

CITY OF WARWICK, RHODE ISLAND
BASIC FINANCIAL STATEMENTS
REQUIRED SUPPLEMENTARY INFORMATION
AND ADDITIONAL INFORMATION
JUNE 30, 2020



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YEAR ENDED JUNE 30, 2020**

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INTRODUCTORY SECTION

**CITY OF WARWICK, RHODE ISLAND
LIST OF CITY OFFICIALS
JUNE 30, 2020**



MAYOR

Joseph J. Solomon

CITY COUNCIL

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

SCHOOL COMMITTEE

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

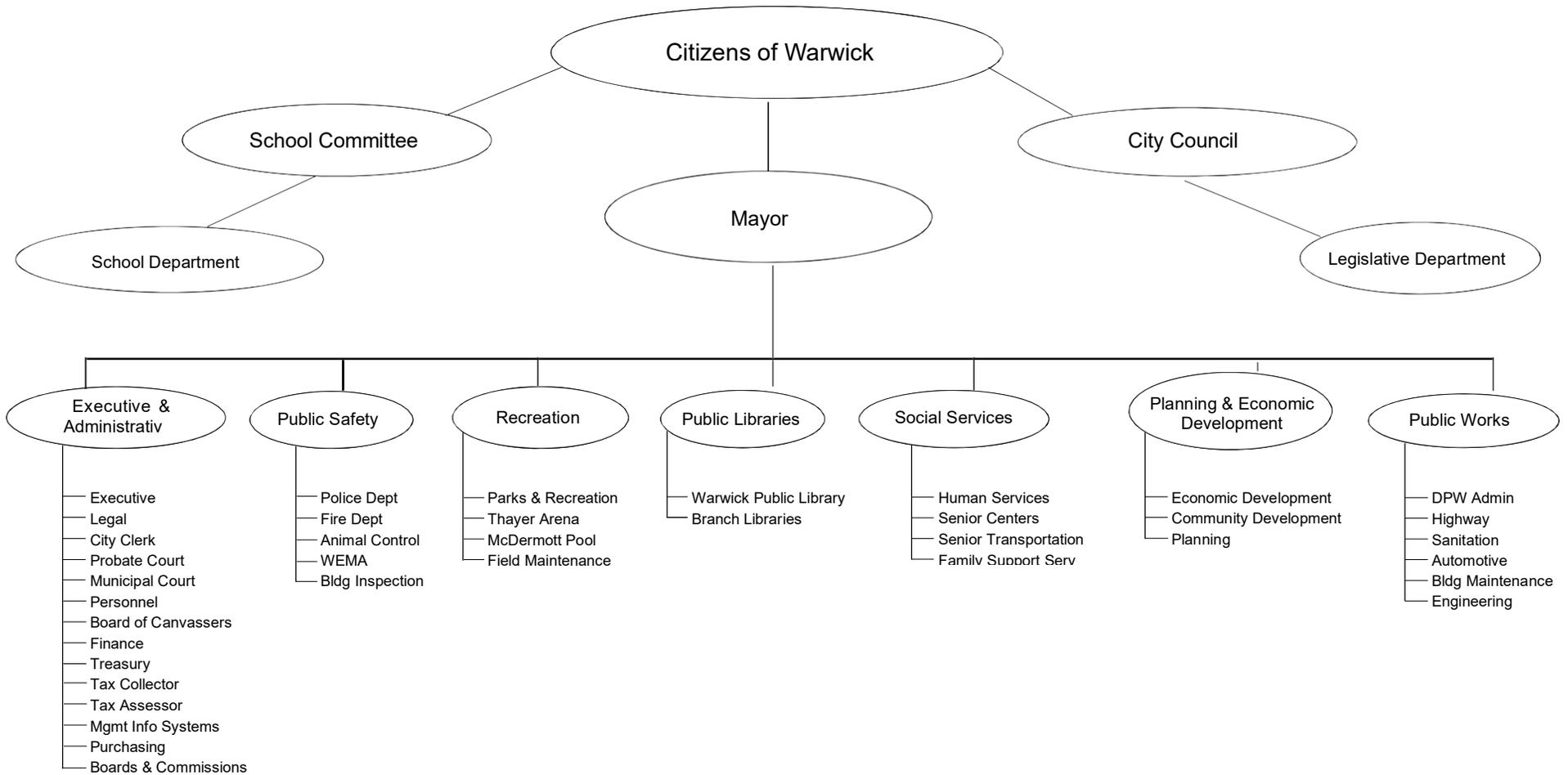
FINANCE DEPARTMENT

Lynne Y. Prodger, Acting Finance Director and City Treasurer

SCHOOL ADMINISTRATION

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

**CITY OF WARWICK, RHODE ISLAND
GOVERNMENT ORGANIZATIONAL CHART
JUNE 30, 2020**



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor
and Members of the City Council
City of Warwick, Rhode Island

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warwick, Rhode Island, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Warwick, Rhode Island's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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.

Honorable Mayor
and Members of the City Council
City of Warwick, Rhode Island

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warwick, Rhode Island, as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Correction of Errors

As discussed in Note 19 to the financial statements, certain errors resulting in the understatement of pension plan investments, enterprise fund accounts receivable, and the net pension liability and related deferred outflows of resources, related to amounts previously reported in governmental activities, business-type activities, enterprise funds, and the pension trust funds as of June 30, 2019, were discovered by management. Accordingly, adjustments have been made to the beginning net position of the governmental activities, business-type activities, sewer enterprise fund, water enterprise fund and the pension trust funds. Our opinion is not modified with respect to this matter.

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

Other Information

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

Honorable Mayor
and Members of the City Council
City of Warwick, Rhode Island

The combining and individual fund financial statements and schedules, the tax collector's annual report, 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 fund financial statements and schedules, the tax collector's annual report, and the Annual Supplementary Transparency Report are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2021 on our consideration of the City of Warwick, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Warwick, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Warwick, Rhode Island's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Boston, Massachusetts
March 24, 2021

**CITY OF WARWICK, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

As management of the City of Warwick, we offer readers of the City of Warwick's basic financial statements this overview and analysis of the financial activities of the City of Warwick for the fiscal year ended June 30, 2020. We encourage readers to consider this information in conjunction with the City's basic financial statements which follow.

Included within our discussion will be a series of comparative tables, serving to more clearly illustrate changes in the City's financial position. These tables will reflect governmental activities, business-type activities, and total activities for the 2020 and 2019 fiscal years.

FINANCIAL HIGHLIGHTS

At the close of the fiscal year, the liabilities and deferred inflows of resources of the City of Warwick exceeded its assets and deferred outflows of resources by \$575,292,405 (*Net Position*).

The City's total net position decreased by \$1,215,553 during fiscal year 2020, compared to an increase in net position of \$22,526,326 in the prior year. The key factor for the significant swing in net position changes from the prior year was an approximately \$23,300,000 increase in the City's net pension liabilities and total OPEB liabilities, net of the related deferred outflows and inflows.

At the close of the current fiscal year, the City's governmental funds reported *combined* ending fund balances of \$53,916,310, an increase of \$15,109,936 from the prior year. This was primarily due to the issuance of bonds in the capital project funds which amounted to a net increase of \$12,451,454 in the nonmajor governmental funds.

For the year ended June 30, 2020, operating results for the general fund reflected a net decrease in total fund balance of \$1,318,685 resulting in an ending fund balance of \$30,286,607. The fund's ending unassigned fund balance totaled \$26,803,147 or 8.27% of the total fiscal year 2020 final budgeted expenditures.

The City's overall investment in capital assets (net of accumulated depreciation) decreased by \$1,493,500 during this year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Warwick's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements. This report also contains required supplementary and other information in addition to the basic financial statements.

Government-Wide Statements

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

**CITY OF WARWICK, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

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

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

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

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

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds—not the City as a whole. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. To facilitate this comparison, a reconciliation between the governmental funds' statements and the government-wide statements has been provided.

**CITY OF WARWICK, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

The City maintains 89 governmental funds and two are considered major funds for presentation purposes. Each major fund is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The two major governmental funds are the General Fund and the School Unrestricted Fund. Data from the other 87 governmental funds are combined into a single, aggregated presentation titled *nonmajor governmental* funds. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements on pages 119-144 of this report.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

Proprietary Funds – The City of Warwick maintains two different types of proprietary funds.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its sewer and water operations.

Internal Service Funds are used to accumulate and allocate costs internally among functions. The City uses internal service funds to account for the workers compensation self-insurance fund and the healthcare self-insurance funds.

Because this operation benefits predominantly governmental rather than business activities, the internal service fund has been included within the governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 19-21 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary funds financial statements can be found on pages 23-24 of this report.

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

Required Supplementary and Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This section includes budgetary comparison schedules, as well as certain pension and other postemployment benefits information.

Required supplementary information can be found on pages 96-115 of this report.

The combining statements and schedules for governmental funds, enterprise funds and fiduciary funds are presented immediately following the required supplementary information on pages 119-165 of this report.

**CITY OF WARWICK, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial health. The City's combined net position (government and business-type activities) totaled (\$575,292,405) as of June 30, 2020. The largest portion of the City's net position reflects its investment in capital assets such as land, building, equipment, and infrastructure, less any related outstanding debt. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------|-------------------------|-------------------------|--------------------------|-----------------------|-------------------------|-------------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Current Assets | \$ 92,765,280 | \$ 69,243,391 | \$ 48,011,329 | \$ 44,738,461 | \$ 140,776,609 | \$ 113,981,852 |
| Capital Assets | 123,898,728 | 122,001,968 | 182,501,996 | 185,892,256 | 306,400,724 | 307,894,224 |
| Other Noncurrent Assets | 2,701,668 | 2,728,227 | 16,189,959 | 17,882,207 | 18,891,627 | 20,610,434 |
| Total Assets | <u>219,365,676</u> | <u>193,973,586</u> | <u>246,703,284</u> | <u>248,512,924</u> | <u>466,068,960</u> | <u>442,486,510</u> |
| Deferred Outflows of Resources | 77,483,502 | 63,635,014 | 1,944,881 | 1,444,568 | 79,428,383 | 65,079,582 |
| Current Liabilities | 48,867,825 | 30,992,208 | 12,885,815 | 14,226,638 | 61,753,640 | 45,218,846 |
| Long-Term Liabilities | 949,197,421 | 906,631,628 | 77,287,707 | 87,071,833 | 1,026,485,128 | 993,703,461 |
| Total Liabilities | <u>998,065,246</u> | <u>937,623,836</u> | <u>90,173,522</u> | <u>101,298,471</u> | <u>1,088,238,768</u> | <u>1,038,922,307</u> |
| Deferred Inflows of Resources | <u>32,115,180</u> | <u>36,417,842</u> | <u>435,800</u> | <u>18,999,094</u> | <u>32,550,980</u> | <u>55,416,936</u> |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 79,579,698 | 77,509,445 | 120,004,180 | 116,200,229 | 199,583,878 | 193,709,674 |
| Restricted | 11,518,857 | 4,060,000 | 5,671,795 | 5,612,405 | 17,190,652 | 9,672,405 |
| Unrestricted | (824,429,803) | (798,002,523) | 32,362,868 | 7,847,293 | (792,066,935) | (790,155,230) |
| Total Net Position | <u>\$ (733,331,248)</u> | <u>\$ (716,433,078)</u> | <u>\$ 158,038,843</u> | <u>\$ 129,659,927</u> | <u>\$ (575,292,405)</u> | <u>\$ (586,773,151)</u> |

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

**CITY OF WARWICK, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

Changes in Net Position

During fiscal 2020, the government's total net position decreased by \$1,215,553, to a June 30, 2020 year end net deficit of (\$575,292,405):

