funds.

Concentration of Credit Risk

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

Custodial Credit Risk

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

Fair Value

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

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

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

The three categories within the hierarchy are as follows:

Level 1

Quoted prices in active markets for identical assets and liabilities.

Level 2

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

Level 3

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

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

At June 30, 2021, the Town had the following recurring fair value measurements:

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Mutual funds	\$ 54,016,789	\$ 54,016,789	\$ -	\$ -
Common stock	2,369,099	2,369,099	-	-
U.S. Government Securities	158,787	158,787	-	-
Forward purchase contract	150,483	-	150,483	-
Total Investments by Fair Value Level	56,695,158	\$ <u>56,544,675</u>	\$ <u>150,483</u>	\$ <u>-</u>
Investments measured at net asset value (NAV):				
Alternative instruments	<u>2,971,506</u>			
Total Investments	\$ <u>59,666,664</u>			

Alternative Investments

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

Derivative Instrument

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

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

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

4. RECEIVABLES

Receivable balances of the governmental activities, including allowances for doubtful accounts, have been disaggregated by type and presented separately in the fund financial statements as of June 30, 2021 as follows:

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:				
Property taxes	\$ 3,626,596	\$ -	\$ -	\$ 3,626,596
Intergovernmental	360,712	401,146	1,836,380	2,598,238
Other receivables	<u>1,315,959</u>	<u>134,706</u>	<u>7,971</u>	<u>1,458,636</u>
Gross Receivables	5,303,267	535,852	1,844,351	7,683,470
Less allowance for uncollectibles	<u>(2,593,000)</u>	<u>-</u>	<u>-</u>	<u>(2,593,000)</u>
Total Receivables	<u>\$ 2,710,267</u>	<u>\$ 535,852</u>	<u>\$ 1,844,351</u>	<u>\$ 5,090,470</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 9,268,414	\$ -	\$ -	\$ -	\$ 9,268,414
Construction in progress	1,155,744	329,806	813,265	-	672,285
Total capital assets not being depreciated	<u>10,424,158</u>	<u>329,806</u>	<u>813,265</u>	<u>-</u>	<u>9,940,699</u>
Capital assets being depreciated:					
Land improvements	1,487,662	155,392	-	-	1,643,054
Buildings and improvements	36,875,565	824,145	-	-	37,699,710
Machinery, equipment and vehicles	33,209,949	1,264,480	32,550	-	34,441,879
Infrastructure	57,139,418	445,953	-	-	57,585,371
Total capital assets being depreciated	<u>128,712,594</u>	<u>2,689,970</u>	<u>32,550</u>	<u>-</u>	<u>131,370,014</u>
Less accumulated depreciation for:					
Land improvements	296,401	87,524	-	-	383,925
Buildings and improvements	20,457,680	698,982	-	-	21,156,662
Machinery, equipment and vehicles	13,106,598	1,451,211	26,040	-	14,531,769
Infrastructure	42,934,925	931,271	-	-	43,866,196
Total accumulated depreciation	<u>76,795,604</u>	<u>3,168,988</u>	<u>26,040</u>	<u>-</u>	<u>79,938,552</u>
Total capital assets being depreciated, net	<u>51,916,990</u>	<u>(479,018)</u>	<u>6,510</u>	<u>-</u>	<u>51,431,462</u>
Governmental Activities Capital Assets, Net	<u>\$ 62,341,148</u>	<u>\$ (149,212)</u>	<u>\$ 819,775</u>	<u>\$ -</u>	<u>\$ 61,372,161</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type activities:					
Capital assets not being depreciated:					
Land	\$ 432,700	\$ -	\$ -	\$ -	\$ 432,700
Construction in progress	50,874	-	-	(50,874)	-
Total capital assets not being depreciated	<u>483,574</u>	<u>-</u>	<u>-</u>	<u>(50,874)</u>	<u>432,700</u>
Capital assets being depreciated:					
Land improvements	1,348,913	-	-	-	1,348,913
Buildings, pump stations & tanks	52,327,805	-	-	-	52,327,805
Machinery, equipment and vehicles	16,448,577	907,096	-	50,874	17,406,547
Infrastructure	45,070,000	-	-	-	45,070,000
Total capital assets being depreciated	<u>115,195,295</u>	<u>907,096</u>	<u>-</u>	<u>50,874</u>	<u>116,153,265</u>
Less accumulated depreciation for:					
Land improvements	714,150	38,970	-	-	753,120
Buildings, pump stations & tanks	15,828,306	1,118,086	-	-	16,946,392
Machinery, equipment and vehicles	11,636,474	857,837	-	-	12,494,311
Infrastructure	36,502,300	559,400	-	-	37,061,700
Total accumulated depreciation	<u>64,681,230</u>	<u>2,574,293</u>	<u>-</u>	<u>-</u>	<u>67,255,523</u>
Total capital assets being depreciated, net	<u>50,514,065</u>	<u>(1,667,197)</u>	<u>-</u>	<u>50,874</u>	<u>48,897,742</u>
Business-Type Activities Capital Assets, Net	<u>\$ 50,997,639</u>	<u>\$ (1,667,197)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,330,442</u>

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

Governmental activities:	
General government	\$ 1,519,737
Public safety	306,302
Public works	322,355
Public libraries	36,603
Parks and recreation	93,817
Education	<u>890,174</u>
 Total Depreciation Expense - Governmental Activities	 \$ <u>3,168,988</u>
 Business-type activities:	
Wastewater authority	\$ 2,462,043
Civic center	81,782
School lunch program	<u>30,468</u>
 Total Depreciation Expense - Business-Type Activities	 \$ <u>2,574,293</u>

6. INTERFUND BALANCES AND TRANSFERS

A summary of interfund balances as of June 30, 2021 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,662,946	\$ 8,531,225
School unrestricted fund	4,604,168	-
Nonmajor governmental funds	3,368,835	1,835,624
Wastewater Authority	1,545,306	-
Nonmajor business-type activities	1,106,183	2,386,538
Internal service funds	<u>907,467</u>	<u>441,518</u>
	 \$ <u>13,194,905</u>	 \$ <u>13,194,905</u>

Interfund balances represent short-term advances from one fund (primarily the General Fund) to another fund. The advances may represent balances resulting from operating advances or reimbursement for expenditures paid by one fund on behalf of another fund or may simply be the result of pooling financial resources to maximize investment income/return.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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Interfund Transfers

A summary of interfund transfers as of June 30, 2021 is as follows:

	School Unrestricted Fund	Nonmajor Governmental Funds	Internal Service	Total Transfers Out
Transfers out:				
General Fund	\$ 32,357,516	\$ 253,494	\$ 106,711	\$ 32,717,721
School Unrestricted	-	23,366	-	23,366
Total Transfers In	\$ 32,357,516	\$ 276,860	\$ 106,711	\$ 32,741,087

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

7. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental activities:					
General obligation debt	\$ 21,157,000	\$ -	\$ 1,040,000	\$ 20,117,000	\$ 4,743,000
Direct borrowing debt	16,780,515	-	1,733,000	15,047,515	1,791,000
Lease purchase obligations	595,687	922,000	353,527	1,164,160	323,682
Unamortized bond premiums	274,630	-	119,834	154,796	-
Accrued compensated absences	7,613,000	11,000	-	7,624,000	1,525,000
Net pension liability	178,143,586	-	2,922,261	175,221,325	-
Net OPEB liability	56,879,225	27,930	-	56,907,155	-
Total Governmental Activities - Long-Term Liabilities	\$ 281,443,643	\$ 960,930	\$ 6,168,622	\$ 276,235,951	\$ 8,382,682
Business-type activities:					
Direct borrowing debt	\$ 19,216,000	\$ -	\$ 2,311,000	\$ 16,905,000	\$ 2,340,000
Lease purchase obligations	54,641	-	26,992	27,649	27,649
Accrued compensated absences	262,407	-	31,599	230,808	46,000
Net pension liability	6,750,574	-	236,955	6,513,619	-
Net OPEB liability	1,519,431	-	445,916	1,073,515	-
Total Business-Type Activities - Long-Term Liabilities	\$ 27,803,053	\$ -	\$ 3,052,462	\$ 24,750,591	\$ 2,413,649

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

**TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Bonds and Loans Payable

Bonds and notes outstanding as of June 30, 2021 consisted of the following:

<u>Description</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate %</u>	<u>Balance June 30, 2021</u>
Governmental Activities:					
<u>General Obligation Debt</u>					
General Obligation Bonds, Series 2005 (QZAB) \$	3,688,000	11/29/05	11/29/21	1.47%	\$ 3,688,000
General Obligation Refunding Bonds	6,890,000	07/19/17	07/15/28	2.40%	5,260,000
General Obligation Bonds	6,159,000	10/03/17	09/01/37	3.96%	6,009,000
General Obligation Bonds, Series 2015A	6,890,000	11/12/15	10/01/35	2.00% - 5.00%	<u>5,160,000</u>
Total general obligation debt					<u>20,117,000</u>
<u>Direct Borrowing Debt</u>					
RIHEBC Public Schools Bond Financing Program	9,780,000	07/10/14	05/25/29	2.00% - 4.13%	3,810,000
Municipal Road and Bridge Program	150,515	05/28/15	09/01/24	0.75% - 2.25%	69,515
RIIIB Energy Efficient Buildings Fund	7,184,000	07/08/16	09/01/32	1.08% - 2.53%	5,901,000
RIIIB Energy Efficient Buildings Fund	5,957,000	12/13/17	09/01/23	1.91% - 3.66%	<u>5,267,000</u>
Total direct borrowing debt					<u>15,047,515</u>
Total Governmental Activities					<u>\$ 35,164,515</u>
Business-Type Activities:					
Wastewater Authority					
<u>Direct Borrowing Debt</u>					
Wastewater System Revenue Bonds - RIIIB \$	20,923,000	06/05/03	09/01/23	2.37% - 3.03%	\$ 3,252,000
Wastewater System Revenue Bonds - RIIIB	3,000,000	12/30/04	09/01/25	0.78% - 1.55%	857,000
Wastewater System Revenue Bonds - RIIIB	7,719,000	03/09/06	09/01/25	1.11% - 1.57%	2,214,000
Wastewater System Revenue Bonds - RIIIB	500,000	12/21/06	09/01/26	1.19% - 1.36%	170,000
Wastewater System Revenue Bonds - RIIIB	1,675,000	12/12/07	09/01/28	1.19% - 1.65%	748,000
Wastewater System Revenue Bonds - RIIIB	5,500,000	07/24/14	09/01/34	0.29% - 2.91%	4,124,000
Wastewater System Revenue Bonds - RIIIB	7,000,000	07/30/15	09/01/34	1.95% - 3.30%	<u>5,540,000</u>
Total Water Fund					<u>\$ 16,905,000</u>

**TOWN OF WEST WARWICK, RHODE ISLAND
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JUNE 30, 2021**

Lease Purchase obligations

Lease purchase obligations outstanding as of June 30, 2021 consisted of the follow:

<u>Description</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate %</u>	<u>Balance June 30, 2021</u>
Governmental Activities:					
Equipment - US Bank	522,781	09/27/16	09/27/21	2.33%	\$ 109,427
Equipment - Webster Capital Finance	207,693	02/02/17	01/15/22	2.43%	43,521
Equipment - PNC Equipment Finance	545,575	11/09/17	11/09/22	2.45%	89,212
Equipment - JP Morgan Chase	922,000	12/02/20	11/01/27	1.58%	<u>922,000</u>
Total Governmental Activities					\$ <u>1,164,160</u>
Business-Type Activities:					
Civic Center					
Equipment - Webster Capital Finance	131,947	02/02/17	01/15/22	2.43%	\$ <u>27,649</u>

Annual debt service requirements of bonds and notes as of June 30, 2021 were as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Debt</u>	
	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 4,743,000	\$ 598,005
2023	1,060,000	517,288
2024	1,120,000	487,850
2025	1,135,000	455,251
2026	1,150,000	422,233
2027-2031	4,030,000	1,690,835
2032-2036	4,728,793	1,012,213
2037-2040	<u>2,150,207</u>	<u>85,872</u>
	\$ <u>20,117,000</u>	\$ <u>5,269,547</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Year Ending June 30,	Direct Borrowing Debt					
	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 1,791,000	\$ 429,117	\$ 2,340,000	\$ 484,884	\$ 4,131,000	\$ 914,001
2023	1,019,000	391,625	2,370,000	417,381	3,389,000	809,006
2024	1,040,000	364,462	2,422,000	347,641	3,462,000	712,103
2025	1,061,515	337,939	1,356,000	295,257	2,417,515	633,196
2026	1,071,000	309,819	1,389,000	260,363	2,460,000	570,182
2027-2031	5,763,000	1,061,241	3,792,000	896,023	9,555,000	1,957,264
2032-2036	3,302,000	174,088	3,236,000	233,064	6,538,000	407,152
2037-2040	-	-	-	-	-	-
	<u>\$ 15,047,515</u>	<u>\$ 3,068,291</u>	<u>\$ 16,905,000</u>	<u>\$ 2,934,613</u>	<u>\$ 31,952,515</u>	<u>\$ 6,002,904</u>

Year Ending June 30,	Lease Purchase Obligations					
	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 323,682	\$ 19,109	\$ 27,649	\$ 672	\$ 351,331	\$ 19,781
2023	172,561	13,673	-	-	172,561	13,673
2024	129,428	10,553	-	-	129,428	10,553
2025	131,473	8,508	-	-	131,473	8,508
2026	133,551	6,431	-	-	133,551	6,431
2027-2031	273,465	6,498	-	-	273,465	6,498
2032-2036	-	-	-	-	-	-
2037-2040	-	-	-	-	-	-
	<u>\$ 1,164,160</u>	<u>\$ 64,772</u>	<u>\$ 27,649</u>	<u>\$ 672</u>	<u>\$ 1,191,809</u>	<u>\$ 65,444</u>

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

Municipal Debt Service Assessment Receivable

The Town of West Warwick has entered into several Inter-Municipal Agreements with surrounding local communities. Under the provisions of these agreements, the participating communities are responsible for certain costs and improvements to the wastewater/sewer treatment facility and operations. In addition to the normal operating costs and assessments these local communities are also responsible for portions of the outstanding debt obligations and interest which is due annually on these debt obligations. The portion of the debt obligations to be paid by the local communities in accordance with the Inter-Municipal Agreements has been recorded as a special assessments receivable and revenue when the project was completed and the obligation entered into. At June 30, 2021, the amount of the municipal debt service assessment receivable which is expected to be collected in future years totaled \$4,585,682 (including accumulated interest of \$37,500). Of this amount, \$626,533 (including interest of \$229,905) is expected to be received in fiscal 2022 to help cover the principal balance due of \$2,340,000 during fiscal 2022.

**TOWN OF WEST WARWICK, RHODE ISLAND
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JUNE 30, 2021**

Qualified Zone Academy Bonds

The 2005 Qualified Zone Academy Bonds outstanding totaling \$3,688,000 at June 30, 2021 requires annual interest and principal payments. However, under the terms of this debt obligation the principal payments are held in escrow until the maturity of the debt in fiscal 2022. Accordingly, the principal payment is not reflected as a current maturity obligation until fiscal 2022 when the payment will be applied to the outstanding debt obligation. As of June 30, 2021, the Town is maintaining a Debt Service Fund to reflect the restricted cash and investments which are being maintained for the future retirement of this debt obligation. As of June 30, 2021, the amount of fund balance available for the future payment of this outstanding principal debt obligation was \$3,480,093. In accordance with the fiscal agent agreement relating to the bonds, the Town is required to deposit \$155,673 into a sinking fund each year until November 2020. These deposits and the investment earnings thereon are expected to provide approximately \$3,500,000 in funding to be applied toward final redemption of the bonds in November 2021. The sinking fund assets, along with a final payment by the town of approximately \$188,000 on November 29, 2021, fully redeemed the bonds.