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|------------------|--------------------------|----------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 9,777,614 | \$ 11,122,459 * | \$ 35,565,519 | \$ 33,213,255 | \$ 45,343,133 | \$ 44,335,714 |
| Operating Grants and Contributions | 61,464,346 | 59,121,203 * | - | - | 61,464,346 | 59,121,203 |
| Capital Grants and Contributions | 633,789 | - | - | 892,949 | 633,789 | 892,949 |
| General Revenues: | | | | | | |
| Property Taxes | 240,344,377 | 234,574,090 | - | - | 240,344,377 | 234,574,090 |
| Interest on Property Tax | 2,125,411 | 2,089,752 | - | - | 2,125,411 | 2,089,752 |
| State Aid/In Lieu of Tax | 9,989,710 | 8,558,088 * | - | - | 9,989,710 | 8,558,088 |
| Hotel and Meals Tax | 4,351,453 | 5,143,213 * | - | - | 4,351,453 | 5,143,213 |
| Airport Revenues | 3,291,426 | 3,552,054 * | - | - | 3,291,426 | 3,552,054 |
| Realty Transfer Tax | 1,163,390 | 1,284,224 * | - | - | 1,163,390 | 1,284,224 |
| Investment Earnings | 833,851 | 445,046 | 452,258 | 164,623 | 1,286,109 | 609,669 |
| Tax Titles | 8,400 | 17,593 | - | - | 8,400 | 17,593 |
| Miscellaneous | 678,351 | 695,608 * | - | - | 678,351 | 695,608 |
| Total Revenues | 334,662,118 | 326,603,330 | 36,017,777 | 34,270,827 | 370,679,895 | 360,874,157 |
| Expenses: | | | | | | |
| Executive and Administrative | 9,558,771 | 10,916,377 * | - | - | 9,558,771 | 10,916,377 |
| Public Safety | 115,468,675 | 104,136,314 * | - | - | 115,468,675 | 104,136,314 |
| Recreation | 4,842,545 | 3,578,724 * | - | - | 4,842,545 | 3,578,724 |
| Public Libraries | 5,406,443 | 6,080,455 * | - | - | 5,406,443 | 6,080,455 |
| Social Services | 2,196,225 | 2,446,961 * | - | - | 2,196,225 | 2,446,961 |
| Planning and Economic Development | 2,869,072 | 3,428,269 * | - | - | 2,869,072 | 3,428,269 |
| Public Works | 17,725,422 | 21,465,352 * | - | - | 17,725,422 | 21,465,352 |
| Education | 188,882,475 | 158,941,574 * | - | - | 188,882,475 | 158,941,574 |
| Debt Interest | 1,546,293 | 1,193,812 | - | - | 1,546,293 | 1,193,812 |
| Sewer Fund | - | - | 14,746,755 | 16,415,412 | 14,746,755 | 16,415,412 |
| Water Fund | - | - | 8,652,772 | 9,744,671 | 8,652,772 | 9,744,671 |
| Total Expenses | 348,495,921 | 312,187,838 | 23,399,527 | 26,160,083 | 371,895,448 | 338,347,921 |
| Change in Net Position Before Transfers | (13,833,803) | 14,415,492 | 12,618,250 | 8,110,744 | (1,215,553) | 22,526,236 |
| Transfers | - | (461,149) | - | 461,149 | - | - |
| Increase (Decrease) in Net Position | (13,833,803) | 13,954,343 | 12,618,250 | 8,571,893 | (1,215,553) | 22,526,236 |
| Net Position - Beginning of Year (As Restated) | (719,497,445) ** | (730,387,421) | 145,420,593 | 121,088,034 | (574,076,852) | (609,299,387) |
| Net Position - End of Year | \$ (733,331,248) | \$ (716,433,078) | \$ 158,038,843 | \$ 129,659,927 | \$ (575,292,405) | \$ (586,773,151) |

*

Certain reclassifications were made to confirm with current year presentation

** Prior year net position was restated, see Note 19.

Governmental Activities

Governmental activities decreased the City's net position by \$13,833,803. Key elements are as follows:

1. The City's net position decreased by \$14,010,302 due to an increase in the City's net pension liabilities, net of the changes in the related deferred outflows and inflows.
2. The City's net position decreased by \$9,262,475 due to an increase in the City's total OPEB liabilities, net of the changes in the related deferred outflows and inflows.
3. Changes in deferred revenue accruals increased the City's net position by \$2,906,919.
4. Changes in the internal service fund activity increased the City's net position by \$3,038,696.

**CITY OF WARWICK, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

Business-Type Activities

Business-type activities increased the City's net position by \$12,618,250 to an overall ending balance amount of \$158,038,843. The key elements are as follows:

1. The Sewer Department reflected an overall increase in net position of \$10,435,996. The ending net position for the Sewer Department was \$144,072,325.
2. The Water Department reflected a net position increase of \$2,182,254 to an ending balance of \$13,966,518.

Financial Analysis of the Government's Funds

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$53,916,310, an increase of \$15,109,936 in comparison with the prior year balances. An amount of \$24,970,887 or 46.3% of this the total fund balance represents unassigned fund which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it is considered nonspendable, or has been restricted, assigned, or committed.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$26,803,147. The total fund balance was \$30,286,607. As a measure of the general fund liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The unassigned fund balance represents 8.27% of total general fund budgeted expenditures. During fiscal 2020, the unassigned fund balance of the City's general fund decreased by \$289,297. This is a 1.1% decrease from the prior year unassigned fund balance.

The City's general fund balance decreased by \$1,318,685 during fiscal year 2020, as compared to an increase of \$4,168,616 in the prior year. The change is a result of the City's funding of the prior year deficit in the school unrestricted fund of \$1,901,601 and an increase of \$2,658,446 in unavailable revenue due to delayed receipt of tax and other revenue as a result of the COVID-19 pandemic.

Proprietary Funds

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

Total net position of the sewer enterprise funds amounted to \$144,072,325. The net investment in capital assets total \$110,080,648, restricted funds total \$5,671,795, and unrestricted net position totals \$28,319,882. During fiscal year 2020, the net position increased by \$10,435,996.

The net position of the water enterprise funds totaled \$13,966,518. Of this, \$9,923,532 represents the net investment in capital assets while the unrestricted portion totals \$4,042,986. During fiscal year 2020, the net position increased by \$2,182,254.

The net position of the City's internal service fund amounted to \$3,922,630. During fiscal year 2020, the net position increased by \$3,038,696.

**CITY OF WARWICK, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

General Fund Budgetary Highlights

During fiscal 2020, the City's original budgeted revenues and other financing sources of \$321,822,256 was increased by \$1,901,601 to \$323,723,857. The following budgetary adjustments were made during the year:

- A budget transfer in the amount of \$1,901,601 represented the funding of the fiscal 2019 school deficit to the school department.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounted to \$306,400,724 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, and construction in progress. During this year, the City's overall investment in capital assets (net of accumulated depreciation) decreased by \$1,493,500.

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

1. School Capital Improvements – \$5,278,710
2. Road Resurfacing – \$1,038,196

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Land | \$ 18,693,825 | \$ 18,693,825 | \$ - | \$ - | \$ 18,693,825 | \$ 18,693,825 |
| Land Improvements | 11,082,066 | 11,082,066 | - | - | 11,082,066 | 11,082,066 |
| Buildings | 150,042,519 | 149,181,458 | 2,906,051 | 2,900,797 | 152,948,570 | 152,082,255 |
| Infrastructure | 204,950,981 | 203,912,785 | 308,963,470 | 300,374,244 | 513,914,451 | 504,287,029 |
| Equipment | 21,340,011 | 21,329,992 | 6,073,118 | 6,060,102 | 27,413,129 | 27,390,094 |
| Licensed Vehicles | 32,694,748 | 32,334,148 | - | - | 32,694,748 | 32,334,148 |
| Artwork | 62,950 | 62,950 | - | - | 62,950 | 62,950 |
| Construction in Progress | 5,475,426 | 538,806 | 2,878,996 | 7,808,637 | 8,354,422 | 8,347,443 |
| Subtotal | 444,342,526 | 437,136,030 | 320,821,635 | 317,143,780 | 765,164,161 | 754,279,810 |
| Less: Accumulated Depreciation | (320,443,798) | (315,134,062) | (138,319,639) | (131,251,524) | (458,763,437) | (446,385,586) |
| Total | <u>\$ 123,898,728</u> | <u>\$ 122,001,968</u> | <u>\$ 182,501,996</u> | <u>\$ 185,892,256</u> | <u>\$ 306,400,724</u> | <u>\$ 307,894,224</u> |

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

Long-Term Debt

At the end of the fiscal year, the City had total bonds and notes outstanding of \$118,359,509. It is broken down as follows:

| | |
|--------------------------------------|--------------|
| General Fund Bonds and Notes Payable | \$52,819,971 |
| Water Bonds and Notes Payable | \$83,780 |
| Sewer Bonds and Notes Payable | \$65,455,758 |

**CITY OF WARWICK, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020**

General obligation bonds are backed by the full faith and credit of the City, including the City's power to levy additional taxes to ensure repayment of the debt. Accordingly, all general obligation debt currently outstanding was approved by a vote of the citizens. During fiscal 2020, the City of Warwick's general fund general obligation debt reflected a net increase of \$11,151,912. Sewer debt decreased by \$11,366,491, and water debt decreased by \$39,531.

The City's bond ratings are as follows:

Moody's..... A1
Standard & Poors AA

State statute limits the amount of bonds a governmental entity can issue to 3% of its total assessed valuation. The current debt limitation for the City is \$320,154,722. As of June 30, 2020, the City's current outstanding general fund debt falls under the debt limitation by \$267,334,751.

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

Economic Factors and Next Year's Budgets and Rates

- Warwick's average unemployment rate is 6.06%.
- Median family income in Warwick was \$88,435.
- Warwick ranks third in population among Rhode Island's 39 cities and towns.

The following factors were considered in preparing the City's operating budget for the 2020-21 fiscal year.

- The School Department budget will increase by \$1.6 million to \$171.5 million.
- The City's health care coverage will be administered by WB Community Health.
- \$2.8 million was drawn from the City's fund balance and designated for the FY 2021 operating budget.

Currently, the unassigned fund balance in the general fund totals \$26,803,147. While the City has maintained its commitment toward ensuring a steady growth for the City surplus, it has sometimes been necessary to utilize part of this surplus to ease the burden on its taxpayers. In the final fiscal 2021 budget, the tax rate for residential property was set at \$18.73, the commercial and industrial tax rate at \$28.10, and the tangible personal property rate at \$37.46. Per Rhode Island law, the inventory tax was phased out and the motor vehicle tax rate remained constant at \$34.60.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

CITY OF WARWICK, RHODE ISLAND
STATEMENT OF NET POSITION
JUNE 30, 2020

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|---------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$ 44,390,040 | \$ 33,313,251 | \$ 77,703,291 |
| Cash Held by Fiscal Agent | 949,508 | - | 949,508 |
| Restricted Cash and Cash Equivalents | 5,693,743 | 5,671,795 | 11,365,538 |
| Receivables, Net of Allowance for Uncollectible Amounts: | | | |
| Property Tax Receivable | 8,728,639 | - | 8,728,639 |
| Water and Sewer Use Fees | - | 12,474,498 | 12,474,498 |
| Sewer Assessments | - | 3,476,541 | 3,476,541 |
| Due from Federal and State Government | 14,857,184 | 3,803,806 | 18,660,990 |
| Other Receivables | 2,845,649 | 6,455 | 2,852,104 |
| Internal Balances | 10,827,881 | (10,827,881) | - |
| Due from Fiduciary Funds | 154,158 | - | 154,158 |
| Other Assets | 178,300 | 92,864 | 271,164 |
| Prepays | 94,227 | - | 94,227 |
| Deposits with Agent | 4,045,951 | - | 4,045,951 |
| Total Current Assets | 92,765,280 | 48,011,329 | 140,776,609 |
| Noncurrent Assets: | | | |
| Loans Receivable | 2,701,668 | - | 2,701,668 |
| Sewer Assessments Receivable | - | 16,189,959 | 16,189,959 |
| Capital Assets: | | | |
| Nondepreciable Assets | 24,232,201 | 2,878,996 | 27,111,197 |
| Depreciable Capital Assets, Net | 99,666,527 | 179,623,000 | 279,289,527 |
| Total Noncurrent Assets | 126,600,396 | 198,691,955 | 325,292,351 |
| Total Assets | 219,365,676 | 246,703,284 | 466,068,960 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Charge on Refunding | 55,594 | 66,853 | 122,447 |
| Deferred Outflows - Related to OPEB | 15,219,905 | 563,698 | 15,783,603 |
| Deferred Outflows - Related to Pensions | 62,208,003 | 1,314,330 | 63,522,333 |
| Total Deferred Outflows of Resources | 77,483,502 | 1,944,881 | 79,428,383 |

See accompanying Notes to Basic Financial Statements.