Authorized but Unissued Bonds

The total of authorized but unissued bonds at June 30, 2021 is \$6,150,000. In some cases, interim financing is obtained through bond anticipation notes or other short-term borrowings until the issuance of long-term debt.

Asset Retirement Obligation

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

8. OPERATING LEASES

In December 2016, the Town entered into three Assignment and Assumption of Lease agreements for use of land located in Coventry, Rhode Island, to be used for three Wind Turbines. The initial term of each of these leases is 25 years, with up to three 5-year renewal options. Under the terms of two of the leases, monthly rent payments are \$4,500 (for each lease) for the initial 6-year term, with 5% rent increase commencing at the end of 6 years and on each 5-year anniversary thereafter during the term of the lease. The third lease has one rental payment of \$1 for the entire term of the lease. Rent expense incurred under these lease agreements was \$108,000 for the year ended June 30, 2021.

In January 2018, the Town entered into a 60-month noncancelable operating lease agreement for certain office equipment, with monthly payments of \$252, maturing in January 2023. Lease expense incurred under this agreement was \$3,024 for the year ended June 30, 2021.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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The School Department leases certain office equipment under various noncancelable operating lease agreements, with expiration dates ranging from June 2019 to June 2022. Total lease expense incurred under these lease agreements was approximately \$87,436 for the year ended June 30, 2021. The following is a schedule of future minimum lease payments due under the above noted lease agreements:

<u>Year ended June 30,</u>	
2022	\$ 180,034
2023	144,277
2024	113,400
2025	113,400
2026	113,400
Thereafter	<u>1,792,816</u>
	<u>\$ 2,457,327</u>

9. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2021 are as follows:

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Prepaid expenditures	\$ 222,810	\$ 395	\$ 1,730	\$ 224,935
Restricted for:				
Debt service	-	-	3,480,093	3,480,093
Educational programs	-	-	352,368	352,368
Public safety	-	-	286,423	286,423
Equipment maintenance	-	-	45,852	45,852
Recreational purposes	-	-	197,595	197,595
Economic development	-	-	150,094	150,094
Town committees	-	-	2,119	2,119
Educational capital improvements	-	-	867,075	867,075
Committed for:				
General government capital improvements	-	-	595,023	595,023
Educational programs	-	5,394,219	-	5,394,219
Public safety	-	-	1,167,654	1,167,654
Fire safety equipment	-	-	581,790	581,790
Assigned for:				
Subsequent budget	500,000	-	-	500,000
Unassigned	<u>3,675,083</u>	<u>-</u>	<u>(47,562)</u>	<u>3,627,521</u>
Total Fund Balances	<u>\$ 4,397,893</u>	<u>\$ 5,394,614</u>	<u>\$ 7,680,254</u>	<u>\$ 17,472,761</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

10. PENSION PLANS

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

A. Retirement Plan of the Town of West Warwick

Summary of Significant Accounting Policies

Plan Description

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

Benefit Provisions

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

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

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

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

As of June 30, 2021, the following employees and other participants were members of the Retirement Plan of the Town of West Warwick:

Inactive plan members and beneficiaries currently receiving benefits	358
Inactive plan members entitled to but not yet receiving benefits	56
Active Members	<u>317</u>
Total	<u><u>731</u></u>

Plan Administration

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

Contributions

The actual contributions required to be made to the Plan by the Town each year are determined based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by members during the year, with an additional amount to finance the unfunded accrued liability. The Town contributions to the Plan for the fiscal year ended June 30, 2021 were 60.3% of covered payroll. Police officers, Fire and others are required to contribute between 9% and 13% of their salary to the Plan.

Actuarial Assumptions

The Town's net pension liability has been measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020.

The total pension liability at June 30, 2021 was determined using the following actuarial assumptions, applied to all periods in the measurement:

Actuarial cost method	Entry Age Method
Inflation	2.50%
Salary increases	3.50%
Investment rate of return	7.50%
Mortality rates	Rates were based on the Pub-2010 Mortality Tables

The actuarial assumptions used in the July 1, 2020 actuarial valuation have been based on the results of the March 2018 experience study taking into account nine years of data experience.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Investments

Investment Policy

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

The long-term expected rate of return on pension plan investments can be approximated by using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding the annual expected annual rate of inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic equities	33.0%	7.25%
Fixed income	22.5%	2.75%
International equities	22.0%	7.75%
Alternatives	18.5%	5.75%
Cash	4.0%	2.75%
	<u>100.0%</u>	

Discount Rate

The discount rate used to determine the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rates and that Town contributions will be made at rates equal to the difference between the total actuarially determined contribution rates and the employee contribution rates. Professional judgment on future contributions has been applied in those cases where contribution patterns deviate from the actuarially determined rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF WEST WARWICK, RHODE ISLAND
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Rate of Return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 16.19% for the year ended June 30, 2021. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The Town's net pension liability was measured as of June 30, 2021. The components of the net pension liability of the Town at June 30, 2021 were as follows:

Total pension liability	\$ 189,356,266
Plan fiduciary net position	<u>54,654,281</u>
Town's Net Pension Liability	<u>\$ 134,701,985</u>

Plan fiduciary net position as a percentage of the total pension liability	28.9%
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Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2020	\$ <u>183,481,438</u>	\$ <u>44,568,039</u>	\$ <u>138,913,399</u>
Changes for the year:			
Service cost	2,740,813	-	2,740,813
Interest	13,563,814	-	13,563,814
Differences between expected and actual experience	313,007	-	313,007
Changes of assumptions	-	-	-
Employer contributions	-	10,680,162	(10,680,162)
Member contributions	-	2,197,162	(2,197,162)
Net investment income	-	8,029,406	(8,029,406)
Benefit payments, including refunds of member contributions	(10,742,806)	(10,742,806)	-
Administrative expenses	-	(77,682)	77,682
Net changes	<u>5,874,828</u>	<u>10,086,242</u>	<u>(4,211,414)</u>
Balances as of June 30, 2021	\$ <u>189,356,266</u>	\$ <u>54,654,281</u>	\$ <u>134,701,985</u>

TOWN OF WEST WARWICK, RHODE ISLAND
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it was calculated using a single discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the single discount rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 156,863,170	\$ 134,701,985	\$ 116,182,074

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

For the year ended June 30, 2021, the Retirement Plan of the Town of West Warwick recognized pension expense of \$12,462,902. As of June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,033,695	\$ 497,199
Changes of assumptions	3,938,626	359,836
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>2,631,240</u>
Total	<u>\$ 5,972,321</u>	<u>\$ 3,488,275</u>

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

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resource
2022	\$ 1,114,767
2023	1,078,530
2024	1,150,082
2025	<u>(859,333)</u>
Total	<u>\$ 2,484,046</u>

B. Employees' Retirement System

Plan Description

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

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

Benefit Provisions

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

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

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

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

TOWN OF WEST WARWICK, RHODE ISLAND
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Funding Policy

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2019, West Warwick School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with 20 or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The state and the West Warwick School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by the West Warwick School Department; the rates were 10.75% and 14.50% of annual covered payroll for the fiscal year ended June 30, 2021 for the state and the West Warwick School Department, respectively. The West Warwick School Department contributed \$4,330,651, \$4,038,124 and \$3,708,668 for the fiscal years ended June 30, 2021, 2020 and 2019, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2021 was \$2,925,964 and is reported as on-behalf payments and included in both revenue and expenditures in the financial statements (School Unrestricted Fund).

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

At June 30, 2021, the West Warwick School Department reported a liability of \$47,032,959 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Town were as follows:

West Warwick School District's proportionate share of the net pension liability	\$ 47,032,959
State of Rhode Island's proportionate share of the net pension liability	<u>34,946,641</u>
Total Net Pension Liability	<u>\$ 81,979,600</u>

The net pension liability was measured as of June 30, 2020, 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, 2019 rolled forward to June 30, 2020. The West Warwick School Department's proportion of the net pension liability was based on a projection of the West Warwick School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2020, the West Warwick School Department's proportion was 1.472%.

TOWN OF WEST WARWICK, RHODE ISLAND
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For the year ended June 30, 2021, the Town's government-wide statement of activities recognized gross pension expense of \$8,261,994 and revenue of \$3,536,641 for support provided by the State. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 459,857	\$ 916,601
Changes of assumptions	2,099,626	1,096,024
Net difference between projected and actual earnings on pension plan investments	954,864	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,449,424	4,297,786
Contributions subsequent to measurement date	<u>4,330,651</u>	<u>-</u>
Total	\$ <u>14,294,422</u>	\$ <u>6,310,411</u>

\$4,330,651 reported as deferred outflows of resources related to pensions resulting from the Town's contributions in fiscal year 2021 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Net Deferred Outflows (Inflows) of Resource
2022	\$ 183,163
2023	470,345
2024	2,159,537
2025	894,995
2026	(2,919)
Thereafter	<u>(51,761)</u>
Total	\$ <u>3,653,360</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	3.00% to 13.00%
Investment rate of return	7.00%
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, 2019 valuation rolled forward to June 30, 2020 and the calculation of the total pension liability at June 30, 2020 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

Investments

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2020 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

**TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of</u>
<i>GROWTH</i>		
Global Equity		
US Equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Subtotal	<u>40.00%</u>	
Private Equity		
Private Energy	11.25%	9.71%
Non-Core RE	2.25%	5.66%
OPP Private Credit	1.50%	9.71%
Subtotal	<u>15.00%</u>	
<i>INCOME</i>		
High Yield Infrastructure	1.00%	3.88%
REITS	1.00%	5.66%
Equity Options	2.00%	6.04%
EMD (50/50 Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
Subtotal	<u>12.00%</u>	
<i>STABILITY</i>		
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Subtotal	<u>10.00%</u>	
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Subtotal	<u>8.00%</u>	
Volatility Protection		
IG Fixed Income	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Subtotal	<u>15.00%</u>	
	<u>100.00%</u>	

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

Measurement of the Net Pension Liability

Discount Rate

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

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

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Net Pension Liability	\$ 56,432,111	\$ 47,032,959	\$ 35,689,726

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Plan

Plan Description

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

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

The plan members and West Warwick School Department contributed \$1,259,260 and \$284,855, respectively during the fiscal year ended June 30, 2021.

**TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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The West Warwick School Department recognized pension expense of \$284,855 for the fiscal year ended June 30, 2021.

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

11. OTHER POST EMPLOYMENT BENEFITS

Plan Description

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

A copy of June 30, 2021 actuarial valuation report can be obtained in the Finance Department at West Warwick Town Hall. Management of the post-employment benefits plan is vested with the Finance Director under the direction of the Town Manager. Funds are managed by a third-party investment management firm.

Benefits Provided

Eligibility

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

Duration of Retiree Health Benefits

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

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

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

Employees Covered by Benefit Terms

At June 30, 2021, plan membership consisted of the following:

Total active participants	545
Total retiree participants	<u>333</u>
Total	<u><u>878</u></u>

Contributions

The funding policy provides for actuarially determined contributions (ADC) to the OPEB plan. ADC are based on the Annual Required Contribution (ARC) calculated in the prior GASB 45 actuarial valuations. For fiscal year ended June 30, 2021, the actuarially determined contribution for the Town (including the School Department) was \$5,471,405, and actual contributions made in relation to ADC were \$4,444,858 for the year ended June 30, 2021.

Investments

Investment Policy

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

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

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 25.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Net OPEB Liability of the Town

The Town's net OPEB liability was measured as of June 30, 2021. The components of the net OPEB liability of the Town at June 30, 2021, were as follows:

Total OPEB liability	\$	63,305,816
Plan fiduciary net position		<u>5,325,146</u>
Net OPEB Liability	\$	<u><u>57,980,670</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		8.4%

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	1.80%
Salary increases	3.50% for valuation purposes, 2.50% per year for amortization purposes
Investment rate of return	7.00%,
Healthcare cost trend rates	8.50% for 2019, decreasing 0.5% per year to an ultimate rate of 4.50%

Mortality rates were based on SOA Pub-2010 Mortality Tables with generational improvements from 2010 based on assumptions from the 2021 SSA Trustees Report.

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	41.0%	3.4%
Non U.S. equity	26.0%	6.1%
U.S. aggregate bonds	10.0%	1.2%
Intermediate-Term Credit	7.0%	1.7%
Short-Term Credit	3.0%	1.6%
Intermediate-Term TIPS	5.0%	0.9%
REITs	8.0%	2.9%
Total	<u>100.0%</u>	

Discount Rate

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

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances as of June 30, 2019	\$ 62,039,303	\$ 3,640,647	\$ 58,398,656
Changes for the year:			
Service cost	1,273,220	-	1,273,220
Interest	4,298,334	-	4,298,334
Differences between expected and actual experience	(1,405,019)	-	(1,405,019)
Changes of assumptions	981,145	-	981,145
Employer contributions	-	4,444,857	(4,444,857)
Member contributions	-	-	-
Net investment income	-	1,133,384	(1,133,384)
Benefit payments, including refunds of member contributions	(3,881,167)	(3,881,167)	-
Administrative expenses	-	(12,575)	12,575
Net changes	<u>1,266,513</u>	<u>1,684,499</u>	<u>(417,986)</u>
Balances as of June 30, 2020	\$ <u>63,305,816</u>	\$ <u>5,325,146</u>	\$ <u>57,980,670</u>

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB Liability	\$ 64,368,804	\$ 57,980,670	\$ 52,489,359

**TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.00% decreasing to 3.50%) or 1 percentage point higher (9.00% decreasing to 5.50%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	Healthcare Cost Trend Rates	<u>1% Increase</u>
Net OPEB Liability	\$ 51,843,417	\$ 57,980,670	\$ 65,289,324

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

For the year ended June 30, 2021, the Town recognized OPEB expense of \$5,085,089. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,049,995	\$ 8,254,171
Changes of assumptions	3,174,055	1,249,010
Net difference between projected and actual earnings on OPEB plan investments	-	683,413
Total	<u>\$ 8,224,050</u>	<u>\$ 10,186,594</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

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

<u>Year Ending June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resource</u>
2022	\$ (210,023)
2023	(193,944)
2024	(183,475)
2025	(239,712)
2026	(67,797)
Thereafter	<u>(1,067,593)</u>
Total	<u>\$ (1,962,544)</u>

The following schedule presents the net position held in trust for pension and OPEB benefits at June 30, 2021 and the changes in net position for the year ended June 30, 2021:

	<u>Employee Retirement Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total Pension and OPEB Trust Funds</u>
ASSETS			
Investments, at fair value:			
Mutual funds	\$ 51,610,392	\$ 4,775,496	\$ 56,385,888
Alternative investments	2,971,506	-	2,971,506
Contributions receivable	<u>72,382</u>	<u>855,421</u>	<u>927,803</u>
Total Assets	<u>54,654,280</u>	<u>5,630,917</u>	<u>60,285,197</u>
LIABILITIES			
Accounts payable	<u>7,244</u>	<u>305,770</u>	<u>313,014</u>
Total Liabilities	<u>7,244</u>	<u>305,770</u>	<u>313,014</u>
NET POSITION			
Net Position:			
Restricted for pension benefits	54,647,036	-	54,647,036
Restricted for OPEB benefits	<u>-</u>	<u>5,325,147</u>	<u>5,325,147</u>
Total Net Position	<u>\$ 54,647,036</u>	<u>\$ 5,325,147</u>	<u>\$ 59,972,183</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

	<u>Employee Retirement Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Total Pension and OPEB Trust Funds</u>
Additions:			
Contributions:			
Employer contributions	\$ 10,680,162	\$ 4,444,858	\$ 15,125,020
Employee contributions	<u>2,197,163</u>	<u>-</u>	<u>2,197,163</u>
Total contributions	<u>12,877,325</u>	<u>4,444,858</u>	<u>17,322,183</u>
Investment income:			
Net change in fair value of investments	8,228,341	1,133,383	9,361,724
Investment management fees	<u>(198,935)</u>	<u>(12,575)</u>	<u>(211,510)</u>
Total investment income	<u>8,029,406</u>	<u>1,120,808</u>	<u>9,150,214</u>
Total additions	<u>20,906,731</u>	<u>5,565,666</u>	<u>26,472,397</u>
Deductions:			
Benefits	10,742,806	3,881,166	14,623,972
Operating expenses	<u>77,289</u>	<u>-</u>	<u>77,289</u>
Total deductions	<u>10,820,095</u>	<u>3,881,166</u>	<u>14,701,261</u>
Change in Net Position	10,086,636	1,684,500	11,771,136
Net Position at Beginning of Year	<u>44,560,400</u>	<u>3,640,647</u>	<u>48,201,047</u>
Net Position at End of Year	<u>\$ 54,647,036</u>	<u>\$ 5,325,147</u>	<u>\$ 59,972,183</u>

12. RISK MANAGEMENT

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

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

Health Care

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

The Town currently maintains stop loss insurance to protect the taxpayers from catastrophic loss resulting from excessive health insurance claims. At June 30, 2021, the stop loss insurance contract covered all claims exceeding \$175,000 per individual on an annual basis.

The Town's Finance Department oversees the self-insured program for all employees and claims payment services are provided by Blue Cross and Blue Shield of Rhode Island (Plan Administrator). At June 30, 2021 the Town has estimated a liability for incurred but not reported claims (IBNR) based on actual claims paid subsequent to year end but related to claims incurred prior to June 30, 2021. Approximate changes in the balances of self-insured claims liabilities were as follows:

Medical Insurance					
Current Year					
Claims and					
Changes in					
Liability		Claim		Liability	
July 1,		Payments		June 30,	
July 1,		Estimates		June 30,	
2019-20	\$ 768,006	12,251,179	(12,176,770)	\$ 842,415	
2020-21	842,415	14,343,914	(14,449,457)	736,872	

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

The IBNR claims outstanding at June 30, 2021 are comprised of \$163,605 and \$573,267 related to Town and School employees, respectively.

At June 30, 2021, the Town has a deposit with the Plan Administrator totaling \$220,700. This deposit was required as part of the contract with the Plan Administrator to ensure reimbursement of claims is made in a timely manner. This deposit has been classified as a prepaid of the General Fund and as such has been included in non-spendable fund balance in the governmental activities of the Fund Statements.

Unemployment

The Town is self-insured for unemployment benefits. As of June 30, 2021, management does not believe that there are any incurred but not reported claims that are required to be accrued in the Fund Statements of the Government-wide Statement of Net Position.

13. TAX ABATEMENTS

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

For the fiscal year ended June 30, 2021, the Town abated property taxes totaling \$166,569 under this program, which includes the following tax abatement agreements to new businesses located in a commercially zoned property or existing businesses that are expanding:

<u>Purpose</u>	<u>Amount of Taxes Abated</u>
Expansion of car dealership in a central business area	\$ 41,595
Construction of a dog boarding facility	4,345
Construction of a commercial building	3,665
Redevelopment of building into multi-family residential units	<u>116,964</u>
Total	<u>\$ 166,569</u>

14. COMMITMENTS AND CONTINGENCIES

Liabilities for legal cases and other claims against governmental funds are recorded in the governmental funds when the ultimate liability can be estimated, and such cases are expected to be settled with available expendable financial resources. The government-wide statements would include all estimated claims regardless of when they are expected to be settled. At June 30, 2021, the Town (including the School Department) had a number of legal cases and claims in process. These cases include claims made by Unions. Management and legal counsel have reviewed these outstanding claims and determined that the estimated liability, if any, that may result from these claims would not materially affect the basic financial statements of the Town. As such, the statement of net position at June 30, 2021 does not include any liability for claims, judgments or unasserted claims.

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

15. SUBSEQUENT EVENT

On August 3, 2021, the Town issued \$7,000,000 in general obligation bonds. The proceeds will be used by the town to finance road projects.

On August 17, 2021, The Town formalized an ordinance to transfer the management and administration of the Retirement Plan of the Town of West Warwick pension plan to Municipal Employees' Retirement System (MERS). The MERS was established by Rhode Island General Law and placed under the management of the Retirement 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. MERS is a multiple-employer defined benefit agent plan.

On September 1, 2021, the Town issued \$2,175,000 refunding bond to refund the 2003 Series B Wastewater System Revenue Bonds.

16. PRIOR PERIOD ADJUSTMENT AND RESTATEMENT

The Town previously reported the activities of the Student Activities Agency Fund as fiduciary funds. As a result of implementation of GASB No. 84, Fiduciary Activities, as of July 1, 2019, the Town made the following reporting changes: The activities of the Student Activities Fund is reported as a special revenue fund. Accordingly, the Town restated the beginning assets of \$193,926 previously reported in the agency fund as assets and fund balance of the newly created special revenue fund. Accordingly, the Town restated beginning balances of the assets, fund balance and net position as follows:

TOWN OF WEST WARWICK, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

	Governmental Activities	Nonmajor Governmental Funds
Governmental Funds:	<u> </u>	<u> </u>
Balance as previously reported on June 30, 2020	\$ (185,926,461)	\$ 6,917,431
Student Activities now reported as a Special revenue fund	<u>193,926</u>	<u>193,926</u>
Balance as restated July 1, 2020	<u><u>\$ (185,732,535)</u></u>	<u><u>\$ 7,111,357</u></u>
	Agency Funds	Custodial Funds
Fiduciary Funds:	<u> </u>	<u> </u>
Balance as previously reported on June 30, 2020	\$ 233,926	\$ -
Student activities now reported as a Special revenue fund	(193,926)	-
Centennial Scholarship now reported as a custodial fund	<u>(40,000)</u>	<u>40,000</u>
Balance as restated July 1, 2020	<u><u>\$ -</u></u>	<u><u>\$ 40,000</u></u>

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**Required
Supplementary
Information**

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TOWN OF WEST WARWICK, RHODE ISLAND
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

RSI-1

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Tax Revenues:				
Current tax collections	\$ 65,247,137	\$ 65,247,137	\$ 66,257,576	\$ 1,010,439
Prior year taxes	1,500,000	1,500,000	1,475,246	(24,754)
Tax interest and liens	500,000	500,000	571,823	71,823
Tax sale fees and other	-	-	45,361	45,361
Total tax revenues	<u>67,247,137</u>	<u>67,247,137</u>	<u>68,350,006</u>	<u>1,102,869</u>
Intergovernmental Revenues:				
State aid for education	27,009,115	27,009,115	28,293,888	1,284,773
School housing aid	692,161	692,161	761,575	69,414
Coronavirus relief funds	-	-	2,993,859	2,993,859
FEMA coronavirus relief	-	-	381,059	381,059
MEDS reimbursement	-	-	27,125	27,125
Distressed community relief	460,708	460,708	191,962	(268,746)
State meals tax distribution	288,984	288,984	396,987	108,003
State hotel tax distribution	72,886	72,886	77,420	4,534
Public utilities tax	361,849	361,849	344,712	(17,137)
Motor vehicle phase out	2,410,537	2,410,537	757,501	(1,653,036)
Total intergovernmental revenues	<u>31,296,240</u>	<u>31,296,240</u>	<u>34,226,088</u>	<u>2,929,848</u>
Departmental and Other Revenues:				
Town Clerk	725,000	725,000	932,378	207,378
Building Official	335,000	335,000	428,551	93,551
DPW	7,500	7,500	12,484	4,984
Recycling	-	-	19,559	19,559
Planning and engineering fees	10,000	20,000	3,200	(16,800)
Animal shelter	3,000	3,000	2,110	(890)
Police department	15,000	15,000	8,988	(6,012)
Municipal court	10,000	10,000	10,000	-
Fire rescue fees	950,000	950,000	828,895	(121,105)
Fire plans review	20,000	20,000	24,148	4,148
Road opening permits	10,000	-	2,700	2,700
Field rental - parks and recreation	15,000	15,000	13,225	(1,775)
Sewer administrative fees	348,371	348,371	348,371	-
School crossing guards	184,265	184,265	156,274	(27,991)
Pilot - West Warwick Housing	60,000	60,000	64,563	4,563
Sales of town assets	-	-	41,349	41,349
Miscellaneous	5,000	5,000	6,873	1,873
Total departmental and other revenues	<u>2,698,136</u>	<u>2,698,136</u>	<u>2,903,668</u>	<u>205,532</u>
Investment Income	<u>10,000</u>	<u>10,000</u>	<u>29,870</u>	<u>19,870</u>
Use of fund balance	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total Revenues	<u>101,751,513</u>	<u>101,751,513</u>	<u>106,009,632</u>	<u>4,258,119</u>

(Continued on next page)

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget - Positive (Negative)
Expenditures:				
General government:				
Town manager	\$ 232,602	\$ 232,602	\$ 215,085	\$ 17,517
Town planner	181,005	181,005	139,299	41,706
Human resources	146,720	146,720	125,647	21,073
Town council	54,239	54,239	44,357	9,882
Town clerk	278,214	278,214	276,270	1,944
Board of canvassers	125,705	125,705	144,066	(18,361)
Legal	380,000	380,000	333,097	46,903
Probate court	78,262	78,262	77,604	658
EMA	8,690	8,690	74,077	(65,387)
Town sergeant	754	754	622	132
Finance	491,506	491,506	484,521	6,985
Tax collector	387,182	387,182	372,805	14,377
Tax assessor	261,062	261,062	232,248	28,814
Board of assessment review	2,196	2,196	1,967	229
Town engineer	30,000	30,000	15,598	14,402
Street lighting	110,000	110,000	71,887	38,113
Building official	563,970	563,970	483,898	80,072
Zoning	7,871	7,871	6,398	1,473
Housing board	1,992	1,992	1,400	592
Total general government	<u>3,341,970</u>	<u>3,341,970</u>	<u>3,100,846</u>	<u>241,124</u>
Public safety:				
Police	8,065,551	8,065,551	8,180,514	(114,963)
Fire	9,726,945	9,726,945	10,381,201	(654,256)
Total public safety	<u>17,792,496</u>	<u>17,792,496</u>	<u>18,561,715</u>	<u>(769,219)</u>
Public works	<u>4,513,971</u>	<u>4,513,971</u>	<u>4,559,162</u>	<u>(45,191)</u>
Parks	<u>519,500</u>	<u>519,500</u>	<u>532,635</u>	<u>(13,135)</u>
Public libraries	<u>776,066</u>	<u>776,066</u>	<u>776,066</u>	<u>-</u>
Senior center	<u>223,000</u>	<u>223,000</u>	<u>223,000</u>	<u>-</u>
Benefits and other miscellaneous	<u>11,774,215</u>	<u>11,774,215</u>	<u>13,465,189</u>	<u>(1,690,974)</u>
Debt service	<u>3,288,619</u>	<u>3,288,619</u>	<u>3,097,327</u>	<u>191,292</u>
Total Expenditures	<u>42,229,837</u>	<u>42,229,837</u>	<u>44,315,940</u>	<u>(2,086,103)</u>
Excess of Revenues over Expenditures	<u>59,521,676</u>	<u>59,521,676</u>	<u>61,693,692</u>	<u>2,172,016</u>
Other Financing (Sources) Uses:				
Transfer out to Debt Service Fund	155,045	155,045	155,673	(628)
Transfer out to Energy Efficiency Fund	-	-	106,711	(106,711)
Transfer out to Town Library Fund	-	-	97,821	(97,821)
Operating transfer to school unrestricted	59,366,631	59,366,631	60,651,404	(1,284,773)
Total other financing uses	<u>59,521,676</u>	<u>59,521,676</u>	<u>61,011,609</u>	<u>(1,489,933)</u>
Net Change in Fund Balances - Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 682,083</u>	<u>\$ 682,083</u>
Budgetary revenues are different than GAAP revenues because:				
Use of fund balance			<u>(500,000)</u>	
Net Change in Fund Balances - GAAP Basis			<u>\$ 182,083</u>	<u>-</u>

TOWN OF WEST WARWICK, RHODE ISLAND
BUDGETARY COMPARISON SCHEDULE - SCHOOL UNRESTRICTED FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

RSI-2

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues:				
State aid	\$ 28,961,423	\$ 27,009,115	\$ 29,462,793	\$ 2,453,678
Medicaid reimbursements	650,000	650,000	509,887	(140,113)
Other revenue	229,046	229,046	248,638	19,592
Total revenues	<u>29,840,469</u>	<u>27,888,161</u>	<u>30,221,318</u>	<u>2,333,157</u>
Expenditures:				
Salaries	35,073,284	33,780,577	34,051,266	(270,689)
Employee benefits	17,745,825	17,186,282	18,298,340	(1,112,058)
Purchased services	7,556,654	7,556,596	5,966,593	1,590,003
Supplies and materials	1,262,858	1,262,858	1,215,826	47,032
Capital outlay	456,873	356,873	1,207,703	(850,830)
Other	102,491	102,491	52,510	49,981
Total expenditures	<u>62,197,985</u>	<u>60,245,677</u>	<u>60,792,238</u>	<u>(546,561)</u>
Deficiency of Revenues Over Expenditures	<u>(32,357,516)</u>	<u>(32,357,516)</u>	<u>(30,570,920)</u>	<u>1,786,596</u>
Other Financing Sources (Uses):				
Transfers in	32,357,516	32,357,516	32,357,516	-
Transfers out	-	-	(23,366)	(23,366)
Total other financing sources (uses)	<u>32,357,516</u>	<u>32,357,516</u>	<u>32,334,150</u>	<u>(23,366)</u>
Net Change in Fund Balances - Budgetary Basis	\$ <u>-</u>	\$ <u>-</u>	1,763,230	\$ <u>1,763,230</u>
Budgetary revenues are different than GAAP revenues because:				
State of Rhode Island on-behalf contributions to State pension plans are not budgeted.			2,925,964	
State of Rhode Island on-behalf contributions for transportations are not budgeted.			51,993	
Budgetary expenditures are different than GAAP expenditures because:				
State of Rhode Island on-behalf contributions to State pension plans are not budgeted.			(2,925,964)	
State of Rhode Island on-behalf contributions for transportations are not budgeted.			(51,993)	
Net Change in Fund Balances - GAAP Basis			\$ <u>1,763,230</u>	