CITY OF WARWICK, RHODE ISLAND
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2020

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|------------------|
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable and Accrued Liabilities | \$ 10,289,251 | \$ 1,765,156 | \$ 12,054,407 |
| Accrued Payroll and Related Liabilities | 12,825,339 | 32,905 | 12,858,244 |
| Accrued Interest Payable | 519,814 | 571,089 | 1,090,903 |
| Due to Fiduciary Funds | 4,958 | - | 4,958 |
| Other Liabilities | 106,371 | - | 106,371 |
| Due to Federal and State Government | 6,826 | - | 6,826 |
| Compensated Absences | 2,488,798 | - | 2,488,798 |
| Accrued Claims - IBNR | 2,437,501 | - | 2,437,501 |
| Total OPEB Liability, Due Within One Year | 13,266,102 | 513,608 | 13,779,710 |
| Current Portion of Long-Term Debt and Leases | 6,922,865 | 10,003,057 | 16,925,922 |
| Total Current Liabilities | 48,867,825 | 12,885,815 | 61,753,640 |
| Noncurrent Liabilities: | | | |
| Compensated Absences | 9,606,753 | 348,440 | 9,955,193 |
| Unearned Revenues | - | 107,565 | 107,565 |
| Retroactive Payroll Liability | 1,032,729 | - | 1,032,729 |
| Long-Term Debt and Leases | 52,656,182 | 55,981,998 | 108,638,180 |
| Total OPEB Liability | 382,016,477 | 13,771,788 | 395,788,265 |
| Net Pension Liability | 503,885,280 | 7,077,916 | 510,963,196 |
| Total Noncurrent Liabilities | 949,197,421 | 77,287,707 | 1,026,485,128 |
| Total Liabilities | 998,065,246 | 90,173,522 | 1,088,238,768 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Advance Collections - Taxes | 57,235 | - | 57,235 |
| Deferred Inflows - Related to OPEB | 14,885,980 | 435,800 | 15,321,780 |
| Deferred Inflows - Related to Pensions | 17,171,965 | - | 17,171,965 |
| Total Deferred Inflows of Resources | 32,115,180 | 435,800 | 32,550,980 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 79,579,698 | 120,004,180 | 199,583,878 |
| Restricted for: | | | |
| Debt Service | 4,693,572 | 5,671,795 | 10,365,367 |
| Loans | 3,078,690 | - | 3,078,690 |
| Other Purposes | 3,746,595 | - | 3,746,595 |
| Unrestricted | (824,429,803) | 32,362,868 | (792,066,935) |
| Total Net Position | \$ (733,331,248) | \$ 158,038,843 | \$ (575,292,405) |

See accompanying Notes to Basic Financial Statements.

**CITY OF WARWICK, RHODE ISLAND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

| Function/Program Activities | Expenses | Program Revenues | | Net Revenue (Expense) and Changes in Net Position | | | |
|--|----------------|----------------------|------------------------------------|---|-------------------------|--------------------------|------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| GOVERNMENTAL ACTIVITIES | | | | | | | |
| Legislative, Judicial, and General Administrative | \$ 9,558,771 | \$ 2,561,055 | \$ - | \$ - | \$ (6,997,716) | \$ - | \$ (6,997,716) |
| Public Safety | 115,468,675 | 4,408,473 | 489,158 | 633,789 | (109,937,255) | - | (109,937,255) |
| Recreation | 4,842,545 | 725,715 | - | - | (4,116,830) | - | (4,116,830) |
| Public Libraries | 5,406,443 | - | 750,621 | - | (4,655,822) | - | (4,655,822) |
| Social Services | 2,196,225 | 38,364 | 98,618 | - | (2,059,243) | - | (2,059,243) |
| Planning and Economic Development | 2,869,072 | 43,415 | 1,397,057 | - | (1,428,600) | - | (1,428,600) |
| Public Works | 17,725,422 | 38,641 | - | - | (17,686,781) | - | (17,686,781) |
| Education | 188,882,475 | 1,961,951 | 58,314,647 | - | (128,605,877) | - | (128,605,877) |
| Debt Service - Interest | 1,546,293 | - | 414,245 | - | (1,132,048) | - | (1,132,048) |
| Total Governmental Activities | 348,495,921 | 9,777,614 | 61,464,346 | 633,789 | (276,620,172) | - | (276,620,172) |
| BUSINESS-TYPE ACTIVITIES | | | | | | | |
| Sewer | 14,746,755 | 24,853,801 | - | - | - | 10,107,046 | 10,107,046 |
| Water | 8,652,772 | 10,711,718 | - | - | - | 2,058,946 | 2,058,946 |
| Total Business-Type Activities | 23,399,527 | 35,565,519 | - | - | - | 12,165,992 | 12,165,992 |
| Total | \$ 371,895,448 | \$ 45,343,133 | \$ 61,464,346 | \$ 633,789 | (276,620,172) | 12,165,992 | (264,454,180) |
| GENERAL REVENUES | | | | | | | |
| Property Taxes | | | | | 240,344,377 | - | 240,344,377 |
| Interest on Property Taxes | | | | | 2,125,411 | - | 2,125,411 |
| Tax Titles | | | | | 8,400 | - | 8,400 |
| State Aid and in Lieu of Taxes Not Restricted for a Specific Purpose | | | | | 9,989,710 | - | 9,989,710 |
| Hotels and Meals Tax | | | | | 4,351,453 | - | 4,351,453 |
| Airport Revenues | | | | | 3,291,426 | - | 3,291,426 |
| Real Estate Transfer Tax | | | | | 1,163,390 | - | 1,163,390 |
| Unrestricted Investment Earnings | | | | | 833,851 | 452,258 | 1,286,109 |
| Miscellaneous | | | | | 678,351 | - | 678,351 |
| Total General Revenues | | | | | 262,786,369 | 452,258 | 263,238,627 |
| CHANGE IN NET POSITION | | | | | | | |
| | | | | | (13,833,803) | 12,618,250 | (1,215,553) |
| Net Position - Beginning of Year (As Restated) | | | | | (719,497,445) | 145,420,593 | (574,076,852) |
| NET POSITION - END OF YEAR | | | | | | | |
| | | | | | \$ (733,331,248) | \$ 158,038,843 | \$ (575,292,405) |

See accompanying Notes to Basic Financial Statements.

**CITY OF WARWICK, RHODE ISLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

| | General | School Unrestricted Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|--------------------------------|-----------------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 36,424,460 | \$ 167,900 | \$ 7,153,844 | \$ 43,746,204 |
| Cash Held by Fiscal Agent | - | - | 949,508 | 949,508 |
| Restricted Cash and Cash Equivalents | - | - | 5,693,743 | 5,693,743 |
| Receivables, Net of Allowance for Uncollectible Amounts: | | | | |
| Real Estate and Personal Property Taxes | 8,728,639 | - | - | 8,728,639 |
| Intergovernmental | 4,097,813 | 269,633 | 10,489,738 | 14,857,184 |
| Loans Receivable | - | - | 2,701,668 | 2,701,668 |
| Departmental and Other | 1,639,133 | 800,464 | 406,052 | 2,845,649 |
| Due from Other Funds | 13,741,869 | 15,331,804 | 2,813,514 | 31,887,187 |
| Prepaid Items | 94,227 | - | - | 94,227 |
| Other Assets | - | - | 178,300 | 178,300 |
| Total Assets | <u>\$ 64,726,141</u> | <u>\$ 16,569,801</u> | <u>\$ 30,386,367</u> | <u>\$ 111,682,309</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable and Accrued Expenditures | \$ 3,873,709 | \$ 4,062,815 | \$ 2,352,727 | \$ 10,289,251 |
| Accrued Payroll and Related Liabilities | 1,467,306 | 10,921,798 | 436,235 | 12,825,339 |
| Due to State and Federal Governments | 6,761 | - | 65 | 6,826 |
| Due to Other Funds | 20,363,264 | - | 2,217,186 | 22,580,450 |
| Other Liabilities | 63,836 | 38,491 | 4,044 | 106,371 |
| Total Liabilities | <u>25,774,876</u> | <u>15,023,104</u> | <u>5,010,257</u> | <u>45,808,237</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue | 8,607,423 | 134,646 | 3,158,458 | 11,900,527 |
| Taxes Collected in Advance | 57,235 | - | - | 57,235 |
| Total Deferred Inflows of Resources | <u>8,664,658</u> | <u>134,646</u> | <u>3,158,458</u> | <u>11,957,762</u> |
| FUND BALANCES | | | | |
| Nonspendable | 94,227 | - | 176,703 | 270,930 |
| Restricted | - | - | 23,873,209 | 23,873,209 |
| Assigned | 3,389,233 | 1,412,051 | - | 4,801,284 |
| Unassigned | 26,803,147 | - | (1,832,260) | 24,970,887 |
| Total Fund Balances | <u>30,286,607</u> | <u>1,412,051</u> | <u>22,217,652</u> | <u>53,916,310</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 64,726,141</u> | <u>\$ 16,569,801</u> | <u>\$ 30,386,367</u> | <u>\$ 111,682,309</u> |

See accompanying Notes to Basic Financial Statements.

**CITY OF WARWICK, RHODE ISLAND
RECONCILIATION OF THE GOVERNMENTAL FUNDS TOTAL FUND
BALANCES TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total Governmental Fund Balances \$ 53,916,310

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

| | | |
|-----------------------------|----------------------|-------------|
| Governmental Capital Assets | \$ 444,342,526 | |
| Accumulated Depreciation | <u>(320,443,798)</u> | 123,898,728 |

| | |
|--|------------|
| Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds: | 11,900,527 |
|--|------------|

| | |
|---|-----------|
| In the statement of net position, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due | (519,814) |
|---|-----------|

| | |
|--|-----------|
| Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position. | 3,922,630 |
|--|-----------|

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:

| | |
|---|----------------------|
| Bonds Payable | (52,819,971) |
| Unamortized Bond Issue Premium | (2,155,250) |
| Capital Leases | (4,603,826) |
| Deferred Charges on Refunding | 55,594 |
| Compensated Absences | (12,095,551) |
| Retroactive Payroll Due in More than One Year | (1,032,729) |
| Net Pension Liability, Net of Deferred Outflows and Inflows | (458,849,242) |
| Total OPEB Liability, Net of Deferred Outflows and Inflows | <u>(394,948,654)</u> |

| | |
|---|-------------------------|
| Net Position of Governmental Activities | <u>\$ (733,331,248)</u> |
|---|-------------------------|

CITY OF WARWICK, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

| | General Fund | School Unrestricted Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|--------------------------------|-----------------------------------|--------------------------------|
| REVENUES | | | | |
| Property Taxes | \$ 238,276,906 | \$ - | \$ - | \$ 238,276,906 |
| Interest on Taxes | 2,125,411 | - | - | 2,125,411 |
| Real Estate Transfer Tax | 1,163,390 | - | - | 1,163,390 |
| Hotel and Meals Tax | 4,351,453 | - | - | 4,351,453 |
| Intergovernmental Revenue | 11,509,460 | 37,699,894 | 7,595,283 | 56,804,637 |
| Medicaid | - | 1,554,404 | - | 1,554,404 |
| State Contribution to Pension Plan | - | 11,481,613 | - | 11,481,613 |
| Airport Revenues | 3,291,426 | - | - | 3,291,426 |
| Charges for Services | 7,741,292 | 1,136,088 | 1,663,507 | 10,540,887 |
| Other | 563,439 | 2,538 | 112,373 | 678,350 |
| Investment Income | 578,332 | 105,112 | 158,806 | 842,250 |
| Contributions and Private Grants | - | - | 708,555 | 708,555 |
| Total Revenues | <u>269,601,109</u> | <u>51,979,649</u> | <u>10,238,524</u> | <u>331,819,282</u> |
| EXPENDITURES | | | | |
| Executive and Administrative | 5,447,961 | - | 288,127 | 5,736,088 |
| Public Safety | 46,996,498 | - | 714,447 | 47,710,945 |
| Recreation | 2,860,219 | - | - | 2,860,219 |
| Public Libraries | 2,811,057 | - | 95,139 | 2,906,196 |
| Social Services | 1,116,955 | - | 17,518 | 1,134,473 |
| Planning and Economic Development | 1,395,178 | - | 1,157,863 | 2,553,041 |
| Public Works | 12,080,463 | - | - | 12,080,463 |
| Employee Benefits | 61,532,791 | - | - | 61,532,791 |
| Education | - | 166,499,710 | 14,048,011 | 180,547,721 |
| State Contribution to Pension Plan | - | 11,481,613 | - | 11,481,613 |
| Debt Service: | | | | |
| Principal | 5,371,118 | - | - | 5,371,118 |
| Interest | 1,829,367 | - | - | 1,829,367 |
| Total Expenditures | <u>141,441,607</u> | <u>177,981,323</u> | <u>16,321,105</u> | <u>335,744,035</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 128,159,502 | (126,001,674) | (6,082,581) | (3,924,753) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from Issuance of Bonds and Notes | - | - | 15,445,000 | 15,445,000 |
| Premiums on Issuance of Bonds and Notes | - | - | 885,914 | 885,914 |
| Proceeds from Capital Leases | - | - | 2,303,074 | 2,303,074 |
| Insurance Recoveries | 400,701 | - | - | 400,701 |
| Transfers In | 498,151 | 129,869,539 | 1,061,713 | 131,429,403 |
| Transfer Out | (130,377,039) | (554,213) | (498,151) | (131,429,403) |
| Total Other Financing Sources (Uses) | <u>(129,478,187)</u> | <u>129,315,326</u> | <u>19,197,550</u> | <u>19,034,689</u> |
| NET CHANGE IN FUND BALANCES | (1,318,685) | 3,313,652 | 13,114,969 | 15,109,936 |
| Fund Balances - Beginning of Year | <u>31,605,292</u> | <u>(1,901,601)</u> | <u>9,102,683</u> | <u>38,806,374</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 30,286,607</u> | <u>\$ 1,412,051</u> | <u>\$ 22,217,652</u> | <u>\$ 53,916,310</u> |

See accompanying Notes to Basic Financial Statements.