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

RSI-3

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:								
Service cost	\$ 2,740,813	\$ 2,612,554	\$ 2,561,513	\$ 2,502,614	\$ 2,549,974	\$ 2,441,566	\$ 2,258,766	\$ 2,815,702
Interest	13,563,814	12,525,290	12,201,514	11,980,238	11,562,789	10,941,637	10,651,438	11,467,012
Changes of benefit terms	-	-	-	-	38,333	-	-	(12,421,981)
Differences between expected and actual experience	313,007	2,633,442	508,056	(1,491,599)	1,685,538	1,300,570	-	(493,359)
Changes of assumptions	-	6,564,376	(720,316)	(215,129)	(749,423)	2,751,398	-	(2,583,350)
Benefit payments, including refunds of member contributions	(10,742,806)	(10,491,070)	(10,078,516)	(9,690,832)	(9,256,920)	(9,266,182)	(9,181,180)	(9,021,629)
Net change in total pension liability	5,874,828	13,844,592	4,472,251	3,085,292	5,830,291	8,168,989	3,729,024	(10,237,605)
Total pension liability - beginning	183,481,438	169,636,846	165,164,595	162,079,303	156,249,012	148,080,023	144,350,999	154,588,604
Total pension liability - ending	<u>189,356,266</u>	<u>183,481,438</u>	<u>169,636,846</u>	<u>165,164,595</u>	<u>162,079,303</u>	<u>156,249,012</u>	<u>148,080,023</u>	<u>144,350,999</u>
Plan fiduciary net position:								
Contributions - employer	10,680,162	10,038,041	9,805,598	9,247,549	8,739,745	8,179,980	8,062,234	6,000,000
Contributions - employee	2,197,162	2,037,223	1,973,630	2,065,202	1,966,741	1,885,444	1,748,791	1,318,539
Net investment income	8,029,406	2,268,350	1,604,927	2,402,891	3,604,321	(918,239)	592,127	3,265,405
Benefit payments, including refunds of member contributions	(10,742,806)	(10,491,070)	(10,078,516)	(9,690,832)	(9,256,920)	(9,266,182)	(9,181,180)	(9,021,629)
Pension plan administrative expense	(77,682)	(120,785)	(83,403)	(108,358)	(68,194)	(133,947)	(185,951)	(198,764)
Net change in plan fiduciary net position	10,086,242	3,731,759	3,222,236	3,916,452	4,985,693	(252,944)	1,036,021	1,363,551
Plan fiduciary net position - beginning	44,568,039	40,836,280	37,614,044	33,697,592	28,711,899	28,964,843	27,928,822	26,565,271
Plan fiduciary net position - ending	<u>54,654,281</u>	<u>44,568,039</u>	<u>40,836,280</u>	<u>37,614,044</u>	<u>33,697,592</u>	<u>28,711,899</u>	<u>28,964,843</u>	<u>27,928,822</u>
Net Pension Liability - Ending	\$ <u>134,701,985</u>	\$ <u>138,913,399</u>	\$ <u>128,800,566</u>	\$ <u>127,550,551</u>	\$ <u>128,381,711</u>	\$ <u>127,537,113</u>	\$ <u>119,115,180</u>	\$ <u>116,422,177</u>
Plan fiduciary net position as a percentage of the total pension liability	28.86%	24.29%	24.07%	22.77%	20.79%	18.38%	19.56%	19.35%
Covered payroll	\$ 17,338,285	\$ 16,651,108	\$ 16,387,887	\$ 15,781,633	\$ 16,091,817	\$ 15,208,402	\$ 14,203,313	\$ 13,956,326
Net pension liability as a percentage of covered payroll	776.90%	834.26%	785.95%	808.22%	797.81%	838.60%	838.64%	834.19%

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

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

RSI-4

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially-determined contribution	\$ 10,495,443	\$ 10,007,263	\$ 9,620,720	\$ 9,257,300	\$ 8,739,745	\$ 8,309,706	\$ 8,103,839	\$ 10,322,474	\$ 9,264,065	\$ 8,708,689
Contributions in relation to the actuarially-determined contribution	<u>10,680,162</u>	<u>10,038,041</u>	<u>9,805,598</u>	<u>9,247,549</u>	<u>8,739,745</u>	<u>8,179,980</u>	<u>8,062,234</u>	<u>6,000,000</u>	<u>5,301,532</u>	<u>1,100,592</u>
Contribution Deficiency (Excess)	\$ <u>(184,719)</u>	\$ <u>(30,778)</u>	\$ <u>(184,878)</u>	\$ <u>9,751</u>	\$ <u>-</u>	\$ <u>129,726</u>	\$ <u>41,605</u>	\$ <u>4,322,474</u>	\$ <u>3,962,533</u>	\$ <u>7,608,097</u>
Covered payroll	\$ 17,338,285	\$ 16,651,108	\$ 16,387,887	\$ 15,781,633	\$ 16,091,817	\$ 15,208,402	\$ 14,203,313	\$ 13,956,326	\$ 14,855,258	\$ 15,164,989
Contributions as a percentage of covered payroll	61.60%	60.28%	59.83%	58.60%	54.31%	53.79%	56.76%	42.99%	35.69%	7.26%

Notes to Schedule

Valuation date July 1, 2020
Measurement date June 30, 2021

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal
Amortization method 25-year closed level % of pay amortization of the excess of the entry age actuarial accrued liability over the actuarial value of plan assets beginning 7/1/14. For this purpose, pay is assumed to grow at 3.50% annually.

Asset valuation method Market value of assets
Inflation 2.50%
Salary increases 3.50%
Investment rate of return 7.50%

Mortality - Healthy - Police and Fire RP-2014 Blue Collar Mortality Table with generational improvements from 2006 based on assumptions from the 2019 Trustee's Report
Mortality - Healthy - Other RP-2014 Mortality Table with generational improvements from 2006 based on assumptions from the 2019 Trustee's Report
Mortality - Disabled RP-2014 Disabled Mortality Table with generational improvements from 2006 based on assumptions from the 2019 Trustee's Report

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

RSI-5

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	16.19%	5.31%	4.09%	6.97%	12.30%	5.92%	5.01%	15.20%

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

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

RSI-6

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	1.47%	1.44%	1.43%	1.64%	1.12%	1.62%	1.46%
Town's proportionate share of the net pension liability	\$ 47,032,959	\$ 45,980,761	\$ 45,423,614	\$ 45,162,030	\$ 33,324,429	\$ 44,563,281	\$ 35,463,093
State's proportionate share of the net pension liability associated with the school district	<u>34,946,641</u>	<u>34,444,352</u>	<u>33,882,753</u>	<u>39,113,803</u>	<u>22,822,341</u>	<u>30,444,235</u>	<u>24,318,677</u>
Total	<u>\$ 81,979,600</u>	<u>\$ 80,425,113</u>	<u>\$ 79,306,367</u>	<u>\$ 84,275,833</u>	<u>\$ 56,146,770</u>	<u>\$ 75,007,516</u>	<u>\$ 59,781,770</u>
Town's covered payroll	\$ 27,255,298	\$ 26,576,406	\$ 25,635,430	\$ 26,628,988	Not available	\$ 23,509,337	\$ 22,772,066
Town's proportionate share of the net pension liability as a percentage of its covered payroll	172.56%	173.01%	177.19%	169.60%	Not available	189.56%	155.73%
Plan fiduciary net position as a percentage of the total pension liability	54.60%	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

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

Notes to Schedule

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

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

RSI-7

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially-determined contribution	\$ 4,330,651	\$ 4,038,124	\$ 3,708,668	\$ 3,521,155	\$ 3,969,629	\$ 2,587,950	\$ 3,620,613
Contributions in relation to the actuarially-determined contribution	<u>4,330,651</u>	<u>4,038,124</u>	<u>3,708,668</u>	<u>3,521,155</u>	<u>3,969,629</u>	<u>2,587,950</u>	<u>3,620,613</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 27,255,298	\$ 26,576,406	\$ 25,635,430	\$ 26,628,988	Not available	\$ 23,509,337	\$ 22,772,066
Contributions as a percentage of covered payroll	15.89%	15.19%	14.47%	13.22%	Not available	11.01%	15.90%

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

Notes to Schedule

Valuation date: June 30, 2019
Measurement date: June 30, 2020

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

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

RSI-8

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:					
Service cost	\$ 1,273,220	\$ 1,157,884	\$ 1,181,380	\$ 1,000,384	\$ 1,063,571
Interest	4,298,334	4,481,764	4,915,859	4,247,890	4,066,880
Changes of assumptions	981,145	2,959,620	(1,097,408)		(1,379,744)
Differences between expected and actual experience	(1,405,019)	(3,180,743)	(6,797,032)	7,929,261	1,719,595
Benefit payments	<u>(3,881,167)</u>	<u>(3,886,122)</u>	<u>(4,045,470)</u>	<u>(4,844,657)</u>	<u>(3,297,753)</u>
Net change in total OPEB liability	1,266,513	1,532,403	(5,842,671)	8,332,878	2,172,549
Total OPEB liability - beginning	<u>62,039,303</u>	<u>60,506,900</u>	<u>66,349,571</u>	<u>58,016,693</u>	<u>55,844,144</u>
Total OPEB liability - ending	<u>63,305,816</u>	<u>62,039,303</u>	<u>60,506,900</u>	<u>66,349,571</u>	<u>58,016,693</u>
Plan fiduciary net position:					
Contributions - employer	4,444,857	5,218,060	4,548,824	4,270,977	3,646,994
Net investment income	1,133,384	142,995	182,659	199,561	189,167
Benefit payments	(3,881,167)	(3,886,122)	(4,045,470)	(4,844,657)	(3,297,753)
Administrative expense	<u>(12,575)</u>	<u>(7,588)</u>	<u>(6,257)</u>	<u>(5,568)</u>	<u>(3,990)</u>
Net change in plan fiduciary net position	1,684,499	1,467,345	679,756	(379,687)	534,418
Plan fiduciary net position - beginning	<u>3,640,647</u>	<u>2,173,302</u>	<u>1,493,546</u>	<u>1,873,233</u>	<u>1,338,815</u>
Plan fiduciary net position - ending	<u>5,325,146</u>	<u>3,640,647</u>	<u>2,173,302</u>	<u>1,493,546</u>	<u>1,873,233</u>
Net OPEB Liability - Ending	<u>\$ 57,980,670</u>	<u>\$ 58,398,656</u>	<u>\$ 58,333,598</u>	<u>\$ 64,856,025</u>	<u>\$ 56,143,460</u>
Plan fiduciary net position as a percentage of the total OPEB liability	8.4%	5.9%	3.6%	2.3%	3.2%
Covered-employee payroll	\$ 37,524,825	\$ 35,945,463	\$ 39,892,830	\$ 40,918,261	\$ 39,534,552
Net OPEB liability as a percentage of covered-employee payroll	154.5%	162.5%	146.2%	158.5%	142.0%

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

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

RSI-9

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 5,471,405	\$ 5,451,021	\$ 5,855,458	\$ 4,956,467	\$ 4,759,537	\$ 4,485,667	\$ 4,712,809	\$ 4,803,612	\$ 7,552,618	\$ 7,552,618
Contributions in relation to the actuarially determined contribution	<u>4,444,857</u>	<u>5,218,060</u>	<u>4,548,827</u>	<u>4,270,977</u>	<u>3,646,994</u>	<u>4,111,091</u>	<u>4,019,034</u>	<u>3,467,681</u>	<u>5,303,716</u>	<u>4,865,794</u>
Contribution Deficiency (Excess)	\$ <u>1,026,548</u>	\$ <u>232,961</u>	\$ <u>1,306,631</u>	\$ <u>685,490</u>	\$ <u>1,112,543</u>	\$ <u>374,576</u>	\$ <u>693,775</u>	\$ <u>1,335,931</u>	\$ <u>2,248,902</u>	\$ <u>2,686,824</u>
Covered-employee payroll	\$ 37,524,825	\$ 37,524,825	\$ 39,892,830	\$ 40,918,261	\$ 39,534,552	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Contributions as a percentage of covered-employee payroll	11.8%	13.9%	11.4%	10.4%	9.2%	N/A	N/A	N/A	N/A	N/A

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

Valuation date: June 30, 2021 with no adjustments to get to the June 30, 2021 measurement date. Liabilities as of July 1, 2020 are based on an actuarial valuation date of July 1, 2019 projected to July 1, 2020 on a "no gain / loss" basis
Measurement date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of salary
Amortization period	24 years
Asset valuation method	Market value
Inflation	1.90% per year
Healthcare cost trend rates - medical	9.00% initial, decreasing 0.50% per year to an ultimate rate of 4.50%
Healthcare cost trend rates - dental	4.50% initial, decreasing 0.25% per year to an ultimate rate of 3.00%
Payroll growth	3.50% for valuation purposes, 2.50% for amortization purposes
Investment rate of return	7.00%
Mortality - Healthy Retirees - Public Safety	SOA Pub-2010 Public Safety Headcount Weighted Mortality Table with generational improvements from 2010 based assumptions form the 2021 SSA Trustees' Report
Mortality - Healthy Retirees - Teachers	SOA Pub-2010 Teachers Headcount Weighted Mortality Table with generational improvements from 2010 based assumptions form the 2021 SSA Trustees' Report
Mortality - All others	SOA Pub-2010 General Headcount Weighted Mortality Table with generational improvements from 2010 based assumptions form the 2021 SSA Trustees' Report

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

RSI-10

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	25.00%	4.66%	9.62%	11.52%	11.53%

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

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**Other
Supplementary
Information**

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Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

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

Fund	Funding Source	Function
Tricentennial Committee	Donations	Town celebration
Benjamin R. Vaughn	Miscellaneous Grant	Community Improvement
Annie Livsey Fund	RI Foundation	Crompton Library-Pawtuxet Historical Society
Greene Cemetery Fund	RI Foundation	Cemetery maintenance
Drug Evidence	State and Federal	Police operations
Police Range	Charges for services	Police operations
Police Highway Grant	Federal grants	Police operations
Police Highway Safety	Federal grants	Police operations
Brambley Bill Fund	State grants	Police operations
Coronavirus Emergency	State grants	Public safety
JAG Peer to Peer	Federal grants	Kids safe program
Police Grants	Federal and state grants	Police programs
JAG Grant 2015	Federal grants	Police equipment
Riverwalk Fund	Federal and State Grants	Community Improvement
Open Space Recreation	Federal grants	Police programs
JAG ARRA Fund	Federal grants	Police programs
JAG Fund	Federal grants	Police programs
Bulletproof Vest Partnership	Federal grants	Police operations
Hazard Mitigation Plan Grant	Federal grants	Hazard mitigation
Library Grants	Miscellaneous grant	Library operations
Health Equity Zone Grant	State grants	Community Outreach
COPS Office Stop Violence	Federal grants	Police operations
Assistance to Firefighters 2020	Federal grants	Fire Operations
Assistance to Firefighters 2021	Federal grants	Fire Operations
Assistance to Firefighters	Federal grants	Fire Operations
Meds Contract Fund	Federal grant	E.M.A
Community Development Block Grant	Federal grants	Community Improvements
Revolving Fund	Fees and Donations	P&F Operations and Community Activities
DARE Fund	State and federal grants	Drug awareness and prevention
Tower Rent Revolving Fund	Rent Charges	To supplement General Fund
Police Detail Car Fund	Charges for services	Police Operations
Demolition Revolving Fund	Fines	Community Improvement
Stormwater Utility Grant	State grants	Special Project
Animal Shelter Fund	Donations and fees	Community Safety
Recreation Fund	Miscellaneous Grant	Community Improvement

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

DEBT SERVICE FUND:

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

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS:

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

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

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

EXHIBIT A-1

	<u>Special Revenue Funds</u>				
	<u>Special Revenue Funds - Town</u>	<u>Special Revenue Funds - School Restricted</u>	<u>Capital Project Funds</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 298,475	\$ 224,379	\$ 41,603	\$ -	\$ 564,457
Restricted cash	-	-	-	3,321,306	3,321,306
Cash with fiscal agent	-	-	663,859	-	663,859
Restricted investments	-	-	-	158,787	158,787
Accounts receivable:					
Intergovernmental	169,711	1,589,773	76,896	-	1,836,380
Other receivables	618	7,353	-	-	7,971
Due from other funds	1,609,888	156,642	1,602,305	-	3,368,835
Prepaid expenditures	-	1,730	-	-	1,730
	<u>-</u>	<u>1,730</u>	<u>-</u>	<u>-</u>	<u>1,730</u>
Total Assets	<u>\$ 2,078,692</u>	<u>\$ 1,979,877</u>	<u>\$ 2,384,663</u>	<u>\$ 3,480,093</u>	<u>\$ 9,923,325</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 45,198	\$ 98,951	\$ 263,298	\$ -	\$ 407,447
Due to other funds	230,651	1,527,496	77,477	-	1,835,624
Total liabilities	<u>275,849</u>	<u>1,626,447</u>	<u>340,775</u>	<u>-</u>	<u>2,243,071</u>
Fund balances:					
Nonspendable	-	1,730	-	-	1,730
Restricted	682,083	352,368	867,075	3,480,093	5,381,619
Committed	1,167,654	-	1,176,813	-	2,344,467
Assigned	-	-	-	-	-
Unassigned	(46,894)	(668)	-	-	(47,562)
Total fund balances	<u>1,802,843</u>	<u>353,430</u>	<u>2,043,888</u>	<u>3,480,093</u>	<u>7,680,254</u>
Total Liabilities and Fund Balances	<u>\$ 2,078,692</u>	<u>\$ 1,979,877</u>	<u>\$ 2,384,663</u>	<u>\$ 3,480,093</u>	<u>\$ 9,923,325</u>

**TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021**

EXHIBIT A-2

	<u>Special Revenue Funds</u>				<u>Total Nonmajor Governmental Funds</u>
	<u>Special Revenue Funds - Town</u>	<u>Special Revenue Funds - School Restricted</u>	<u>Capital Projects Funds</u>	<u>Debt Service Fund</u>	
Revenues:					
Intergovernmental	\$ 900,461	\$ 4,638,256	\$ 264,624	\$ -	\$ 5,803,341
Charges for services	934,796	-	178,396	-	1,113,192
Contributions and private grants	-	176,648	-	-	176,648
Investment and interest income	-	-	-	274,377	274,377
Other revenue	8,026	-	-	-	8,026
Total revenues	<u>1,843,283</u>	<u>4,814,904</u>	<u>443,020</u>	<u>274,377</u>	<u>7,375,584</u>
Expenditures:					
General government	13,277	-	-	-	13,277
Public safety	615,782	-	-	-	615,782
Public works	148,113	-	-	-	148,113
Library	207,898	-	-	-	207,898
Parks and recreation	38,226	-	-	-	38,226
Education	-	4,796,834	-	-	4,796,834
Debt service	-	-	219,443	-	219,443
Capital outlay	385,130	-	1,580,844	-	1,965,974
Total expenditures	<u>1,408,426</u>	<u>4,796,834</u>	<u>1,800,287</u>	<u>-</u>	<u>8,005,547</u>
Excess (Deficiency) of Revenues over Expenditures	434,857	18,070	(1,357,267)	274,377	(629,963)
Other Financing Sources:					
Proceeds from Capital Lease	-	-	922,000	-	922,000
Transfers in	97,821	23,366	-	155,673	276,860
Net other financing sources (uses)	<u>97,821</u>	<u>23,366</u>	<u>922,000</u>	<u>155,673</u>	<u>1,198,860</u>
Net Change in Fund Balances	532,678	41,436	(435,267)	430,050	568,897
Fund Balances at Beginning of Year, as restated	<u>1,270,165</u>	<u>311,994</u>	<u>2,479,155</u>	<u>3,050,043</u>	<u>7,111,357</u>
Fund Balances at End of Year	<u>\$ 1,802,843</u>	<u>\$ 353,430</u>	<u>\$ 2,043,888</u>	<u>\$ 3,480,093</u>	<u>\$ 7,680,254</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING BALANCE SHEET
JUNE 30, 2021

EXHIBIT A-3

	<u>Tricentennial Committee</u>	<u>Benjamin R. Vaughn</u>	<u>Annie Livsey Fund</u>	<u>Greene Cemetery Fund</u>	<u>Drug Evidence</u>	<u>Police Highway Grant</u>	<u>Police Highway Safety</u>
ASSETS							
Cash and cash equivalents	\$ 1,013	\$ 1,106	\$ -	\$ -	\$ 257,135	\$ -	\$ -
Accounts receivable:							
Intergovernmental	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	800	-
Total Assets	\$ <u>1,013</u>	\$ <u>1,106</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>257,135</u>	\$ <u>800</u>	\$ <u>-</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 7,663	\$ -	\$ -
Due to other funds	-	-	-	-	16,478	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,141</u>	<u>-</u>	<u>-</u>
Fund balances:							
Restricted	1,013	1,106	-	-	232,994	800	-
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>1,013</u>	<u>1,106</u>	<u>-</u>	<u>-</u>	<u>232,994</u>	<u>800</u>	<u>-</u>
Total Liabilities and Fund Balances	\$ <u>1,013</u>	\$ <u>1,106</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>257,135</u>	\$ <u>800</u>	\$ <u>-</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2021

EXHIBIT A-3

	<u>Brambley Bill Fund</u>	<u>JAG Peer to Peer</u>	<u>Police Grants</u>	<u>Riverwalk Fund</u>	<u>Open Space Recreation</u>	<u>JAG ARRA Fund</u>	<u>JAG Fund</u>
ASSETS							
Cash and cash equivalents	\$ 1,004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Intergovernmental	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Due from other funds	<u>5,517</u>	<u>433</u>	<u>438</u>	<u>10,124</u>	<u>185,601</u>	<u>5,699</u>	<u>2,865</u>
Total Assets	<u>\$ 6,521</u>	<u>\$ 433</u>	<u>\$ 438</u>	<u>\$ 10,124</u>	<u>\$ 185,601</u>	<u>\$ 5,699</u>	<u>\$ 2,865</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 170	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170</u>	<u>-</u>	<u>-</u>
Fund balances:							
Restricted	6,521	433	438	10,124	185,431	5,699	2,865
Committed	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>6,521</u>	<u>433</u>	<u>438</u>	<u>10,124</u>	<u>185,431</u>	<u>5,699</u>	<u>2,865</u>
Total Liabilities and Fund Balances	<u>\$ 6,521</u>	<u>\$ 433</u>	<u>\$ 438</u>	<u>\$ 10,124</u>	<u>\$ 185,601</u>	<u>\$ 5,699</u>	<u>\$ 2,865</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2021

EXHIBIT A-3

	<u>Bulletproof Vest Partnership</u>	<u>Library Grants</u>	<u>Health Equity Zone Grant</u>	<u>Assistance to Firefighters - 2020</u>	<u>Assistance to Firefighters - 2021</u>	<u>Assistance to Firefighters</u>	<u>Meds Contract Fund</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ 28,702	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Intergovernmental	-	-	-	27,498	3,293	-	-
Miscellaneous	-	-	-	-	-	-	-
Due from other funds	-	-	7,000	-	-	13	3,857
Total Assets	\$ -	\$ 28,702	\$ 7,000	\$ 27,498	\$ 3,293	\$ 13	\$ 3,857
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$ -	\$ 11,951	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	63,645	-	27,498	3,293	-	-
Total liabilities	-	75,596	-	27,498	3,293	-	-
Fund balances:							
Restricted	-	-	7,000	-	-	13	3,857
Committed	-	-	-	-	-	-	-
Unassigned	-	(46,894)	-	-	-	-	-
Total fund balances	-	(46,894)	7,000	-	-	13	3,857
Total Liabilities and Fund Balances	\$ -	\$ 28,702	\$ 7,000	\$ 27,498	\$ 3,293	\$ 13	\$ 3,857

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2021

EXHIBIT A-3

	Community Development Block Grant	Revolving Fund	DARE Fund	Tower Rent Revolving Fund	Police Detail Car Fund	Demolition Revolving Fund	Animal Shelter Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ 9,515	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Intergovernmental	138,920	-	-	-	-	-	-
Miscellaneous	-	618	-	-	-	-	-
Due from other funds	-	998,660	-	45,852	193,240	130,911	16,838
Total Assets	\$ 138,920	\$ 999,278	\$ 9,515	\$ 45,852	\$ 193,240	\$ 130,911	\$ 16,838
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$ -	\$ 268	\$ -	\$ -	\$ 24,596	\$ -	\$ 550
Due to other funds	119,737	-	-	-	-	-	-
Total liabilities	119,737	268	-	-	24,596	-	550
Fund balances:							
Restricted	19,183	-	9,515	45,852	-	130,911	16,288
Committed	-	999,010	-	-	168,644	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	19,183	999,010	9,515	45,852	168,644	130,911	16,288
Total Liabilities and Fund Balances	\$ 138,920	\$ 999,278	\$ 9,515	\$ 45,852	\$ 193,240	\$ 130,911	\$ 16,838

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**TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2021**

EXHIBIT A-3

	<u>Recreation Fund</u>	<u>Total Special Revenue Funds - Town</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 298,475
Accounts receivable:		
Intergovernmental	-	169,711
Miscellaneous	-	618
Due from other funds	<u>2,040</u>	<u>1,609,888</u>
Total Assets	<u>\$ 2,040</u>	<u>\$ 2,078,692</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued expenses	\$ -	\$ 45,198
Due to other funds	<u>-</u>	<u>230,651</u>
Total liabilities	<u>-</u>	<u>275,849</u>
Fund balances:		
Restricted	2,040	682,083
Committed	-	1,167,654
Unassigned	<u>-</u>	<u>(46,894)</u>
Total fund balances	<u>2,040</u>	<u>1,802,843</u>
Total Liabilities and Fund Balances	<u>\$ 2,040</u>	<u>\$ 2,078,692</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT A-4

	Tricentennial Committee	Benjamin R. Vaughn	Annie Livsey Fund	Greene Cemetery Fund	Drug Evidence	Police Highway Grant	Police Highway Safety
Revenues:							
Intergovernmental	\$ -	\$ -	\$ 10,246	\$ 600	\$ -	\$ -	\$ 6,013
Charges for services	-	-	-	-	81,946	-	-
Other revenue	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>10,246</u>	<u>600</u>	<u>81,946</u>	<u>-</u>	<u>6,013</u>
Expenditures:							
General government	-	-	10,246	600	-	-	-
Public safety	-	-	-	-	15,280	-	6,013
Public works	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>10,246</u>	<u>600</u>	<u>15,280</u>	<u>-</u>	<u>6,013</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,666</u>	<u>-</u>	<u>-</u>
Other Financing Sources:							
Transfers in	-	-	-	-	-	-	-
Net other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-	66,666	-	-
Fund Balances at Beginning of Year	<u>1,013</u>	<u>1,106</u>	<u>-</u>	<u>-</u>	<u>166,328</u>	<u>800</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 1,013</u>	<u>\$ 1,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232,994</u>	<u>\$ 800</u>	<u>\$ -</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT A-4

	Brambley Bill Fund	JAG Peer to Peer	Police Grants	Riverwalk Fund	Open Space Recreation	JAG ARRA Fund	JAG Fund
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	90,000	-	-
Other revenue	-	-	-	-	-	-	-
Total revenues	-	-	-	-	90,000	-	-
Expenditures:							
General government	-	-	-	-	-	-	-
Public safety	-	-	231	-	-	-	-
Public works	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	38,226	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	-	-	231	-	38,226	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	(231)	-	51,774	-	-
Other Financing Sources:							
Transfers in	-	-	-	-	-	-	-
Net other financing uses	-	-	-	-	-	-	-
Net Change in Fund Balances	-	-	(231)	-	51,774	-	-
Fund Balances at Beginning of Year	6,521	433	669	10,124	133,657	5,699	2,865
Fund Balances at End of Year	\$ 6,521	\$ 433	\$ 438	\$ 10,124	\$ 185,431	\$ 5,699	\$ 2,865

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT A-4

	Bulletproof Vest Partnership	Library Grants	Health Equity Zone Grant	Assistance to Firefighters - 2020	Assistance to Firefighters - 2021	Assistance to Firefighters
Revenues:						
Intergovernmental	\$ 3,919	\$ 199,027	\$ 8,375	\$ 31,709	\$ 71,142	\$ 36,187
Charges for services	-	53,326	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>3,919</u>	<u>252,353</u>	<u>8,375</u>	<u>31,709</u>	<u>71,142</u>	<u>36,187</u>
Expenditures:						
General government	-	-	-	-	-	-
Public safety	3,919	-	12,806	31,709	71,142	36,187
Public works	-	-	-	-	-	-
Library	-	207,898	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>3,919</u>	<u>207,898</u>	<u>12,806</u>	<u>31,709</u>	<u>71,142</u>	<u>36,187</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>44,455</u>	<u>(4,431)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources:						
Transfers in	-	97,821	-	-	-	-
Net other financing uses	<u>-</u>	<u>97,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	142,276	(4,431)	-	-	-
Fund Balances at Beginning of Year	<u>-</u>	<u>(189,170)</u>	<u>11,431</u>	<u>-</u>	<u>-</u>	<u>13</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ (46,894)</u>	<u>\$ 7,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13</u>

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT A-4

	Meds Contract Fund	Community Development Block Grant	Revolving Fund	DARE Fund	Tower Rent Revolving Fund	Police Detail Car Fund
Revenues:						
Intergovernmental	\$ -	\$ 533,243	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	585,446	-	-	113,058
Other revenue	-	-	-	3,400	-	-
Total revenues	<u>-</u>	<u>533,243</u>	<u>585,446</u>	<u>3,400</u>	<u>-</u>	<u>113,058</u>
Expenditures:						
General government	-	-	-	2,431	-	-
Public safety	-	-	384,468	-	-	54,027
Public works	-	148,113	-	-	-	-
Library	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Capital outlay	-	385,130	-	-	-	-
Total expenditures	<u>-</u>	<u>533,243</u>	<u>384,468</u>	<u>2,431</u>	<u>-</u>	<u>54,027</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>200,978</u>	<u>969</u>	<u>-</u>	<u>59,031</u>
Other Financing Sources:						
Transfers in	-	-	-	-	-	-
Net other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	200,978	969	-	59,031
Fund Balances at Beginning of Year	<u>3,857</u>	<u>19,183</u>	<u>798,032</u>	<u>8,546</u>	<u>45,852</u>	<u>109,613</u>
Fund Balances at End of Year	<u>\$ 3,857</u>	<u>\$ 19,183</u>	<u>\$ 999,010</u>	<u>\$ 9,515</u>	<u>\$ 45,852</u>	<u>\$ 168,644</u>

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - TOWN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT A-4

	<u>Demolition Revolving Fund</u>	<u>Animal Shelter Fund</u>	<u>Recreation Fund</u>	<u>Total Special Revenue Funds - Town</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 900,461
Charges for services	10,665	355	-	934,796
Other revenue	-	4,626	-	8,026
Total revenues	<u>10,665</u>	<u>4,981</u>	<u>-</u>	<u>1,843,283</u>
Expenditures:				
General government	-	-	-	13,277
Public safety	-	-	-	615,782
Public works	-	-	-	148,113
Library	-	-	-	207,898
Parks and recreation	-	-	-	38,226
Capital outlay	-	-	-	385,130
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,408,426</u>
Excess (Deficiency) of Revenues over Expenditures	<u>10,665</u>	<u>4,981</u>	<u>-</u>	<u>434,857</u>
Other Financing Sources:				
Transfers in	-	-	-	97,821
Net other financing uses	-	-	-	97,821
Net Change in Fund Balances	10,665	4,981	-	532,678
Fund Balances at Beginning of Year	<u>120,246</u>	<u>11,307</u>	<u>2,040</u>	<u>1,270,165</u>
Fund Balances at End of Year	<u>\$ 130,911</u>	<u>\$ 16,288</u>	<u>\$ 2,040</u>	<u>\$ 1,802,843</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET
JUNE 30, 2021