CITY OF WARWICK, RHODE ISLAND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 15,109,936

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | |
|----------------------|-------------|
| Capital Outlay | 8,418,325 |
| Depreciation Expense | (6,521,565) |

| | |
|--|-----------|
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 2,516,408 |
|--|-----------|

| | |
|--|----------|
| In the statement of activities, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due. This amount represents the net change in accrued interest payable | (16,671) |
|--|----------|

The issuance of long-term debt (e.g., bonds and 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. These amounts represent the related activity of the current period.

| | |
|---|--------------|
| Proceeds from Issuance of Bonds and Notes | (15,445,000) |
| Proceeds from Premiums on Bonds and Notes | (885,914) |
| Bond Maturities | 4,293,088 |
| Proceeds from Capital Leases | (2,303,074) |
| Capital Lease Payments | 1,078,030 |

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. These amounts represent the net changes.

| | |
|-------------------------------|--------------|
| Amortization of Bond Premiums | 241,764 |
| Deferred Charges on Refunding | (16,296) |
| Compensated Absences | (126,853) |
| Retroactive Payroll | 58,100 |
| Net Pension Liability, Net | (14,010,302) |
| Total OPEB Liability, Net | (9,262,475) |

| | |
|---|-----------|
| Internal service funds are used by management to account for health insurance activities. The net activity of the internal service fund is reported with governmental activities. | 3,038,696 |
|---|-----------|

| | |
|---|------------------------|
| Change in Net Position of Governmental Activities | \$ (13,833,803) |
|---|------------------------|

See accompanying Notes to Basic Financial Statements.

CITY OF WARWICK, RHODE ISLAND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

| | Business-Type Activities - Enterprise Funds | | | Governmental |
|--|---|----------------------|-----------------------|------------------------------|
| | Sewer Fund | Water Fund | Total | Internal Service Funds |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | \$ 27,154,916 | \$ 6,158,335 | \$ 33,313,251 | \$ 643,836 |
| Restricted Cash and Cash Equivalents | 5,671,795 | - | 5,671,795 | - |
| Accounts Receivable, Net: | | | | |
| Water and Sewer User Fees | 7,811,004 | 4,663,494 | 12,474,498 | - |
| Sewer Assessments | 3,476,541 | - | 3,476,541 | - |
| Due from Federal and State Government | 3,803,806 | - | 3,803,806 | - |
| Other Receivables | 6,455 | - | 6,455 | - |
| Due from Other Funds | - | 4,354,201 | 4,354,201 | 1,670,344 |
| Deposits with Agent | - | - | - | 4,045,951 |
| Inventory | - | 92,864 | 92,864 | - |
| Total Current Assets | <u>47,924,517</u> | <u>15,268,894</u> | <u>63,193,411</u> | <u>6,360,131</u> |
| Noncurrent Assets: | | | | |
| Sewer Assessments | 16,189,959 | - | 16,189,959 | - |
| Nondepreciable Assets | 2,714,846 | 164,150 | 2,878,996 | - |
| Depreciable Capital Assets, Net | 169,778,200 | 9,844,800 | 179,623,000 | - |
| Total Noncurrent Assets | <u>188,683,005</u> | <u>10,008,950</u> | <u>198,691,955</u> | <u>-</u> |
| Total Assets | <u>236,607,522</u> | <u>25,277,844</u> | <u>261,885,366</u> | <u>6,360,131</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Charge on Refunding | 65,604 | 1,249 | 66,853 | - |
| Deferred Outflows - Related to OPEB | 281,849 | 281,849 | 563,698 | - |
| Deferred Outflows - Related to Pensions | 657,165 | 657,165 | 1,314,330 | - |
| Total Deferred Outflows of Resources | <u>1,004,618</u> | <u>940,263</u> | <u>1,944,881</u> | <u>-</u> |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts Payable and Accrued Expenses | 690,767 | 1,074,389 | 1,765,156 | - |
| Accrued Payroll and Related Liabilities | 18,444 | 14,461 | 32,905 | - |
| Accrued Interest Payable | 569,685 | 1,404 | 571,089 | - |
| Due to Other Funds | 15,182,082 | - | 15,182,082 | - |
| Accrued Claims - IBNR | - | - | - | 2,437,501 |
| Total OPEB Liability, Due Within One Year | 256,804 | 256,804 | 513,608 | - |
| Current Portion of Long-Term Bonds and Loans | 9,960,028 | 43,029 | 10,003,057 | - |
| Total Current Liabilities | <u>26,677,810</u> | <u>1,390,087</u> | <u>28,067,897</u> | <u>2,437,501</u> |
| Noncurrent Liabilities: | | | | |
| Compensated Absences | 173,328 | 175,112 | 348,440 | - |
| Unearned Revenue | 107,565 | - | 107,565 | - |
| Total OPEB Liability | 6,885,894 | 6,885,894 | 13,771,788 | - |
| Net Pension Liability | 3,538,958 | 3,538,958 | 7,077,916 | - |
| Long-Term Bonds and Loans | 55,938,360 | 43,638 | 55,981,998 | - |
| Total Noncurrent Liabilities | <u>66,644,105</u> | <u>10,643,602</u> | <u>77,287,707</u> | <u>-</u> |
| Total Liabilities | <u>93,321,915</u> | <u>12,033,689</u> | <u>105,355,604</u> | <u>2,437,501</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Inflows - Related to OPEB | 217,900 | 217,900 | 435,800 | - |
| Total Deferred Inflows of Resources | <u>217,900</u> | <u>217,900</u> | <u>435,800</u> | <u>-</u> |
| FUND NET POSITION | | | | |
| Net Investment in Capital Assets | 110,080,648 | 9,923,532 | 120,004,180 | - |
| Restricted for Debt Service | 5,671,795 | - | 5,671,795 | - |
| Unrestricted | 28,319,882 | 4,042,986 | 32,362,868 | 3,922,630 |
| Total Net Position | <u>\$ 144,072,325</u> | <u>\$ 13,966,518</u> | <u>\$ 158,038,843</u> | <u>\$ 3,922,630</u> |

See accompanying Notes to Basic Financial Statements.

CITY OF WARWICK, RHODE ISLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities |
|--|---|----------------------|-----------------------|------------------------------|
| | Sewer Fund | Water Fund | Total | Internal Service Funds |
| OPERATING REVENUES | | | | |
| User Charges | \$ 17,241,362 | \$ 10,429,742 | \$ 27,671,104 | \$ - |
| Special Assessments | 7,329,604 | - | 7,329,604 | - |
| Employer/Employee Contributions | - | - | - | 48,912,300 |
| Other Revenues | 282,835 | 281,976 | 564,811 | 423,515 |
| Total Operating Revenues | <u>24,853,801</u> | <u>10,711,718</u> | <u>35,565,519</u> | <u>49,335,815</u> |
| OPERATING EXPENSES | | | | |
| Contract Services | 174,554 | 105,472 | 280,026 | |
| Salaries and Benefits | 3,054,290 | 2,810,165 | 5,864,455 | - |
| Materials and Supplies | 790,669 | 11,125 | 801,794 | - |
| Depreciation and Amortization | 6,564,766 | 542,101 | 7,106,867 | - |
| Operations | 2,564,703 | 5,181,912 | 7,746,615 | - |
| Claims | - | - | - | 46,298,243 |
| Total Operating Expenses | <u>13,148,982</u> | <u>8,650,775</u> | <u>21,799,757</u> | <u>46,298,243</u> |
| OPERATING INCOME | 11,704,819 | 2,060,943 | 13,765,762 | 3,037,572 |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest Income | 328,950 | 123,308 | 452,258 | 1,124 |
| Interest Expense | (1,596,352) | (1,997) | (1,598,349) | - |
| Loss on Disposal of Assets | (1,421) | - | (1,421) | - |
| Total Nonoperating Revenues (Expenses) | <u>(1,268,823)</u> | <u>121,311</u> | <u>(1,147,512)</u> | <u>1,124</u> |
| CHANGE IN NET POSITION | 10,435,996 | 2,182,254 | 12,618,250 | 3,038,696 |
| Net Position - Beginning of Year (As Restated) | <u>133,636,329</u> | <u>11,784,264</u> | <u>145,420,593</u> | <u>883,934</u> |
| NET POSITION - END OF YEAR | <u>\$ 144,072,325</u> | <u>\$ 13,966,518</u> | <u>\$ 158,038,843</u> | <u>\$ 3,922,630</u> |

See accompanying Notes to Basic Financial Statements.

**CITY OF WARWICK, RHODE ISLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020**

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities |
|---|---|---------------------|----------------------|------------------------------|
| | | | | Internal Service Funds |
| | Sewer Fund | Water Fund | Total | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from Customers and Users | \$ 20,612,146 | \$ 10,373,798 | \$ 30,985,944 | \$ - |
| Payments to Suppliers | (3,776,734) | (5,152,456) | (8,929,190) | - |
| Payments to Employees | (3,245,024) | (3,021,531) | (6,266,555) | - |
| Receipts from Employer/Employee Contributions | - | - | - | 48,912,300 |
| Receipts from Other Operating Services | 282,835 | 281,976 | 564,811 | 423,515 |
| Payments for Claims | - | - | - | (46,862,214) |
| Net Cash Provided by Operating Activities | <u>13,873,223</u> | <u>2,481,787</u> | <u>16,355,010</u> | <u>2,473,601</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Deposits with Agent | - | - | - | (2,182,651) |
| Interfund Borrowings (Payments), Net | (5,117,093) | (9,951,741) | (15,068,834) | (290,950) |
| Net Cash Used by Noncapital Financing Activities | <u>(5,117,093)</u> | <u>(9,951,741)</u> | <u>(15,068,834)</u> | <u>(2,473,601)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Additions to Property, Plant, and Equipment | (3,790,663) | (164,151) | (3,954,814) | - |
| Proceeds from Bonds and Loans | 3,509,396 | - | 3,509,396 | - |
| Principal Paid on Bonds and Loans | (11,366,491) | (39,531) | (11,406,022) | - |
| Interest Paid on Bonds and Loans | (1,740,513) | (7,286) | (1,747,799) | - |
| Proceeds from Premiums on Bonds | 263,061 | - | 263,061 | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(13,125,210)</u> | <u>(210,968)</u> | <u>(13,336,178)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest on Investments | <u>328,950</u> | <u>123,308</u> | <u>452,258</u> | <u>1,124</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | <u>(4,040,130)</u> | <u>(7,557,614)</u> | <u>(11,597,744)</u> | <u>1,124</u> |
| Cash and Cash Equivalents - Beginning of Year | <u>36,866,841</u> | <u>13,715,949</u> | <u>50,582,790</u> | <u>642,712</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 32,826,711</u> | <u>\$ 6,158,335</u> | <u>\$ 38,985,046</u> | <u>\$ 643,836</u> |

See accompanying Notes to Basic Financial Statements.

**CITY OF WARWICK, RHODE ISLAND
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020**

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities |
|--|---|---------------------|----------------------|------------------------------|
| | Sewer Fund | Water Fund | Total | Internal Service Funds |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | | |
| Operating Income | \$ 11,704,819 | \$ 2,060,943 | \$ 13,765,762 | \$ 3,037,572 |
| Adjustments to Reconcile Operating Income to Net Cash | | | | |
| Provided by Operating Activities: | | | | |
| Depreciation and Amortization | 6,564,766 | 542,101 | 7,106,867 | - |
| Change in Total OPEB Liability | (50,355) | (50,355) | (100,710) | - |
| Change in Net Pension Liability | 363,085 | 363,085 | 726,170 | - |
| Change in Deferred Outflows - Pension and OPEB | (404,789) | (404,789) | (809,578) | - |
| Change in Deferred Inflows - Pension and OPEB | (53,165) | (53,165) | (106,330) | - |
| Changes in Assets and Liabilities: | | | | |
| (Increase) Decrease in Accounts Receivable | (21,023) | (55,944) | (76,967) | - |
| (Increase) Decrease in Sewer Assessments | (3,937,797) | - | (3,937,797) | - |
| (Increase) Decrease in Inventory | - | - | - | - |
| (Increase) Decrease in Prepaid Expenses | - | - | - | - |
| Increase (Decrease) in Accounts Payable and Accrued Expenses | (246,808) | 146,053 | (100,755) | (563,971) |
| Increase (Decrease) in Accounts Payroll | (16,614) | (17,804) | (34,418) | - |
| Increase (Decrease) in Compensated Absences | (28,896) | (48,338) | (77,234) | - |
| Net Cash Provided by Operating Activities | <u>\$ 13,873,223</u> | <u>\$ 2,481,787</u> | <u>\$ 16,355,010</u> | <u>\$ 2,473,601</u> |

See accompanying Notes to Basic Financial Statements.