EXHIBIT A-5

	IDEA	Title I	ATSI Mini Grant	Title II	Title III	Title IV	Perkins	Fresh Fruits & Vegetables
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:								
Intergovernmental	426,775	396,071	-	80,566	2,025	55,576	38,149	10,965
Other receivables	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-	-
Total Assets	\$ 426,775	\$ 396,071	\$ -	\$ 80,566	\$ 2,025	\$ 55,576	\$ 38,149	\$ 10,965
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued expenses	\$ 8,435	\$ 1,445	\$ -	\$ -	\$ -	\$ 1,545	\$ 2,538	\$ -
Due to other funds	418,340	394,626	-	80,566	2,025	54,031	35,637	10,965
Total liabilities	426,775	396,071	-	80,566	2,025	55,576	38,175	10,965
Fund balances:								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(26)	-
Total fund balances	-	-	-	-	-	-	(26)	-
Total Liabilities and Fund Balances	\$ 426,775	\$ 396,071	\$ -	\$ 80,566	\$ 2,025	\$ 55,576	\$ 38,149	\$ 10,965

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2021

EXHIBIT A-5

	Homeless Children and Youth - Competitive - Award 2	RI Emergency Management	Cares Act - ESSER	Cares Act - CRF Funds	CARES Act - Coronavirus Relief Fund - Substitute Teacher Grants	ARRA Energy	Preschool Expansion - Supplemental
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Intergovernmental	23,544	-	476,698	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Due from other funds	-	311	-	-	-	1,162	-
Prepaid expenditures	-	-	-	-	-	-	-
Total Assets	<u>\$ 23,544</u>	<u>\$ 311</u>	<u>\$ 476,698</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,162</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$ -	\$ -	\$ 47,457	\$ -	\$ -	\$ -	\$ -
Due to other funds	23,544	-	429,241	-	-	-	596
Total liabilities	<u>23,544</u>	<u>-</u>	<u>476,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>596</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	311	-	-	-	1,162	-
Unassigned	-	-	-	-	-	-	(596)
Total fund balances	<u>-</u>	<u>311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,162</u>	<u>(596)</u>
Total Liabilities and Fund Balances	<u>\$ 23,544</u>	<u>\$ 311</u>	<u>\$ 476,698</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,162</u>	<u>\$ -</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2021

EXHIBIT A-5

	<u>Comprehensive Literacy State Development - Birth to PreK</u>	<u>Comprehensive Literacy State Development (CLSD) grant - K-5</u>	<u>Investing in Innovation</u>	<u>State Grants</u>	<u>Big Yellow School Bus</u>	<u>RISCA Pottery Grant</u>	<u>RI Council of Humanities</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Intergovernmental	-	59,997	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Due from other funds	-	-	-	3,649	964	240	1,839
Prepaid expenditures	-	-	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 59,997</u>	<u>\$ -</u>	<u>\$ 3,649</u>	<u>\$ 964</u>	<u>\$ 240</u>	<u>\$ 1,839</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	46	59,997	-	-	-	-	-
Total liabilities	<u>46</u>	<u>59,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	3,649	964	240	1,839
Unassigned	(46)	-	-	-	-	-	-
Total fund balances	<u>(46)</u>	<u>-</u>	<u>-</u>	<u>3,649</u>	<u>964</u>	<u>240</u>	<u>1,839</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 59,997</u>	<u>\$ -</u>	<u>\$ 3,649</u>	<u>\$ 964</u>	<u>\$ 240</u>	<u>\$ 1,839</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2021

EXHIBIT A-5

	Prepare Rhode Island Career Exploration Grant	RI Department of Health	CTE Categorical Fund - 00	CTE Categorical Fund - 01	CS4RI Grant	English Learner Categorical	School Resource Officer Categorical
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Intergovernmental	-	4,407	-	-	-	6,703	8,297
Other receivables	-	-	-	-	-	-	-
Due from other funds	-	-	2,632	43,429	16	-	-
Prepaid expenditures	-	-	-	1,730	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 4,407</u>	<u>\$ 2,632</u>	<u>\$ 45,159</u>	<u>\$ 16</u>	<u>\$ 6,703</u>	<u>\$ 8,297</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 18,935	\$ -	\$ -	\$ 8,297
Due to other funds	-	2,993	-	-	-	6,567	-
Total liabilities	<u>-</u>	<u>2,993</u>	<u>-</u>	<u>18,935</u>	<u>-</u>	<u>6,567</u>	<u>8,297</u>
Fund balances:							
Nonspendable	-	-	-	1,730	-	-	-
Restricted	-	1,414	2,632	24,494	16	136	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>1,414</u>	<u>2,632</u>	<u>26,224</u>	<u>16</u>	<u>136</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 4,407</u>	<u>\$ 2,632</u>	<u>\$ 45,159</u>	<u>\$ 16</u>	<u>\$ 6,703</u>	<u>\$ 8,297</u>

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TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2021

EXHIBIT A-5

	<u>Champlain Foundation</u>	<u>Champlain Foundation - DMS Music</u>	<u>Sparks Reading Grant</u>	<u>Nordson Corp</u>	<u>RI Interlocal Risk Management Grant</u>	<u>Corporate Grants</u>	<u>Private Grants</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable:							
Intergovernmental	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	7,353	-
Due from other funds	6,425	8	1,044	66	437	23,450	32,352
Prepaid expenditures	-	-	-	-	-	-	-
Total Assets	<u>\$ 6,425</u>	<u>\$ 8</u>	<u>\$ 1,044</u>	<u>\$ 66</u>	<u>\$ 437</u>	<u>\$ 30,803</u>	<u>\$ 32,352</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,219	\$ 2,080
Due to other funds	-	-	-	-	-	8,322	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,541</u>	<u>2,080</u>
Fund balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	6,425	8	1,044	66	437	14,262	30,272
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>6,425</u>	<u>8</u>	<u>1,044</u>	<u>66</u>	<u>437</u>	<u>14,262</u>	<u>30,272</u>
Total Liabilities and Fund Balances	<u>\$ 6,425</u>	<u>\$ 8</u>	<u>\$ 1,044</u>	<u>\$ 66</u>	<u>\$ 437</u>	<u>\$ 30,803</u>	<u>\$ 32,352</u>

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2021

EXHIBIT A-5

	<u>Google Donations</u>	<u>Summer School</u>	<u>DMS Play</u>	<u>Pre school</u>	<u>Student Activity</u>	<u>Total Special Revenue Funds - School Restricted</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	224,379	\$ 224,379
Accounts receivable:						
Intergovernmental	-	-	-	-	-	1,589,773
Other receivables	-	-	-	-	-	7,353
Due from other funds	935	13,100	2,183	22,400	-	156,642
Prepaid expenditures	-	-	-	-	-	1,730
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,730</u>
Total Assets	<u>\$ 935</u>	<u>\$ 13,100</u>	<u>\$ 2,183</u>	<u>\$ 22,400</u>	<u>\$ 224,379</u>	<u>\$ 1,979,877</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	-	\$ 98,951
Due to other funds	-	-	-	-	-	1,527,496
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,626,447</u>
Fund balances:						
Nonspendable	-	-	-	-	-	1,730
Restricted	935	13,100	2,183	22,400	224,379	352,368
Unassigned	-	-	-	-	-	(668)
Total fund balances	<u>935</u>	<u>13,100</u>	<u>2,183</u>	<u>22,400</u>	<u>224,379</u>	<u>353,430</u>
Total Liabilities and Fund Balances	<u>\$ 935</u>	<u>\$ 13,100</u>	<u>\$ 2,183</u>	<u>\$ 22,400</u>	<u>\$ 224,379</u>	<u>\$ 1,979,877</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT A-6

	IDEA	Title I	ATSI Mini Grant	Title II	Title III	Title IV	Perkins	Fresh Fruits & Vegetables
Revenues:								
Intergovernmental	\$ 1,053,314	\$ 1,076,797	\$ -	\$ 206,258	\$ 5,598	\$ 124,052	\$ 71,574	\$ 34,948
Contributions and private grants	-	-	-	-	-	-	-	-
Total revenues	<u>1,053,314</u>	<u>1,076,797</u>	<u>-</u>	<u>206,258</u>	<u>5,598</u>	<u>124,052</u>	<u>71,574</u>	<u>34,948</u>
Expenditures:								
Education	<u>1,053,314</u>	<u>1,076,797</u>	<u>-</u>	<u>206,258</u>	<u>5,598</u>	<u>124,052</u>	<u>70,875</u>	<u>34,948</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	-	-	699	-
Other Financing Sources (Uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-	-	-	699	-
Fund Balances at Beginning of Year, as restated	-	-	-	-	-	-	(725)	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26)</u>	<u>\$ -</u>

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT A-6

	Homeless Children and Youth - Competitive - Award 2	RI Emergency Management	Cares Act - ESSER	Cares Act - CRF Funds	Coronavirus Relief Fund - Substitute Teacher Grants	ARRA Energy	Preschool Expansion - Supplemental
Revenues:							
Intergovernmental	\$ 29,550	\$ -	\$ 611,349	\$ 1,049,484	\$ 40,717	\$ -	\$ -
Contributions and private grants	-	-	-	-	-	-	-
Total revenues	<u>29,550</u>	<u>-</u>	<u>611,349</u>	<u>1,049,484</u>	<u>40,717</u>	<u>-</u>	<u>-</u>
Expenditures:							
Education	<u>29,550</u>	<u>-</u>	<u>611,349</u>	<u>1,049,484</u>	<u>40,717</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	-	-	-
Other Financing Sources (Uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-	-	-	-
Fund Balances at Beginning of Year, as restated	<u>-</u>	<u>311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,162</u>	<u>(596)</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,162</u>	<u>\$ (596)</u>

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT A-6

	Comprehensive Literacy State Development - Birth to PreK	Comprehensive Literacy State Development (CLSD) grant - K-5	Investing in Innovation	State Grants	Big Yellow School Bus	RISCA Pottery Grant	RI Council of Humanities
Revenues:							
Intergovernmental	\$ 58,186	\$ 82,393	\$ 23,408	\$ -	\$ -	\$ -	\$ -
Contributions and private grants	-	-	-	-	-	-	-
Total revenues	58,186	82,393	23,408	-	-	-	-
Expenditures:							
Education	58,232	82,393	23,408	-	-	-	120
Excess (Deficiency) of Revenues over Expenditures	(46)	-	-	-	-	-	(120)
Other Financing Sources (Uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-	-	-
Net Change in Fund Balances	(46)	-	-	-	-	-	(120)
Fund Balances at Beginning of Year, as restated	-	-	-	3,649	964	240	1,959
Fund Balances at End of Year	\$ (46)	\$ -	\$ -	\$ 3,649	\$ 964	\$ 240	\$ 1,839

(Continued on next page)

**TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

EXHIBIT A-6

	<u>Prepare Rhode Island Career Exploration Grant</u>	<u>RI Department of Health</u>	<u>CTE Categorical Fund - 00</u>	<u>CTE Categorical Fund - 01</u>	<u>CS4RI Grant</u>	<u>English Learner Categorical</u>	<u>School Resource Officer Categorical</u>
Revenues:							
Intergovernmental	\$ -	\$ 17,331	\$ -	\$ 103,490	\$ -	\$ 16,624	\$ 33,183
Contributions and private grants	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>17,331</u>	<u>-</u>	<u>103,490</u>	<u>-</u>	<u>16,624</u>	<u>33,183</u>
Expenditures:							
Education	<u>-</u>	<u>17,319</u>	<u>513</u>	<u>77,266</u>	<u>-</u>	<u>16,624</u>	<u>33,183</u>
Excess (Deficiency) of Revenues over Expenditures	-	12	(513)	26,224	-	-	-
Other Financing Sources (Uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	12	(513)	26,224	-	-	-
Fund Balances at Beginning of Year, as restated	<u>-</u>	<u>1,402</u>	<u>3,145</u>	<u>-</u>	<u>16</u>	<u>136</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 1,414</u>	<u>\$ 2,632</u>	<u>\$ 26,224</u>	<u>\$ 16</u>	<u>\$ 136</u>	<u>\$ -</u>

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT A-6

	<u>Champlain Foundation</u>	<u>Champlain Foundation - DMS Music</u>	<u>Sparks Reading Grant</u>	<u>Nordson Corp</u>	<u>RI Interlocal Risk Management Grant</u>	<u>Corporate Grants</u>	<u>Private Grants</u>
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions and private grants	-	-	-	-	-	69,736	6,091
Total revenues	-	-	-	-	-	69,736	6,091
Expenditures:							
Education	-	-	-	-	-	84,910	6,058
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	-	(15,174)	33
Other Financing Sources (Uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-	-	-
Net Change in Fund Balances	-	-	-	-	-	(15,174)	33
Fund Balances at Beginning of Year, as restated	6,425	8	1,044	66	437	29,436	30,239
Fund Balances at End of Year	<u>\$ 6,425</u>	<u>\$ 8</u>	<u>\$ 1,044</u>	<u>\$ 66</u>	<u>\$ 437</u>	<u>\$ 14,262</u>	<u>\$ 30,272</u>

(Continued on next page)

**TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS - SCHOOL RESTRICTED
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

EXHIBIT A-6

	<u>Google Donations</u>	<u>Summer School</u>	<u>DMS Play</u>	<u>Pre school</u>	<u>Student Activity</u>	<u>Total Special Revenue Funds - School Restricted</u>
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,638,256
Contributions and private grants	-	-	-	-	100,821	176,648
Total revenues	-	-	-	-	100,821	4,814,904
Expenditures:						
Education	-	-	-	132	93,734	4,796,834
Excess (Deficiency) of Revenues over Expenditures	-	-	-	(132)	7,087	18,070
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	23,366	23,366
Transfers out	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	23,366	23,366
Net Change in Fund Balances	-	-	-	(132)	30,453	41,436
Fund Balances at Beginning of Year, as restated	935	13,100	2,183	22,532	193,926	311,994
Fund Balances at End of Year	<u>\$ 935</u>	<u>\$ 13,100</u>	<u>\$ 2,183</u>	<u>\$ 22,400</u>	<u>\$ 224,379</u>	<u>\$ 353,430</u>

TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021

EXHIBIT A-7

	<u>EMS Rescue Fund</u>	<u>Town Capital Projects Fund</u>	<u>School Capital Projects Fund</u>	<u>School Building Authority Capital Fund</u>	<u>School Capital Other</u>	<u>Total Capital Projects Funds</u>
ASSETS						
Cash and cash equivalents	\$ 41,603	\$ -	\$ -	\$ -	\$ -	\$ 41,603
Cash with fiscal agent	-	663,859	-	-	-	663,859
Accounts receivable:						
Intergovernmental	-	-	-	70,729	6,167	76,896
Due from other funds	540,187	-	1,054,699	-	7,419	1,602,305
	<u>581,790</u>	<u>663,859</u>	<u>1,054,699</u>	<u>70,729</u>	<u>13,586</u>	<u>2,384,663</u>
Total Assets	\$ <u>581,790</u>	\$ <u>663,859</u>	\$ <u>1,054,699</u>	\$ <u>70,729</u>	\$ <u>13,586</u>	\$ <u>2,384,663</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued expenses	\$ -	\$ 53,144	\$ 195,043	\$ 15,111	\$ -	\$ 263,298
Due to other funds	-	15,692	-	55,618	6,167	77,477
Total liabilities	<u>-</u>	<u>68,836</u>	<u>195,043</u>	<u>70,729</u>	<u>6,167</u>	<u>340,775</u>
Fund balances:						
Restricted	-	-	859,656	-	7,419	867,075
Committed	581,790	595,023	-	-	-	1,176,813
Total fund balances	<u>581,790</u>	<u>595,023</u>	<u>859,656</u>	<u>-</u>	<u>7,419</u>	<u>2,043,888</u>
Total Liabilities and Fund Balances	\$ <u>581,790</u>	\$ <u>663,859</u>	\$ <u>1,054,699</u>	\$ <u>70,729</u>	\$ <u>13,586</u>	\$ <u>2,384,663</u>

**TOWN OF WEST WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021**

EXHIBIT A-8

	<u>EMS Rescue Fund</u>	<u>Town Capital Projects Fund</u>	<u>School Capital Projects Fund</u>	<u>School Building Authority Capital Fund</u>	<u>School Capital Other</u>	<u>Total Capital Projects Funds</u>
Revenues:						
Intergovernmental	\$ -	\$ 3,249	\$ 187,539	\$ 70,729	\$ 3,107	\$ 264,624
Charges for services	178,396	-	-	-	-	178,396
Other revenue	-	-	-	-	-	-
Total revenues	<u>178,396</u>	<u>3,249</u>	<u>187,539</u>	<u>70,729</u>	<u>3,107</u>	<u>443,020</u>
Expenditures:						
Capital outlay	32,665	1,358,525	118,925	70,729	-	1,580,844
Debt service	219,443	-	-	-	-	219,443
Total expenditures	<u>252,108</u>	<u>1,358,525</u>	<u>118,925</u>	<u>70,729</u>	<u>-</u>	<u>1,800,287</u>
Excess (Deficiency) of Revenues over Expenditures	(73,712)	(1,355,276)	68,614	-	3,107	(1,357,267)
Other Financing Sources:						
Proceeds from Capital Lease	-	922,000	-	-	-	922,000
Net other financing sources	<u>-</u>	<u>922,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>922,000</u>
Net Change in Fund Balances	(73,712)	(433,276)	68,614	-	3,107	(435,267)
Fund Balances at Beginning of Year	<u>655,502</u>	<u>1,028,299</u>	<u>791,042</u>	<u>-</u>	<u>4,312</u>	<u>2,479,155</u>
Fund Balances at End of Year	<u>\$ 581,790</u>	<u>\$ 595,023</u>	<u>\$ 859,656</u>	<u>\$ -</u>	<u>\$ 7,419</u>	<u>\$ 2,043,888</u>

Nonmajor Proprietary Funds

NONMAJOR PROPRIETARY FUNDS

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

Civic Center

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

Municipal Court

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

School Lunch Program

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

TOWN OF WEST WARWICK, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION - NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2021

EXHIBIT B-1

	Enterprise Funds			
	Civic Center	Municipal Court	School Lunch Program	Total
Assets:				
Current assets:				
Cash and cash equivalents	\$ 200	\$ -	\$ 1,025,012	\$ 1,025,212
Receivables:				
Intergovernmental	-	-	76,174	76,174
Other receivables	170,978	27,475	703,818	902,271
Due from other funds	-	94,512	1,011,671	1,106,183
Total current assets	<u>171,178</u>	<u>121,987</u>	<u>2,816,675</u>	<u>3,109,840</u>
Noncurrent assets:				
Capital assets not being depreciated	131,100	-	-	131,100
Capital assets, net of accumulated depreciation	1,274,841	-	177,555	1,452,396
Total noncurrent assets	<u>1,405,941</u>	<u>-</u>	<u>177,555</u>	<u>1,583,496</u>
Total assets	<u>1,577,119</u>	<u>121,987</u>	<u>2,994,230</u>	<u>4,693,336</u>
Liabilities:				
Current liabilities:				
Accounts payable	22,985	13,811	121,734	158,530
Accrued liabilities	1,242	-	-	1,242
Accrued compensated absences	4,000	-	-	4,000
Accrued interest payable	304	-	-	304
Due to other funds	967,839	-	1,418,699	2,386,538
Unearned revenue	-	-	21,875	21,875
Current portion of capital lease obligations	27,649	-	-	27,649
Total current liabilities	<u>1,024,019</u>	<u>13,811</u>	<u>1,562,308</u>	<u>2,600,138</u>
Noncurrent liabilities:				
Accrued compensated absences	16,997	-	-	16,997
Total noncurrent liabilities	<u>16,997</u>	<u>-</u>	<u>-</u>	<u>16,997</u>
Total liabilities	<u>1,041,016</u>	<u>13,811</u>	<u>1,562,308</u>	<u>2,617,135</u>
Net Position:				
Net investment in capital assets	1,378,292	-	177,555	1,555,847
Unrestricted	<u>(842,189)</u>	<u>108,176</u>	<u>1,254,367</u>	<u>520,354</u>
Total Net Position	<u>\$ 536,103</u>	<u>\$ 108,176</u>	<u>\$ 1,431,922</u>	<u>\$ 2,076,201</u>

TOWN OF WEST WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT B-2

	Enterprise Funds			Total
	Civic Center	Municipal Court	School Lunch Program	
Operating Revenues:				
Sales and charges for service	\$ 621,468	\$ 70,875	\$ 24,076	\$ 716,419
Intergovernmental	-	-	666,798	666,798
Other	1,562	-	-	1,562
Total revenues	<u>623,030</u>	<u>70,875</u>	<u>690,874</u>	<u>1,384,779</u>
Operating Expenses:				
Salaries and benefits	162,249	72,880	40,341	275,470
Operations and supplies	332,318	17,006	611,450	960,774
Depreciation and amortization	81,782	-	30,468	112,250
Total operating expenses	<u>576,349</u>	<u>89,886</u>	<u>682,259</u>	<u>1,348,494</u>
Operating Income (Loss)	46,681	(19,011)	8,615	36,285
Nonoperating Revenues (Expenses):				
Interest expense	<u>(1,272)</u>	-	-	<u>(1,272)</u>
Change in Net Position	45,409	(19,011)	8,615	35,013
Net Position at Beginning of Year	<u>490,694</u>	<u>127,187</u>	<u>1,423,307</u>	<u>2,041,188</u>
Net Position at End of Year	<u>\$ 536,103</u>	<u>\$ 108,176</u>	<u>1,431,922</u>	<u>\$ 2,076,201</u>

TOWN OF WEST WARWICK, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT B-3

	Enterprise Funds			
	Civic Center	Municipal Court	School Lunch Program	Total
Cash Flows from Operating Activities:				
Receipts from customers and users	\$ 600,823	\$ 79,313	\$ (675,704)	\$ 4,432
Operating grants	-	-	666,798	666,798
Other receipts	1,562	-	-	1,562
Payments to suppliers	(320,262)	(17,153)	(568,651)	(906,066)
Payments to employees	(185,638)	(73,359)	(40,341)	(299,338)
Net cash provided by (used in) operating activities	<u>96,485</u>	<u>(11,199)</u>	<u>(617,898)</u>	<u>(532,612)</u>
Cash Flows from Noncapital Financing Activities:				
Interfund loans	(34,344)	11,199	1,084,338	1,061,193
Net cash provided by (used in) noncapital financing activities	<u>(34,344)</u>	<u>11,199</u>	<u>1,084,338</u>	<u>1,061,193</u>
Cash Flows from Capital and Related Financing Activities:				
Principal paid on bonds, notes and loans	(26,992)	-	-	(26,992)
Interest paid on bonds, notes and loans	(1,569)	-	-	(1,569)
Additions to property, plant and equipment	(33,580)	-	-	(33,580)
Net cash provided (used in) capital and related financing activities	<u>(62,141)</u>	<u>-</u>	<u>-</u>	<u>(62,141)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	466,440	466,440
Cash and Cash Equivalents at Beginning of Year	200	-	558,572	558,772
Cash and Cash Equivalents at End of Year	<u>\$ 200</u>	<u>\$ -</u>	<u>\$ 1,025,012</u>	<u>\$ 1,025,212</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ 46,681	\$ (19,011)	\$ 8,615	\$ 36,285
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	81,782	-	30,468	112,250
Change in assets and liabilities:				
(Increase) decrease in accounts receivable	(20,645)	8,438	(688,169)	(700,376)
Increase (decrease) in accounts payable	12,056	(147)	42,799	54,708
Increase (decrease) in accrued liabilities	(5,373)	(479)	-	(5,852)
Increase in accrued compensated absences	(18,016)	-	-	(18,016)
Increase in unearned revenue	-	-	(11,611)	(11,611)
Total adjustments	<u>49,804</u>	<u>7,812</u>	<u>(626,513)</u>	<u>(568,897)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 96,485</u>	<u>\$ (11,199)</u>	<u>\$ (617,898)</u>	<u>\$ (532,612)</u>

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Internal Service Funds

INTERNAL SERVICE FUNDS

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

Healthcare Management Fund

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

Energy Efficiency Fund

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

TOWN OF WEST WARWICK, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
JUNE 30, 2021

EXHIBIT C-1

	Healthcare Management Fund	Energy Efficiency Fund	Total Internal Service Funds
Assets:			
Current assets:			
Other receivables	\$ 1,921,603	\$ 315,085	\$ 2,236,688
Due from other funds	-	907,467	907,467
Prepaid expenses	-	512,589	512,589
Total current assets	<u>1,921,603</u>	<u>1,735,141</u>	<u>3,656,744</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	-	15,826,240	15,826,240
Total noncurrent assets	<u>-</u>	<u>15,826,240</u>	<u>15,826,240</u>
Total assets	<u>1,921,603</u>	<u>17,561,381</u>	<u>19,482,984</u>
Liabilities:			
Current liabilities:			
Accounts payable	1,480,085	9,581	1,489,666
Accrued interest payable	-	182,429	182,429
Due to other funds	441,518	-	441,518
Current portion of long-term obligations	-	844,000	844,000
Total current liabilities	<u>1,921,603</u>	<u>1,036,010</u>	<u>2,957,613</u>
Noncurrent liabilities:			
Bonds and loans payable	-	16,333,000	16,333,000
Total noncurrent liabilities	<u>-</u>	<u>16,333,000</u>	<u>16,333,000</u>
Total liabilities	<u>1,921,603</u>	<u>17,369,010</u>	<u>19,290,613</u>
Net Position:			
Net investment in capital assets	-	(1,350,760)	(1,350,760)
Unrestricted	<u>-</u>	<u>1,543,131</u>	<u>1,543,131</u>
Total Net Position	<u>\$ -</u>	<u>\$ 192,371</u>	<u>\$ 192,371</u>

**TOWN OF WEST WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021**

EXHIBIT C-2

	<u>Healthcare Management Fund</u>	<u>Energy Efficiency Fund</u>	<u>Total Internal Service Funds</u>
Operating Revenues:			
Charges for services	\$ 13,512,413	\$ 1,559,334	\$ 15,071,747
Other revenues	<u>-</u>	<u>595,095</u>	<u>595,095</u>
Total revenues	<u>13,512,413</u>	<u>2,154,429</u>	<u>15,666,842</u>
Operating Expenses:			
Operations and supplies	-	571,188	571,188
Claims	12,024,199	-	12,024,199
Administration	1,430,971	-	1,430,971
Depreciation and amortization	<u>-</u>	<u>784,330</u>	<u>784,330</u>
Total operating expenses	<u>13,455,170</u>	<u>1,355,518</u>	<u>14,810,688</u>
Operating Income	57,243	798,911	856,154
Nonoperating Revenues (Expenses):			
Interest expense	<u>-</u>	<u>(550,263)</u>	<u>(550,263)</u>
Income (Loss) Before Transfers	57,243	248,648	305,891
Transfer In	<u>-</u>	<u>106,711</u>	<u>106,711</u>
Change in Net Position	57,243	355,359	412,602
Net Position at Beginning of Year	<u>(57,243)</u>	<u>(162,988)</u>	<u>(220,231)</u>
Net Position at End of Year	<u>\$ -</u>	<u>\$ 192,371</u>	<u>\$ 192,371</u>

TOWN OF WEST WARWICK, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

EXHIBIT C-3

	<u>Healthcare Management Fund</u>	<u>Energy Efficiency Fund</u>	<u>Total Internal Service Funds</u>
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 12,297,930	\$ 2,151,339	\$ 14,449,269
Payments to suppliers	(1,405,352)	(450,272)	(1,855,624)
Claims paid	(12,024,199)	-	(12,024,199)
Net cash provided by (used in) operating activities	<u>(1,131,621)</u>	<u>1,701,067</u>	<u>569,446</u>
Cash Flows from Noncapital Financing Activities:			
Interfund transfers		106,711	106,711
Interfund loans	1,131,621	(420,565)	711,056
Net cash provided by (used in) noncapital financing activities	<u>1,131,621</u>	<u>(313,854)</u>	<u>817,767</u>
Cash Flows from Capital and Related Financing Activities:			
Principal paid on bonds, notes and loans	-	(831,000)	(831,000)
Interest paid on bonds, notes and loans	-	(556,213)	(556,213)
Net cash used in capital and related financing activities	<u>-</u>	<u>(1,387,213)</u>	<u>(1,387,213)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	-	-
Cash and Cash Equivalents at Beginning of Year	-	-	-
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 57,243	\$ 798,911	\$ 856,154
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	-	784,330	784,330
Change in assets and liabilities:			
(Increase) decrease in other receivable	(1,214,483)	(3,090)	(1,217,573)
(Increase) in prepaid expenses	-	121,181	121,181
Increase in accounts payable	25,619	(265)	25,354
Total adjustments	<u>(1,188,864)</u>	<u>902,156</u>	<u>(286,708)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (1,131,621)</u>	<u>\$ 1,701,067</u>	<u>\$ 569,446</u>

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Other Schedules

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TOWN OF WEST WARWICK, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

Tax Roll Year	Mill Rate	Balance July 1, 2020	Current Year Assessment	Transfers Addendums (Net)	Abatements and Adjustments	Amount to be Collected	Collections Net of Refunds	Balance June 30, 2021
2020	23.00	\$ -	\$ 67,404,538	\$ (156,737)	\$ 11,028	\$ 67,258,829	\$ 65,954,052	\$ 1,304,777
2019	22.57	1,997,280	-	122,577	(8,353)	2,111,504	1,714,393	397,111
2018	27.18	597,838	-	988	(77,688)	521,138	283,439	237,699
2017	26.31	245,556	-	13,681	(17,106)	242,131	79,615	162,516
2016	25.84	171,010	-	(14,471)	(1,965)	154,574	10,667	143,907
2015	25.96	170,253	-	89	(522)	169,820	9,851	159,969
2014	25.39	186,710	-	-	(8,251)	178,459	6,347	172,112
2013	24.67	187,484	-	-	(8,286)	179,198	5,872	173,326
2012	21.40	137,448	-	-	(6,683)	130,765	3,220	127,545
2011	21.40	103,478	-	-	(3,872)	99,606	2,964	96,642
2010	16.82	96,983	-	-	(15,624)	81,359	2,723	78,636
2009	15.92	61,524	-	-	(18,087)	43,437	535	42,902
2008 and prior	various	581,285	-	172	(63,957)	517,500	2,116	515,384
Total		4,536,849	\$ 67,404,538	\$ (33,701)	\$ (219,366)	\$ 71,688,320	\$ 68,075,794	3,612,526
Less allowance for uncollectible accounts		(1,683,000)						(1,627,000)
Net property taxes receivable		\$ 2,853,849						\$ 1,985,526