CITY OF WARWICK, RHODE ISLAND
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

| | Pension Trust Funds | Private Purpose Trust Funds | Agency Funds |
|---|------------------------|-----------------------------------|--------------|
| ASSETS | | | |
| Cash | \$ 4,079,832 | \$ 134,917 | \$ 1,391,947 |
| Investments: | | | |
| Mutual Funds | 323,949,614 | - | - |
| Equity Investments | 78,725,517 | - | - |
| Index Funds | 87,239,591 | - | - |
| Fixed Income Securities | 56,109,342 | - | - |
| Group Annuity Contracts | 4,244,504 | - | - |
| Accrued Interest Receivable | 197 | - | - |
| Due from Primary Government | - | 4,958 | - |
| Employer/Member Contribution Receivables | 1,649,958 | - | - |
| Other Receivable | - | 22,556 | - |
| Total Assets | 555,998,555 | 162,431 | \$ 1,391,947 |
| LIABILITIES | | | |
| Accounts Payable and Accrued Expenses | 660,232 | - | 1,487 |
| Due to Primary Government | - | - | 154,158 |
| Due to Federal and State Governments | - | - | 119,560 |
| Deposits Held in Custody for Others | - | - | 1,116,742 |
| Total Liabilities | 660,232 | - | \$ 1,391,947 |
| NET POSITION | | | |
| Restricted for Pension Benefits and Trust Purposes | \$ 555,338,323 | \$ 162,431 | |

See accompanying Notes to Basic Financial Statements.

**CITY OF WARWICK, RHODE ISLAND
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2020**

| | Pension Trust Funds | Private Purpose Trust Funds |
|--|------------------------|-----------------------------------|
| ADDITIONS | | |
| Contributions: | | |
| Employer | \$ 35,337,016 | \$ - |
| Plan Members | 7,214,136 | 25,063 |
| Other Revenue | 150,000 | 11,179 |
| Total Contributions | 42,701,152 | 36,242 |
| Investment Income: | | |
| Investment Earnings | 9,128,707 | 218 |
| Less: Investment Expense | (1,332,122) | - |
| Net Investment Income | 7,796,585 | 218 |
| Total Additions | 50,497,737 | 36,460 |
| DEDUCTIONS | | |
| Benefits | 51,896,023 | - |
| Administrative Expense | 335,670 | 31,503 |
| Total Deductions | 52,231,693 | 31,503 |
| CHANGE IN NET POSITION | (1,733,956) | 4,957 |
| Net Position - Beginning of Year (As Restated) | 557,072,279 | 157,474 |
| NET POSITION - END OF YEAR | \$ 555,338,323 | \$ 162,431 |

See accompanying Notes to Basic Financial Statements.

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Warwick, Rhode Island (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. A description of the reporting entity and significant accounting policies are described herein.

A. Reporting Entity

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

For financial reporting purposes, the basic financial statements include all funds, organizations, agencies, boards, commissions and institutions that are not legally separate from the City.

The City has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and/or significance of their relationship with the City are such that exclusion would cause the basic financial statements to be misleading or incomplete. It has been determined that there are no component units that require inclusion in the basic financial statements.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and the statement of activities) report information on all nonfiduciary activities of the primary government and its component units. *Governmental Activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *Business-Type Activities*, which are primarily supported by user fees.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Internal service funds and fiduciary funds are reported by fund type.

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the fiscal 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 statement of activities demonstrates the degree to which the direct expenses of a function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions which are restricted to meeting the operational requirements of a specific function or segment.
- Grants and contributions which are restricted to meeting the capital requirements of a specific function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

Except for charges between the general fund and enterprise funds, the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental funds financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Real estate and personal property tax revenues are considered available if they are collected within 60 days after the end of the fiscal year. Investment income is susceptible to accrual. Other receipts become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

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

The *School Unrestricted Fund* is a special revenue fund used to account for the School Department's general operations.

The nonmajor governmental funds consist of special revenue, capital projects, debt service and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

Special Revenue Funds are used to account for 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.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary funds financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following proprietary funds are reported:

The *Sewer Enterprise Fund* is reported as a major fund and is used to account for sewer activities, including the special assessments related to the construction of the sewer system.

The *Water Enterprise Fund* is reported as a major fund and is used to account for water activities.

In addition, the following proprietary fund type is reported:

The *Internal Service Fund* is used to account for risk financing activities related to health and workers' compensation insurance.

Fiduciary funds financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the government's programs.

The following fiduciary fund types are reported:

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

The *Private Purpose Trust Fund* accounts for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefits individuals, private organizations, or other governments.

The *Agency Fund* account for assets held by the City in a custodial capacity for various student groups, funds held in probate and funds held in escrow for other parties. Agency funds do not present the results of operations or have a measurement focus.

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Substantially, all of the City's cash and cash equivalents are held in public institutions. Pursuant to Section 35-10-1 of the Rhode Island General Laws, as of October 1, 1991, public institutions are required to insure accounts which hold public funds in excess of the \$250,000 which is guaranteed by the Federal Deposit Insurance Corporation (FDIC). At times, the City pools cash resources of its various funds to facilitate the management of cash and maximize investment returns.

E. Investments

Investments are reported at fair value and contract value, as further discussed in Note 4.

F. Accounts Receivable and Revenue

The recognition of revenue related to accounts receivable reported in the government-wide proprietary funds, and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements is reported under the modified accrual basis of accounting.

Property Taxes

Real and personal property taxes are based on values assessed as of each December 31 (lien date) and attach as an enforceable lien on property as of July 1 (levy date). Taxes are due in equal quarterly installments on July 15, October 15, January 15, and April 15 annually. Taxes due and unpaid after the respective due dates are subject to interest at the rate of 12% per annum, calculated on the unpaid portion of the total tax. An automatic lien is placed on the taxpayer's property if payment has not been received by the tax due date. Property taxes levied are recorded as receivables in the fiscal year of the levy.

Water and Sewer

Water and sewer charges are billed quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Water and sewer charges are recorded as receivables when billed and are recorded under the accrual basis of accounting. The estimated value of unbilled amounts at year-end has been included in the accompanying financial statements.

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Sewer Assessments

Sewer assessments are levied as needed based on the costs of construction related to the sewer system. Residents have the option of paying their respective share of the betterment in full or over a period of up to 30 years and are subject to penalties and interest if they are not paid by the respective due dates. Sewer betterments are recorded as receivables in the fiscal year of the levy and are recorded under the accrual basis of accounting.

Intergovernmental

Various state and federal operating and capital grants are applied for and received annually. For all grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. Intergovernmental receivables are considered 100% collectible.

Loans Receivable

The City administers various loan programs related to housing assistance to residents and capital needs assistance for small businesses. Loans are recorded as receivables upon issuance.

Other

Other receivables consist primarily of charges for rescue service fees and are recorded as receivables when services are provided.

Accounts receivable are shown net of an allowance for uncollectible accounts. The allowances are calculated based on the age of the individual receivables.

G. Inventory

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

H. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column of the government-wide financial statements. Capital assets are also reported in the enterprise (proprietary) funds financial statements. Capital assets acquired in the governmental funds are recorded as expenditures in the acquiring fund in the fiscal year of the purchase.

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated acquisition value at the date of donation.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

| | |
|-------------------------------------|-------------|
| Land Improvements | 20 Years |
| Buildings | 50 Years |
| Roads and Resurfacing | 20 Years |
| Bridges | 50 Years |
| Traffic Signals | 10 Years |
| Main Extensions | 75 Years |
| Pumping Stations and Hydrants | 50 Years |
| Wastewater Collection System | 50-75 Years |
| Meters | 20-40 Years |
| Distribution Lines | 65 Years |
| Machinery, Equipment, and Furniture | 5-30 Years |
| Vehicles | 5-8 Years |

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

I. Deferred Outflows/Inflows of Resources

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense) until then.

Deferred outflows of resources related to refunding transactions, pensions and OPEB are reported in the government-wide and proprietary funds statements of net position.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports 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.

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred inflows of resources related to pensions and OPEB are reported in the government-wide and proprietary funds statements of net position.

Deferred inflows of resources are also reported for taxes collected in advance in the government-wide statement of net position.

Unavailable revenue and taxes collected in advance are reported in the governmental funds balance sheet. Unavailable revenue represents billed receivables that do not meet the availability criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting.

J. Interfund Transactions

Interfund activity within and among the funds of the City have been classified and reported as follows:

Reciprocal Interfund Activities

Interfund advances are reported as interfund receivables in the lending fund and interfund payables in borrower funds (due from/due to).

Nonreciprocal Interfund Activities

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

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

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

K. Long-Term Debt

Long-term debt is reported as liabilities in the government-wide and proprietary funds statements of net position. Material bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

The face amount of governmental funds long-term debt is reported as other financing sources when the debt is issued. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Self-Insurance

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

M. Encumbrances

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

N. Net Position and Fund Balances

Government-Wide Financial Statements and Proprietary Funds Financial Statements (Net Position)

Net position is classified and displayed in three components:

Net Investment in Capital Assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bond, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position – Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, laws/regulations of other governments, law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All remaining net position that does not meet the definition of "restricted" or "net investment in capital assets".

Governmental Funds Financial Statements (Fund Balances)

The following fund balance classifications describe the relative strength of the spending constraints:

Nonspendable – Includes the amount of fund balances that cannot be spent because it is either not in spendable form or legally or contractually required to be maintained intact.

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted – Includes amounts that are restricted to specific purposes. Fund balance is reported as restricted when constraints placed in the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The City Council is the highest level of decision-making authority and utilizes City Ordinances as a formal procedure to commit fund balance. In addition, the passage of the budget by the taxpayers at the annual financial City meeting is considered the commitment of funds for the line items included in the fiscal budget.

Assigned Fund Balance – Includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The intent should be expressed by the governing-body itself or a body (a budget or finance committee) or official to which the governing-body has delegated the authority to assign amounts to be used for specific purposes. The Mayor through the City Council has the authority to assign fund balance. Fund balance assigned by the Finance Director is documented through issuance of a memorandum.

Unassigned Fund Balance – Is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The unassigned fund balance may also include negative balances for any governmental funds if the expenditures exceed amounts restricted, committed, or assigned for specific purposes.

In circumstances when an expenditure is made for a purpose for which amounts are available for multiple fund balances classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

O. Claims and Judgments

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

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Compensated Absences

Under the terms of various contracts and agreements, City employees are granted vacation, sick, and personal leave in varying amounts based on length of service and bargaining unit. Unused vacation leave is paid upon an employee's termination. Up to one-half of unused sick leave is paid upon termination, retirement, or death depending on bargaining unit. Severance pay and personal days are also paid to terminating employees depending on bargaining unit. The liability is calculated at the rate of pay in effect at June 30, 2020.

Government-Wide and Proprietary Fund Financial Statements

Compensated absences are reported as liabilities and expenses as incurred.

Governmental Fund Financial Statements

Compensated absences, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon employee retirement or resignation.

Q. 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 - Teachers and additions to/deductions from the pension plans net position have been determined on the same basis as they are reported by the pension plan. 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.

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

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

S. 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.

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data and Budgetary Compliance

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

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

Appropriations in addition to those contained in the annual operating budgets, except for the purpose of meeting a public emergency, are made upon the recommendation of the City Mayor and by a resolution adopted by the favorable votes of at least five members of the council. Amendments to the operating budgets that do not result in additional appropriations may be made within departments by means of a transfer. The Director of Finance, subject to approval of the Mayor, may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department, or agency. At the request of the Mayor and within the last three months of the fiscal year, the Council may by resolution transfer any unencumbered appropriation balance or portion thereof from one office, department, or agency to another. The level at which General Fund expenditures may not legally exceed appropriations is at the department level. The Schools Unrestricted Fund, a Special Revenue Fund, does not have a legal level of control over expenditures, except that total expenditures may not exceed available revenues. Appropriations which are not expended or encumbered lapse at year end.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Excess of Expenditures over Appropriations

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

| | |
|--|--------------|
| Fire Department | \$ 1,151,240 |
| Insurance | 419,750 |
| Pension | 233,843 |
| Fire Grants | 225,764 |
| Debt Service Interest | 26,331 |
| Alcohol and Highway Safety Enforcement | 15,644 |

C. Fund Deficits

At June 30, 2020, the City reported deficit fund balances for the following funds:

| | |
|-----------------------------------|---------------------|
| Nonmajor Governmental Funds: | |
| 2020 School Bond Fund | \$ 1,409,315 |
| Tech Assistance Grant | 150,000 |
| Technology Self Insurance | 98,594 |
| IDEA | 83,570 |
| Title I | 52,485 |
| Title II | 12,837 |
| Perkins Vocational | 8,636 |
| Fresh Fruit/Veg Program | 3,997 |
| Homeless Child/Youth | 3,677 |
| IDEA Preschool | 3,017 |
| School Climate Transformation | 2,777 |
| Learning Champions | 1,076 |
| Champlin Winman | 977 |
| School Lunch Equipment | 777 |
| Feinstein Holliman | 525 |
| Total Nonmajor Governmental Funds | <u>\$ 1,832,260</u> |

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

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

A. Deposits

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

B. Deposit Custodial Credit Risk

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

As of June 30, 2020, the City's entire bank balance of \$95,023,733 was covered by either FDIC insurance or collateral held in the City's name.

C. Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. As of June 30, 2020, cash equivalents amounted to \$3,838,091. The cash equivalents consisted of money market type mutual funds held at banking institutions and were not rated.

NOTE 4 INVESTMENTS

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

- Obligations of the U.S. Government, and its agencies and instrumentalities.
- Certificates of deposit and other evidence of deposit at banks, credit unions, and savings and loan associations with offices in the state.
- Bankers' acceptance of banks with offices in the state.
- Commercial paper of banks with offices in the state.

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 INVESTMENTS (CONTINUED)

- Repurchase agreements whose underlying collateral consists of U.S. Government agency securities and U.S. Government sponsored corporations, plus the above, and which are offered by banks with offices in the state.
- Money market funds whose portfolios consist of the above instruments, and any other investments specifically approved by the City council.
- No-load open-end diversified management investment companies incorporated under Rhode Island General Laws designed exclusively for all state government entities, agencies, and instrumentalities.

For details on the various pension plans' investment policies and target asset allocations, see Note 13.

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City does not have a formal investment policy that limits the amount that can be invested with one issuer. At June 30, 2020, the City is not exposed to concentration risk.

Custodial Credit Risk

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

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 INVESTMENTS (CONTINUED)

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

| | Fair Value | Investment Maturities (in Years) | | |
|-------------------------|-----------------------|----------------------------------|---------------|---------------|
| | | Less Than 1 | 1 - 10 | More Than 10 |
| <u>Debt Securities:</u> | | | | |
| Fixed Income Securities | \$ 56,109,342 | \$ 13,600,873 | \$ 27,528,842 | \$ 14,979,627 |
| Equity Investments | 78,725,517 | | | |
| Mutual Funds | 323,949,614 | | | |
| Index Funds | 87,239,591 | | | |
| Group Annuity Contracts | 4,244,504 | | | |
| Total Investments | <u>\$ 550,268,568</u> | | | |

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

| Average Rating | Fixed Income Securities |
|----------------|-------------------------|
| AAA | \$ 3,195,241 |
| AA+/AA/AA- | 3,389,818 |
| A+/A/A- | 7,745,034 |
| BBB+/BBB/BBB- | 15,934,464 |
| BB+/BB- | 728,320 |
| B- | 155,158 |
| Unrated | 24,961,307 |
| Total | <u>\$ 56,109,342</u> |

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The City has the following recurring fair value measurements as of June 30, 2020:

| Investment Type | Fair Value | Level 1 | Level 2 | Level 3 |
|---------------------------------|---------------|-----------------------|----------------------|-------------|
| Fixed Income Securities | \$ 56,109,342 | \$ - | \$ 56,109,342 | \$ - |
| Equity Investments | 78,725,517 | 78,725,517 | - | - |
| Mutual Funds | 323,949,614 | 323,949,614 | - | - |
| Index Funds | 87,239,591 | 87,239,591 | - | - |
| Total Investments at Fair Value | 546,024,064 | <u>\$ 489,914,722</u> | <u>\$ 56,109,342</u> | <u>\$ -</u> |

Investments at Contract Value:

| | |
|-------------------------|-----------------------|
| Group Annuity Contracts | 4,244,504 |
| Total Investments | <u>\$ 550,268,568</u> |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY LEGAL DEBT MARGIN

Legal Debt Margin

The City's legal debt margin as set forth by the State Statute is limited to 3% of total taxable assessed value, which approximates \$320,154,722. As of June 30, 2020, the City's debt applicable to the debt limitation is under the debt limit by \$267,334,751. All other City debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

NOTE 6 PROPERTY TAXES

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

Net property taxes levied for the fiscal year 2020 were based on a gross assessed value of approximately \$11,107,608,451 less exemptions of \$435,784,398 for a net assessed valuation of \$10,671,824,053 at December 31, 2018 and amounted to a levy of \$241,374,910. After abatements and adjustments, the net levy amounted to \$241,394,004. Collections through June 30, 2020 amounted to \$233,754,736, which represents approximately 96.8% of the adjusted tax levy.

The City recognizes property tax revenues in accordance with Section P70, "Property Taxes" of the *Codification of Governmental Accounting and Financial Reporting Standards* on the fund statements. Unpaid property taxes as of June 30, 2020 amount to \$22,105,082 and are recorded as a receivable, net of an allowance for uncollectible property taxes of \$13,376,443.

Those net property taxes receivable, which were not collected within the 60 days immediately following June 30, 2020 are recorded as deferred and amounted to \$6,032,377. Property taxes recognized as revenue on the fund statements for the fiscal year ended June 30, 2020 (due to their collection within the 60 days immediately following June 30, 2020) amounted to \$2,275,167. Taxes are due in equal quarterly installments on July 15, October 15, January 15, and April 15 during fiscal year.

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 RECEIVABLES

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

| | General | School Restricted Fund | Sewer Fund | Water Fund | Nonmajor and Other Funds | Total |
|---------------------------------------|----------------------|------------------------------|----------------------|---------------------|--------------------------------|----------------------|
| Receivables: | | | | | | |
| Property Taxes | \$ 22,105,082 | \$ - | \$ - | \$ - | \$ - | \$ 22,105,082 |
| User Fees | - | - | 8,222,152 | 4,818,989 | - | 13,041,141 |
| Sewer Assessments | - | - | 24,026,392 | - | - | 24,026,392 |
| Intergovernmental | 4,097,813 | 269,633 | 3,803,806 | - | 10,489,738 | 18,660,990 |
| Loans Receivable | - | - | - | - | 2,701,668 | 2,701,668 |
| Employer/Member Contributions | - | - | - | - | 1,649,958 | 1,649,958 |
| Other Receivable | 4,997,074 | 800,464 | 6,455 | - | 428,608 | 6,232,601 |
| Gross Receivables | 31,199,969 | 1,070,097 | 36,058,805 | 4,818,989 | 15,269,972 | 88,417,832 |
| Less: Allowance for Uncollectibles | (16,734,384) | - | (4,771,040) | (155,495) | - | (21,660,919) |
| Net Total Receivables | <u>\$ 14,465,585</u> | <u>\$ 1,070,097</u> | <u>\$ 31,287,765</u> | <u>\$ 4,663,494</u> | <u>\$ 15,269,972</u> | <u>\$ 66,756,913</u> |

NOTE 8 CAPITAL ASSETS

Capital asset activity for governmental funds for the fiscal year ended June 30, 2020 was as follows:

| <u>Governmental Activities</u> | Balance - June 30, 2019 | Increases | Decreases | Transfers | Balance - June 30, 2020 |
|---------------------------------------|----------------------------|---------------------|-------------|-------------|----------------------------|
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$ 18,693,825 | \$ - | \$ - | \$ - | \$ 18,693,825 |
| Construction in Progress | 538,806 | 5,737,181 | - | (800,561) | 5,475,426 |
| Artwork | 62,950 | - | - | - | 62,950 |
| Subtotal | 19,295,581 | 5,737,181 | - | (800,561) | 24,232,201 |
| Capital Assets Being Depreciated: | | | | | |
| Land Improvements | 11,082,066 | - | - | - | 11,082,066 |
| Buildings | 149,181,458 | 60,500 | - | 800,561 | 150,042,519 |
| Infrastructure | 203,912,785 | 1,038,196 | - | - | 204,950,981 |
| Machinery and Equipment | 21,329,992 | 10,019 | - | - | 21,340,011 |
| Motor Vehicles | 32,334,148 | 1,572,429 | (1,211,829) | - | 32,694,748 |
| Subtotal | 417,840,449 | 2,681,144 | (1,211,829) | 800,561 | 420,110,325 |
| Less Accumulated Depreciated For: | | | | | |
| Land Improvements | 9,949,141 | 199,850 | - | - | 10,148,991 |
| Buildings | 73,729,453 | 3,260,486 | - | - | 76,989,939 |
| Infrastructure | 184,650,249 | 1,058,538 | - | - | 185,708,787 |
| Machinery and Equipment | 20,394,876 | 282,745 | - | - | 20,677,621 |
| Motor Vehicles | 26,410,343 | 1,719,946 | (1,211,829) | - | 26,918,460 |
| Subtotal | 315,134,062 | 6,521,565 | (1,211,829) | - | 320,443,798 |
| Capital Assets Being Depreciated, Net | 102,706,387 | (3,840,421) | - | 800,561 | 99,666,527 |
| Governmental Capital Assets, Net | <u>\$ 122,001,968</u> | <u>\$ 1,896,760</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 123,898,728</u> |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 CAPITAL ASSETS (CONTINUED)

| <u>Business-Type Activities</u> | Balance - June 30, 2019 | Increases | Decreases | Transfers | Balance - June 30, 2020 |
|---|----------------------------|-----------------------|-------------------|------------------|----------------------------|
| Capital Assets Not Being Depreciated: | | | | | |
| Construction in Progress | \$ 7,808,637 | \$ 3,511,076 | \$ - | \$ (8,440,717) | \$ 2,878,996 |
| Capital Assets Being Depreciated: | | | | | |
| Buildings | 2,900,797 | - | - | 5,254 | 2,906,051 |
| Machinery and Equipment | 6,060,102 | - | (34,173) | 47,189 | 6,073,118 |
| Water Distribution System and Wastewater Collection System | 300,374,244 | 206,952 | (6,000) | 8,388,274 | 308,963,470 |
| Subtotal | <u>309,335,143</u> | <u>206,952</u> | <u>(40,173)</u> | <u>8,440,717</u> | <u>317,942,639</u> |
| Less Accumulated Depreciated For: | | | | | |
| Buildings | 1,222,274 | 45,751 | - | (6,031) | 1,261,994 |
| Machinery, Equipment, and Furniture | 4,594,127 | 348,911 | (32,752) | (370,593) | 4,539,693 |
| Water Distribution System and Wastewater Collection System | 125,435,123 | 6,712,205 | (6,000) | 376,624 | 132,517,952 |
| Subtotal | <u>131,251,524</u> | <u>7,106,867</u> | <u>(38,752)</u> | <u>-</u> | <u>138,319,639</u> |
| Capital Assets Being Depreciated, Net | <u>178,083,619</u> | <u>(6,899,915)</u> | <u>(1,421)</u> | <u>8,440,717</u> | <u>179,623,000</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 185,892,256</u> | <u>\$ (3,388,839)</u> | <u>\$ (1,421)</u> | <u>\$ -</u> | <u>\$ 182,501,996</u> |

Depreciation expense was charged to functions/programs as follows:

Governmental Activities

| | |
|--|---------------------|
| Executive and Administration | \$ 60,564 |
| Public Safety | 1,418,658 |
| Recreation | 343,027 |
| Public Libraries | 198,280 |
| Social Services | 59,435 |
| Planning and Economic Development | 51,407 |
| Public Works | 2,138,567 |
| Education | 2,251,627 |
| Total Governmental Activities Depreciation Expense | <u>\$ 6,521,565</u> |

Business-Type Activities

| | |
|---|---------------------|
| Water | \$ 542,101 |
| Sewer | 6,564,766 |
| Total Business-Type Activities Depreciation Expense | <u>\$ 7,106,867</u> |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 LONG-TERM LIABILITIES

A. Long-Term Liabilities

Long-term liability activity for the governmental activities for the year ended June 30, 2020 was as follows:

| | Balance June 30, 2019 | Additions | Reductions | Balance June 30, 2020 | Amounts Due Within One Year |
|--|-----------------------------|----------------------|------------------------|-----------------------------|-----------------------------------|
| <u>Governmental Activities</u> | | | | | |
| Long-Term Debt: | | | | | |
| Bonds and Notes Payable * | \$ 41,668,059 | \$ 15,445,000 | \$ (4,293,088) | \$ 52,819,971 | \$ 5,352,728 |
| Capital Lease Payable | 3,378,782 | 2,303,074 | (1,078,030) | 4,603,826 | 1,328,373 |
| Plus: Unamortized Premium | 1,511,100 | 885,914 | (241,764) | 2,155,250 | 241,764 |
| Total Long-Term Debt | <u>46,557,941</u> | <u>18,633,988</u> | <u>(5,612,882)</u> | <u>59,579,047</u> | <u>6,922,865</u> |
| Other Long-Term Liabilities: | | | | | |
| Compensated Absences | 11,968,698 | 126,853 | - | 12,095,551 | 2,488,798 |
| Accrued Retroactive Payroll | 1,090,829 | - | (58,100) | 1,032,729 | - |
| Total Other Long-Term Liabilities | <u>13,059,527</u> | <u>126,853</u> | <u>(58,100)</u> | <u>13,128,280</u> | <u>2,488,798</u> |
| Governmental Activities Long-Term Liabilities | <u>\$ 59,617,468</u> | <u>\$ 18,760,841</u> | <u>\$ (5,670,982)</u> | <u>\$ 72,707,327</u> | <u>\$ 9,411,663</u> |
| <u>Business-Type Activities</u> | | | | | |
| Long-Term Debt: | | | | | |
| Bonds and Notes Payable * | \$ 76,945,560 | \$ - | \$ (11,406,022) | \$ 65,539,538 | \$ 9,936,064 |
| Unamortized Premium | 249,449 | 263,061 | (66,993) | 445,517 | 66,993 |
| Total Long-Term Debt | <u>77,195,009</u> | <u>263,061</u> | <u>(11,473,015)</u> | <u>65,985,055</u> | <u>10,003,057</u> |
| Other Long-Term Liabilities: | | | | | |
| Compensated Absences | 425,674 | - | (77,234) | 348,440 | - |
| Business-Type Activities Long-Term Liabilities | <u>\$ 77,620,683</u> | <u>\$ 263,061</u> | <u>\$ (11,550,249)</u> | <u>\$ 66,333,495</u> | <u>\$ 10,003,057</u> |

* Beginning balances were adjusted to reflect reclassification of the water refunding credit.