(Continued on next page)

TOWN OF WEST WARWICK, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Collections Summary

Year	Subject to 60 Day Rule July 1, 2020 August 31, 2020	Not Subject to 60 Day Rule July 1, 2020 June 30, 2021	Subject to 60 Day Rule July 1, 2021 August 31, 2021	Tax Revenue Recognized Fiscal Year End June 30, 2021
2020	\$ -	\$ 65,954,052	\$ 303,524	\$ 66,257,576
2019	542,875	1,171,518	33,977	1,205,495
2018	144,441	138,998	16,008	155,006
2017	4,267	75,348	4,179	79,527
2016	541	10,126	810	10,936
2015	4,666	5,185	949	6,134
2014	672	5,675	1,120	6,795
2013	1,162	4,710	468	5,178
2012	863	2,357	38	2,395
2011	2,964	-	272	272
2010	2,723	-	328	328
2009	-	535	103	638
2008 and prior	497	1,619	923	2,542
	\$ 705,671	\$ 67,370,123	\$ 362,699	\$ 67,732,822

(Continued on next page)

**TOWN OF WEST WARWICK, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2021**

**Schedule of Net Assessed Property Value by Category
Assessed December 31, 2019**

<u>Description of Property</u>	<u>Valuations</u>	<u>Levy</u>
Real property	\$ 2,321,589,220	\$
Exemptions and adjustments	<u>(55,831,318)</u>	
	2,265,757,902	58,625,170
Motor vehicle	255,065,228	
Exemptions and adjustments	<u>(140,481,585)</u>	
	114,583,643	3,261,351
Tangible property	120,904,430	
Exemptions and adjustments	<u>(219,605)</u>	
	120,684,825	5,518,017
Net Assessed Value	\$ <u>2,501,026,370</u>	\$ <u>67,404,538</u>

Reconciliation of Current Year Property Tax Revenue

Current year collections	\$ 68,075,794
Revenue received 60 days subsequent to fiscal year ended June 30, 2021	<u>362,699</u>
Subtotal	68,438,493
Prior year revenue received in current year (2020 60 day rule)	<u>(705,671)</u>
Current Year Property Tax Revenue	\$ <u>67,732,822</u>

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Town of West Warwick
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2021

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 66,257,576	\$ -
Last Year's Levy Tax Collection	1,221,840	-
Prior Years Property Tax Collection	253,406	-
Interest & Penalty	571,823	-
PILOT & Tax Treaty (excluded from levy) Collection	64,563	-
Other Local Property Taxes	45,361	-
Licenses and Permits	1,360,930	-
Fines and Forfeitures	-	-
Investment Income	304,247	-
Departmental	649,280	-
Rescue Run Revenue	828,895	-
Police & Fire Detail	619,610	-
Other Local Non-Property Tax Revenues	78,894	-
Tuition	-	185,059
Impact Aid	-	-
Medicaid	-	509,887
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	643,805
CDBG	31,593	-
COPS Grants	9,932	-
SAFER Grants	-	-
Other Federal Aid Funds	-	2,765,379
COVID - ESSER	-	611,349
COVID - CRF	2,993,859	1,049,484
COVID - CDBG	-	-
COVID - FEMA	408,184	-
COVID - Other	-	40,717
COVID - ARPA	-	-
MV Excise Tax Reimbursement	238,429	-
State PILOT Program	-	-
Distressed Community Relief Fund	191,962	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	344,712	-
Meals & Beverage Tax / Hotel Tax	474,407	-
LEA Aid	-	29,462,793
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	761,575	-
State Food Service Revenue	-	22,993
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	428,895
Motor Vehicle Phase Out	519,072	-
Other Revenue	-	268,110
Local Appropriation for Education	-	32,357,516
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	<u>\$ 78,230,149</u>	<u>\$ 68,345,987</u>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>

Town of West Warwick
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2021

EXHIBIT E-1

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public Works	Parks and Rec	Police Department
	Government	Finance	Services	IT					
Compensation- Group A	\$ 863,414	\$ 652,147	\$ -	\$ -	\$ 109,540	\$ 436,012	\$ 1,158,351	\$ 212,668	\$ 4,205,379
Compensation - Group B	-	-	-	-	-	-	-	-	258,976
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	45,335	3,191	-	-	-	-	152,220	36,682	972,855
Overtime - Group B	-	-	-	-	-	-	-	-	261,923
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	352,166
Active Medical Insurance - Group A	630,495	310,596	-	-	8,486	92,655	564,740	216,322	887,800
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	181,177
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	29,630	12,161	-	-	1,281	3,215	25,943	6,789	49,012
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	13,196
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	120,589	47,102	-	-	10,731	14,499	96,393	18,513	455,970
Life Insurance	2,139	1,997	-	-	476	-	4,204	822	22,386
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	993,615	2,700	-	-	-	1,200	6,300	600	321,967
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	266,384	266,384	-	-	33,298	200,083	899,046	166,490	3,195,338
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	366,278
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	30,168	18,910	-	-	5,476	4,366	7,262	616	-
Purchased Services	390,728	63,599	-	-	684	25,310	66,843	-	80,133
Materials/Supplies	47,111	32,798	-	-	229	-	211,707	124,568	39,386
Software Licenses	8,416	40,410	-	-	2,095	-	-	-	26,322
Capital Outlays	-	-	-	-	-	815	-	-	-
Insurance	519,029	-	-	-	-	-	-	-	-
Maintenance	21,472	-	-	-	37,990	29,812	-	13,653	6,253
Vehicle Operations	-	-	-	-	-	-	354,099	-	54,569
Utilities	117,638	-	-	-	-	52,745	-	-	75,297
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	71,887	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	99,772	-	-
Trash Removal & Recycling	-	-	-	-	-	-	1,278,745	-	-
Claims & Settlements	719	-	-	-	-	-	-	-	-
Community Support	13,631	-	-	-	-	-	-	-	-
Other Operation Expenditures	182,231	2,086	223,000	-	-	65,436	208,455	-	166,731
Tipping Fees	-	-	-	-	-	-	532,718	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 4,282,745	\$ 1,454,080	\$ 223,000	\$ -	\$ 210,285	\$ 926,149	\$ 5,738,687	\$ 797,722	\$ 11,993,113

Town of West Warwick
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2021

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 4,999,596	\$ -	\$ 4,450	\$ -	\$ -	\$ -	\$ 12,641,558	\$ 28,389,108
Compensation - Group B	162,147	-	-	-	-	-	421,123	2,553,173
Compensation - Group C	-	-	-	-	-	-	-	5,235,299
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	1,671,610	-	-	-	-	-	2,881,894	-
Overtime - Group B	177,292	-	-	-	-	-	439,215	-
Overtime - Group C	-	-	-	-	-	-	-	55,295
Police & Fire Detail	1,713	-	-	-	-	-	353,878	-
Active Medical Insurance - Group A	1,250,468	-	-	-	-	-	3,961,562	5,764,318
Active Medical Insurance- Group B	122,019	-	-	-	-	-	303,196	353,542
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,993,888
Active Dental insurance- Group A	70,793	-	-	-	-	-	198,824	258,764
Active Dental Insurance- Group B	7,508	-	-	-	-	-	20,704	18,293
Active Dental Insurance- Group C	-	-	-	-	-	-	-	114,574
Payroll Taxes	531,942	-	340	-	-	-	1,296,078	2,751,993
Life Insurance	50,601	-	-	-	-	-	82,625	375,047
State Defined Contribution- Group A	-	-	-	-	-	-	-	159,471
State Defined Contribution - Group B	-	-	-	-	-	-	-	11,495
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	163,039	-	-	-	-	-	1,489,421	295,493
Other Benefits- Group B	-	-	-	-	-	-	-	60,099
Other Benefits- Group C	-	-	-	-	-	-	-	128,900
Local Defined Benefit Pension- Group A	2,916,374	-	-	-	-	-	7,943,398	32,617
Local Defined Benefit Pension - Group B	66,596	-	-	-	-	-	432,874	128,098
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	1,560,284
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	4,129,125
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	320,000
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	6,845	-	-	-	-	-	73,643	-
Purchased Services	195,441	-	-	-	-	-	822,738	6,684,018
Materials/Supplies	65,177	-	18,085	-	-	-	539,061	816,180
Software Licenses	9,489	-	-	-	-	-	86,732	221,298
Capital Outlays	-	-	-	-	-	-	815	1,658,242
Insurance	-	-	-	-	-	-	519,029	220,173
Maintenance	-	-	-	-	-	-	109,179	254,433
Vehicle Operations	158,395	-	-	-	-	-	567,063	125,697
Utilities	481,171	-	-	-	-	-	726,851	836,319
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	71,887	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	99,772	-
Trash Removal & Recycling	-	-	-	-	-	-	1,278,745	-
Claims & Settlements	-	-	-	-	-	-	719	-
Community Support	-	-	-	-	-	-	13,631	-
Other Operation Expenditures	115,559	-	51,202	-	-	-	1,014,700	160,740
Tipping Fees	-	-	-	-	-	-	532,718	-
Local Appropriation for Education	-	-	-	32,357,516	-	-	32,357,516	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	1,601,082	-	1,601,082	-
Municipal Debt- Interest	-	-	-	-	331,376	-	331,376	-
School Debt- Principal	-	-	-	-	935,000	-	935,000	-
School Debt- Interest	-	-	-	-	229,869	-	229,869	-
Retiree Medical Insurance- Total	-	-	-	-	-	2,600,000	2,600,000	-
Retiree Dental Insurance- Total	-	-	-	-	-	175,000	175,000	-
OPEB Contribution- Total	-	-	-	-	-	-	-	764,541
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 13,223,775	\$ -	\$ 74,077	\$ 32,357,516	\$ 3,097,327	\$ 2,775,000	\$ 77,153,476	\$ 66,430,517

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	204,532	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 204,532	\$ -
Net Change in Fund Balance¹	872,141	1,915,470
Fund Balance1- beginning of year	\$8,173,930	\$5,760,092
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	193,925
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	8,173,930	5,954,017
Rounding	-	-
Fund Balance¹ - end of year	\$ 9,046,071	\$ 7,869,487

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

Town of West Warwick
 Annual Supplemental Transparency Report (MTP2)
 Combining Schedule of
 Reportable Government Services with
 Reconciliation to MTP2
 Municipal
 Fiscal Year Ended June 30, 2021

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, 2020						\$ 8,173,930	-	\$ 8,173,930	
<i>No funds removed from RGS for fiscal 2020</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2020</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2020</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<u>\$ 8,173,930</u>	-	<u>\$ 8,173,930</u>	
General Fund (100)	\$ 77,215,743	\$ -	\$ 44,315,940	\$ 32,717,721	\$ 182,082	\$ 4,215,809	\$ -	\$ 4,215,809	\$ 4,397,891
Debt Service Fund (190)	274,378	155,673	-	-	430,051	3,050,043	-	3,050,043	3,480,094
Police Highway Grant Fund (419)	6,013	-	6,013	-	-	-	-	-	-
JAG Peer to Peer Fund (455)	-	-	-	-	-	433	-	433	433
Bulletproof Vest Partnership Fund (474)	3,919	-	3,919	-	-	-	-	-	-
CDBG Community Development (606)	533,243	-	533,243	-	-	19,182	-	19,182	19,182
Revolving Fund (800)	585,446	-	384,468	-	200,978	798,032	-	798,032	999,010
Police Detail Car fund (805)	113,058	-	54,027	-	59,031	109,613	-	109,613	168,644
Totals per audited financial statements	<u>\$ 78,731,799</u>	<u>\$ 155,673</u>	<u>\$ 45,297,609</u>	<u>\$ 32,717,721</u>	<u>\$ 872,141</u>	<u>\$ 8,193,112</u>	<u>\$ -</u>	<u>\$ 8,193,112</u>	<u>\$ 9,065,253</u>
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 32,357,516	\$ (32,357,516)	\$ -	\$ -	\$ -	\$ -	\$ -
Program activity in CDBG Funds that are not reported on the MTP2 because they are for program revenues & expenses and not for administration.	(501,650)	-	(501,650)	-	-	(19,182)	-	(19,182)	(19,182)
Eliminate transfers between Funds reported on MTP2:	-	(155,673)	-	(155,673)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 78,230,149</u>	<u>\$ -</u>	<u>\$ 77,153,476</u>	<u>\$ 204,532</u>	<u>\$ 872,141</u>	<u>\$ 8,173,930</u>	<u>\$ -</u>	<u>\$ 8,173,930</u>	<u>\$ 9,046,071</u>

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

Town of West Warwick
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2021

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, 2020						\$ 5,760,092	193,925	\$ 5,954,017	
<i>No misc. adjustments made for fiscal 2020</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<u>\$ 5,760,092</u>	<u>\$ 193,925</u>	<u>\$ 5,954,017</u>	
School Unrestricted Fund	\$ 33,199,275	\$ 32,357,516	\$ 63,770,195	\$ 23,366	\$ 1,763,230	\$ 3,631,384	\$ -	\$ 3,631,384	\$ 5,394,614
Enterprise Fund1	690,874	-	682,259	-	8,615	1,423,307	-	1,423,307	1,431,922
Capital Projects Fund	187,539	-	118,925	-	68,614	791,042	-	791,042	859,656
SBA Capital Fund-COVID 19 Projects (23911003)	70,729	-	70,729	-	-	-	-	-	-
School Capital (Other)	3,107	-	-	-	3,107	4,312	-	4,312	7,419
School Special Revenue Funds	4,814,904	23,366	4,796,834	-	41,436	118,069	193,925	311,994	353,430
Totals per audited financial statements	<u>\$ 38,966,428</u>	<u>\$ 32,380,882</u>	<u>\$ 69,438,942</u>	<u>\$ 23,366</u>	<u>\$ 1,885,002</u>	<u>\$ 5,968,114</u>	<u>\$ 193,925</u>	<u>\$ 6,162,039</u>	<u>\$ 8,047,041</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	\$ 32,357,516	\$ (32,357,516)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,925,964)	-	(2,925,964)	-	-	-	-	-	-
RIDE contributions on behalf of Transportation are reported as revenue and expenditures on financial statements only	(51,993)	-	(51,993)	-	-	-	-	-	-
Elimination of transfers between reported funds	-	(23,366)	-	(23,366)	-	-	-	-	-
Lunch depreciation	-	-	(30,468)	-	30,468	(208,022)	-	(208,022)	(177,554)
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 68,345,987</u>	<u>\$ -</u>	<u>\$ 66,430,517</u>	<u>\$ -</u>	<u>\$ 1,915,470</u>	<u>\$ 5,760,092</u>	<u>\$ 193,925</u>	<u>\$ 5,954,017</u>	<u>\$ 7,869,487</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Transfers between reported funds posted in GL as an expense in 58902 and in the general Fund. Shown as a transfer in student activity fund and Financial statements	\$ -		\$ 23,366						
Miscellaneous variance between MTP2 & UCOA	142		2,869						
Totals per UCOA Validated Totals Report - Dated 12/30/2021	<u>\$ 68,346,129</u>		<u>\$ 66,456,752</u>						

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

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

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 City's (or Town's) budget and accounting system. To report these costs, the City (or Town) made allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

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

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

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

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

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/>.