Payments on the bonds and capital leases payable that pertain to the City's Governmental Activities are made by the General Fund. The compensated absences liability attributable to the Governmental Activities will be liquidated by the City's General Fund and School Unrestricted Fund. The accrued retroactive payroll will be paid by the School Unrestricted Fund.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

B. Schedule of Bonds and Notes Payable

| | Date of Issue | Interest Rate (%) | Maturity Date | Authorized and Issued | Outstanding Principal June 30, 2019 | New Issues | Less Maturities During the Year | Outstanding Principal June 30, 2020 |
|--|---------------|-------------------|---------------|-----------------------|-------------------------------------|---------------|---------------------------------|-------------------------------------|
| Governmental Funds | | | | | | | | |
| Bonds and Notes Payable: | | | | | | | | |
| Public Offerings: | | | | | | | | |
| School | 5/26/2011 | 3.0/5.0 | 1/15/2022 | \$ 8,713,480 | \$ 2,739,742 | \$ - | \$ 1,094,371 | \$ 1,645,371 |
| School - Refunding | 8/12/2015 | 1.5/4.0 | 8/1/2025 | 7,082,260 | 4,585,174 | - | 725,775 | 3,859,399 |
| Highway/Drainage - Refunding | 8/12/2015 | 1.5/4.0 | 8/1/2025 | 1,114,164 | 721,330 | - | 114,177 | 607,153 |
| Open Space - Refunding | 5/26/2011 | 3.0/5.0 | 1/15/2022 | 2,085,827 | 702,059 | - | 260,853 | 441,206 |
| Animal Shelter - Refunding | 5/26/2011 | 3.0/5.0 | 1/15/2022 | 610,184 | 157,407 | - | 77,469 | 79,938 |
| City Buildings | 5/26/2011 | 3.0/5.0 | 1/15/2022 | 1,266,653 | 459,993 | - | 157,593 | 302,400 |
| City Buildings | 8/1/2015 | 2.0/4.5 | 8/1/2035 | 3,455,000 | 3,070,405 | - | 136,674 | 2,933,731 |
| Recreation Refunding | 5/26/2011 | 3.0/5.0 | 1/15/2022 | 1,830,556 | 472,222 | - | 232,407 | 239,815 |
| Recreation Refunding | 8/12/2015 | 1.5/4.0 | 8/1/2025 | 1,474,090 | 954,352 | - | 151,062 | 803,290 |
| Public Safety | 8/12/2015 | 1.5/4.0 | 8/1/2025 | 3,916,764 | 2,535,780 | - | 401,382 | 2,134,398 |
| Fire Station | 8/12/2015 | 2.0/4.5 | 8/1/2035 | 1,980,000 | 1,759,595 | - | 78,325 | 1,681,270 |
| Total Public Offerings | | | | 33,528,978 | 18,158,059 | - | 3,430,088 | 14,727,971 |
| Direct Borrowings and Placements: | | | | | | | | |
| School - RIHEBC | 6/15/2010 | 5.75 | 4/1/2027 | 3,908,000 | 3,908,000 | - | - | 3,908,000 |
| School - RIHEBC | 11/15/2010 | 6.29 | 4/1/2027 | 4,212,000 | 4,212,000 | - | - | 4,212,000 |
| School - RIHEBC | 6/15/2013 | 3.52 | 5/15/2033 | 4,295,000 | 3,005,000 | - | 215,000 | 2,790,000 |
| School - RIHEBC | 8/6/2014 | 3.63 | 5/5/2034 | 3,370,000 | 2,685,000 | - | 140,000 | 2,545,000 |
| School - RIHEBC | 8/17/2016 | 3.72 | 5/15/2036 | 4,755,000 | 4,270,000 | - | 190,000 | 4,080,000 |
| School - RIHEBC | 10/16/2017 | 3.72 | 4/16/2032 | 4,460,000 | 4,095,000 | - | 250,000 | 3,845,000 |
| School - RIHEBC | 9/24/2019 | 3.0/4.0 | 5/15/2039 | 5,445,000 | - | 5,445,000 | - | 5,445,000 |
| Municipal Road and Bridge Loan | 7/17/2014 | 0.76/3.30 | 9/1/2034 | 1,600,000 | 1,335,000 | - | 68,000 | 1,267,000 |
| Municipal Road and Bridge Loan | 4/22/2020 | 0.89/1.44 | 9/1/2029 | 10,000,000 | - | 10,000,000 | - | 10,000,000 |
| Total Direct Borrowings and Placements | | | | 42,045,000 | 23,510,000 | 15,445,000 | 863,000 | 38,092,000 |
| Total Governmental Funds Bonds and Notes Payable | | | | \$ 75,573,978 | \$ 41,668,059 | \$ 15,445,000 | \$ 4,293,088 | \$ 52,819,971 |
| Enterprise Funds | | | | | | | | |
| Water: | | | | | | | | |
| Bonds and Notes Payable: | | | | | | | | |
| Public Offerings: | | | | | | | | |
| Water - Refunding | 5/26/2011 | 3.0/5.0 | 1/15/2022 | \$ 319,171 | \$ 123,311 | \$ - | \$ 39,531 | \$ 83,780 |
| Total Public Offerings | | | | 319,171 | 123,311 | - | 39,531 | 83,780 |
| Sewer: | | | | | | | | |
| Bonds and Notes Payable: | | | | | | | | |
| Public Offerings: | | | | | | | | |
| Sewer - Refunding | 5/26/2011 | 3.0/5.0 | 1/15/2022 | 2,164,129 | 640,266 | - | 272,776 | 367,490 |
| Sewer - Refunding ** | 8/12/2015 | 1.5/4.0 | 8/1/2025 | 10,222,722 | 6,618,365 | - | 1,047,604 | 5,570,761 |
| Total Public Offerings | | | | 12,386,851 | 7,258,631 | - | 1,320,380 | 5,938,251 |
| Direct Borrowings and Placements: | | | | | | | | |
| Sewer - RIIB Loan | 6/26/1998 | 2.57 | 9/1/2019 | 10,200,000 | 646,522 | - | 646,522 | - |
| Sewer - RIIB Loan | 8/25/1999 | 2.84 | 9/1/2019 | 14,750,000 | 1,028,473 | - | 1,028,473 | - |
| Sewer - RIIB Loan | 12/19/2000 | 2.90 | 9/1/2020 | 20,232,323 | 2,582,225 | - | 1,272,650 | 1,309,575 |
| Sewer - RIIB Loan | 4/25/2002 | 1.25 | 9/1/2022 | 12,000,000 | 2,996,524 | - | 716,336 | 2,280,188 |
| Sewer - RIIB Loan | 10/24/2002 | 1.00 | 9/1/2022 | 20,000,000 | 5,025,031 | - | 1,210,009 | 3,815,022 |
| Sewer - RIIB Loan | 11/13/2003 | 1.34 | 9/1/2024 | 20,000,000 | 6,814,000 | - | 1,077,000 | 5,737,000 |
| Sewer - RIIB Loan | 12/30/2004 | 1.40 | 9/1/2025 | 20,000,000 | 7,838,000 | - | 1,055,000 | 6,783,000 |
| Sewer - RIIB Loan | 12/15/2005 | 1.41 | 9/1/2026 | 5,000,000 | 2,000,000 | - | 250,000 | 1,750,000 |
| Sewer - RIIB Loan | 12/21/2006 | 1.27 | 9/1/2027 | 9,500,000 | 4,275,000 | - | 475,000 | 3,800,000 |
| Sewer - RIIB Loan | 12/12/2007 | 1.69/2.15 | 9/1/2026 | 6,942,000 | 3,472,000 | - | 347,000 | 3,125,000 |
| Sewer - RIIB Loan | 10/6/2009 | 1.26/3.35 | 9/1/2029 | 1,169,026 | 645,943 | - | 58,121 | 587,822 |
| Sewer - RIIB Loan | 3/6/2014 | 2.71 | 9/1/2034 | 7,000,000 | 5,858,000 | - | 294,000 | 5,564,000 |
| Sewer - RIIB Loan | 7/30/2015 | 0.69/2.89 | 9/1/2034 | 10,574,900 | 9,186,900 | - | 474,000 | 8,712,900 |
| Sewer - RIIB Loan | 6/2/2016 | 0.37/2.41 | 9/1/2035 | 8,000,000 | 7,284,000 | - | 364,000 | 6,920,000 |
| Sewer - RIIB Loan | 4/13/2017 | 0.71/2.57 | 9/1/2036 | 3,730,000 | 3,569,000 | - | 163,000 | 3,406,000 |
| Sewer RIIB Conduit | 4/30/2008 | 4.85 | 3/1/2028 | 4,000,000 | 2,255,000 | - | 205,000 | 2,050,000 |
| Sewer RIIB Conduit | 6/26/2012 | 3.29 | 9/1/2022 | 2,400,000 | 1,051,000 | - | 251,000 | 800,000 |
| Sewer RIIB Conduit | 3/31/2015 | 1.95 | 9/1/2034 | 3,500,000 | 3,036,000 | - | 159,000 | 2,877,000 |
| Total Direct Borrowings and Placements | | | | 178,998,249 | 69,563,618 | - | 10,046,111 | 59,517,507 |
| Total Enterprise Funds Bonds and Notes Payable | | | | \$ 191,704,271 | \$ 76,945,560 | \$ - | \$ 11,406,022 | \$ 65,539,538 |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

C. Debt Maturity

Debt service requirements at June 30, 2020 were as follows:

| Years Ending June 30, | Public Offerings | | | |
|-----------------------|-------------------------|---------------------|--------------------------|-------------------|
| | Governmental Activities | | Business-Type Activities | |
| | Principal | Interest | Principal | Interest |
| 2021 | \$ 3,532,728 | \$ 424,986 | \$ 1,392,270 | \$ 163,383 |
| 2022 | 2,512,805 | 342,405 | 1,227,196 | 132,515 |
| 2023 | 1,752,940 | 273,647 | 1,142,060 | 94,746 |
| 2024 | 1,375,602 | 221,437 | 854,398 | 60,156 |
| 2025 | 1,425,549 | 177,003 | 884,452 | 32,029 |
| 2026-2030 | 10,193,344 | 544,626 | 521,655 | 7,825 |
| 2031-2035 | 1,680,000 | 224,450 | - | - |
| 2036-2040 | 375,003 | 6,797 | - | - |
| Total | <u>\$ 22,847,971</u> | <u>\$ 2,215,351</u> | <u>\$ 6,022,031</u> | <u>\$ 490,654</u> |

| Years Ending June 30, | Direct Borrowings and Placements | | | |
|-----------------------|----------------------------------|----------------------|--------------------------|---------------------|
| | Governmental Activities | | Business-Type Activities | |
| | Principal | Interest | Principal | Interest |
| 2021 | \$ 1,820,000 | \$ 1,332,029 | \$ 8,543,794 | \$ 1,396,603 |
| 2022 | 2,058,000 | 1,316,681 | 7,378,378 | 1,227,449 |
| 2023 | 2,107,000 | 1,269,556 | 7,529,973 | 1,073,955 |
| 2024 | 2,151,000 | 1,219,077 | 5,261,120 | 935,539 |
| 2025 | 2,196,000 | 1,166,346 | 5,353,121 | 788,798 |
| 2026-2030 | 11,828,000 | 3,440,595 | 14,344,221 | 2,654,269 |
| 2031-2035 | 5,907,000 | 956,019 | 10,094,900 | 975,485 |
| 2036-2040 | 1,905,000 | 170,050 | 1,012,000 | 22,736 |
| Total | <u>\$ 29,972,000</u> | <u>\$ 10,870,353</u> | <u>\$ 59,517,507</u> | <u>\$ 9,074,834</u> |

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

The loan proceeds are to be used by the City for the extension and upgrade of the sewer system. The Bank pays project invoices certified by the City directly to the contractors or reimburses the City for costs incurred on the projects. As of June 30, 2020, loans payable of \$59,517,507 are reflected in the Sewer Fund. A due from the Rhode Island Infrastructure Bank of \$3,803,806 is shown for that portion of the loans, which has not been advanced as of June 30, 2020. The City is responsible to draw down and to repay the full amount of the loan.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

School RIHEBC Bonds

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

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

| <u>Year Ended June 30,</u> | \$3,908,000 Revenue Bond | |
|----------------------------|---------------------------------------|--------------------------|
| | Required | Actual |
| | Sinking Fund Deposits Principal | Sinking Fund Deposits |
| 2012 | \$ 244,250 | \$ 244,250 |
| 2013 | 244,250 | 244,250 |
| 2014 | 244,250 | 244,250 |
| 2015 | 244,250 | 244,250 |
| 2016 | 244,250 | 244,250 |
| 2017 | 244,250 | 244,250 |
| 2018 | 244,250 | 244,250 |
| 2019 | 244,250 | 244,250 |
| 2020 | 244,250 | 244,250 |
| 2021 | 244,250 | - |
| 2022 | 244,250 | - |
| 2023 | 244,250 | - |
| 2024 | 244,250 | - |
| 2025 | 244,250 | - |
| 2026 | 244,250 | - |
| 2027 | 244,250 | - |
| Total | \$ 3,908,000 | \$ 2,198,250 |

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

| <u>Year Ended June 30,</u> | \$4,212,000 Revenue Bond | |
|----------------------------|---|------------------------------------|
| | Required Sinking Fund Deposits Principal | Actual Sinking Fund Deposits |
| | Principal | Deposits |
| 2012 | \$ 263,250 | \$ 263,250 |
| 2013 | 263,250 | 263,250 |
| 2014 | 263,250 | 263,250 |
| 2015 | 263,250 | 263,250 |
| 2016 | 263,250 | 263,250 |
| 2017 | 263,250 | 263,250 |
| 2018 | 263,250 | 263,250 |
| 2019 | 263,250 | 263,250 |
| 2020 | 263,250 | 263,250 |
| 2021 | 263,250 | - |
| 2022 | 263,250 | - |
| 2023 | 263,250 | - |
| 2024 | 263,250 | - |
| 2025 | 263,250 | - |
| 2026 | 263,250 | - |
| 2027 | 263,250 | - |
| Total | \$ 4,212,000 | \$ 2,369,250 |

D. Bonds Authorized but Unissued

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

| Purpose | Statutory Authorization | Authorized but Unissued Debt |
|-------------------------------|------------------------------|---------------------------------|
| Sewer Improvements | P.L. Ch. 223-1994 | \$ 417,677 |
| Open Space | P.L. Ch. 77-2000 | 175,000 |
| Open Space | P.L. Ch. 125/479-2006 | 2,000,000 |
| Recreation | P.L. Ch. 77-2000 | 500,000 |
| Parks and Recreation | P.L. Ch. 74/147-2006 | 3,500,000 |
| Drainage | P.L. Ch. 78-2002 | 3,000,000 |
| Building Repairs | P.L. Ch. 426/527-2006 | 5,500,000 |
| Mickey Stevens Sports Complex | P.L. Ch. 385-2006 | 7,000,000 |
| School Renovations | P.L. Ch. 142-7962 & 142/2677 | 28,155,000 |
| Total | | \$ 50,247,677 |

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

E. Capital Lease Commitments

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

Obligations of Governmental Activities under capital leases at June 30, 2020 were as follows:

| <u>Fiscal Year Ending June 30.</u> | <u>Lease Payment Required</u> |
|------------------------------------|---------------------------------------|
| 2021 | \$ 1,418,951 |
| 2022 | 1,038,919 |
| 2023 | 976,303 |
| 2024 | 562,915 |
| 2025 | 562,915 |
| 2026 | <u>295,060</u> |
| Future Minimum Rental Commitments | 4,855,063 |
| Interest Portion of Payments | <u>(251,237)</u> |
| Principal Portion of Payments | <u><u>\$ 4,603,826</u></u> |

NOTE 10 INTERFUND RECEIVABLES AND PAYABLES

Interfund balances represent short-term advances from one fund (primarily the General Fund) to another fund. The advances may represent balances resulting from operating advances or reimbursement for expenditures paid by one fund or may simply be the result of pooling financial resources to maximize income. The composition of interfund balances at June 30, 2020 is as follows:

| | <u>Due From Other Funds</u> | <u>Due To Other Funds</u> |
|-----------------------------|---------------------------------|-------------------------------|
| General Fund | \$ 13,741,869 | \$ 20,363,264 |
| School Unrestricted Fund | 15,331,804 | - |
| Nonmajor Governmental Funds | 2,813,514 | 2,217,186 |
| Sewer Fund | - | 15,182,082 |
| Water Fund | 4,354,201 | - |
| Internal Service Fund | 1,670,344 | - |
| Fiduciary Funds | <u>4,958</u> | <u>154,158</u> |
| Total | <u><u>\$ 37,916,690</u></u> | <u><u>\$ 37,916,690</u></u> |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 11 FUND BALANCES

As of June 30, 2020, fund balances are composed of the following:

| <u>Fund Balances</u> | <u>General</u> | <u>School Unrestricted Fund</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-----------------------------------|----------------------|---|--|---|
| Nonspendable: | | | | |
| Prepaid Expenses and Other Assets | \$ 94,227 | \$ - | \$ 176,703 | \$ 270,930 |
| Restricted: | | | | |
| CDBG Programs | - | - | 377,022 | 377,022 |
| Drug-Related Property Seizure | - | - | 208,410 | 208,410 |
| Open Space Acquisition | - | - | 354,344 | 354,344 |
| Library Operations | - | - | 374,756 | 374,756 |
| Pilgrim Senior Center | - | - | 34,394 | 34,394 |
| Sewer Connections Assistance | - | - | 25,554 | 25,554 |
| Tourism | - | - | 147,706 | 147,706 |
| Emergency Operations FEMA | - | - | 128,657 | 128,657 |
| Waterfront Safety | - | - | 254,662 | 254,662 |
| Maintenance of Historical Records | - | - | 879,510 | 879,510 |
| Public Safety | - | - | 36,983 | 36,983 |
| Education | - | - | 1,153,216 | 1,153,216 |
| Open Space Acquisition | - | - | 348,695 | 348,695 |
| School Capital Improvements | - | - | 2,671,505 | 2,671,505 |
| Road and Bridge Improvements | - | - | 7,246,218 | 7,246,218 |
| Municipal Building Improvements | - | - | 3,988,931 | 3,988,931 |
| Capital Leases | - | - | 949,074 | 949,074 |
| Debt Service | - | - | 4,693,572 | 4,693,572 |
| Assigned: | | | | |
| Subsequent Year's Budget | 2,847,471 | - | - | 2,847,471 |
| Executive and Administrative | 59,286 | - | - | 59,286 |
| Public Safety | 131,815 | - | - | 131,815 |
| Planning | 113,444 | - | - | 113,444 |
| Public Works | 231,547 | - | - | 231,547 |
| Education | - | 1,412,051 | - | 1,412,051 |
| Other | 5,670 | - | - | 5,670 |
| Unassigned | 26,803,147 | - | (1,832,260) | 24,970,887 |
| Total Fund Balances | <u>\$ 30,286,607</u> | <u>\$ 1,412,051</u> | <u>\$ 22,217,652</u> | <u>\$ 53,916,310</u> |

NOTE 12 INTERFUND TRANSFERS

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all costs with revenue generated by the fund. The composition of interfund transfers for the year ended June 30, 2020 is as follows:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|--------------------------|-----------------------|-----------------------|
| Major Funds: | | |
| General Fund | \$ 498,151 | \$ 130,377,039 |
| School Unrestricted Fund | 129,869,539 | 554,213 |
| Nonmajor Funds: | | |
| Special Revenue Funds | 554,213 | 498,151 |
| Debt Service Fund | 507,500 | - |
| Total | <u>\$ 131,429,403</u> | <u>\$ 131,429,403</u> |

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 DEFINED BENEFIT PENSION PLANS

A. City Employees' Pension Plan

Summary of Significant Accounting Policies

Basis of Accounting

The City Employees' Pension Trust Fund's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Description

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

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

| | |
|--|-------------------|
| Active Plan Members | 376 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 407 |
| Inactive Plan Members Entitled to, but not Yet Receiving Benefits | <u>34</u> |
| Total | <u><u>817</u></u> |

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

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. City Employees' Pension Plan (Continued)

Benefit Provisions

Members in the plan who have attained age 65 and have reached their fifth anniversary of participation may retire. The normal monthly retirement benefit is equal to 2.5% of their final average monthly compensation multiplied by years of creditable service. Final average monthly compensation is one-twelfth of the average of the highest three consecutive years of base compensation. However, no elected member will receive less than one-twelfth of the sum of \$1,500 plus \$200 multiplied by years of creditable service; the sum not to exceed \$5,500. Effective September 1, 1994, the plan compensation is equal to the sum of base compensation and longevity pay. Eligibility for early retirement is after age 55 with at least 10 years of creditable service or any member whose age plus service totals 80 or more. Effective for new hires after July 1, 2012, the eligibility requirement changes to the attainment of age 59 with 25 years of service, or age 65 if vested. Additionally, the monthly retirement benefit decreases to 2% of final average monthly compensation multiplied by years of creditable service. Benefits will be calculated based upon the average of the last three years of service. Effective September 1, 1994, an elected official is eligible upon the attainment of age 55 with at least six years of service. The retirement benefit for early retirement is determined under the normal retirement formula above reduced for commencement prior to age 65. The reduction is equal to 0.5% per month for the first 60 months prior to age 65 plus 0.33% per month in excess of 60. If the sum of the retired member's years of age plus service is at least equal to 80, there is no reduction for early commencement. The provision for late retirement is continued employment beyond normal retirement. The retirement benefit for late retirement is the same as the normal retirement benefit formula determined as of the member's actual retirement date.

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

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

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. City Employees' Pension Plan (Continued)

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

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

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

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

Contributions

The City's annual contribution to the plan is based upon an actuarially determined amount recommended by an independent actuary. During fiscal 2020, this contribution amounted to \$7,458,317. In addition, the nonelected plan members contribute 8.5% of their annual base compensation and longevity compensation. Elected plan members contribute 8.5% of their annual base compensation plus \$20.00 per month. Administrative costs are included in the actuarial valuation as part of the normal cost and financed through contributions.

Investments

Investment Policy

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

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. City Employees' Pension Plan (Continued)

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

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|------------------------------|---|
| Fixed Income | 30.25 % | 0.77 - 3.97% |
| Large Cap Equity | 24.00 | 6.19 |
| Small/Mid Cap Equity | 9.75 | 7.30 |
| International Equity | 21.00 | 1.57 - 7.57 |
| Inflation Protection | 5.00 | 2.91 |
| Multi Asset | 10.00 | 6.23 |
| Total | <u>100.00 %</u> | <u>4.74 %</u> |

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

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

| | |
|---|----------------------|
| Total Pension Liability | \$ 190,254,508 |
| Plan Fiduciary Net Position | <u>135,668,767</u> |
| City's Net Pension Liability | <u>\$ 54,585,741</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | <u>71.31%</u> |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. City Employees' Pension Plan (Continued)

Actuarial Assumptions

The following actuarial assumptions were used in the actuarial valuation dated July 1, 2018 and were rolled forward to the measurement date of June 30, 2020.

| | |
|---------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Inflation | 2.25% |
| Salary Increases | 3.00% to 7.00% including inflation |
| Investment Rate of Return | 6.90% |
| Mortality Rates | (Male) 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000. (Female) 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000. |

Measurement of the Net Pension Liability

Discount Rate

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

A single discount rate of 6.90% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.90%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. City Employees' Pension Plan (Continued)

| | Increase (Decrease) | | |
|---|--------------------------------|------------------------------------|----------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a - b) |
| Balance - June 30, 2019 | \$ 185,671,585 | \$ 136,686,145 | \$ 48,985,440 |
| Service Cost | 3,078,896 | - | 3,078,896 |
| Interest | 12,508,910 | - | 12,508,910 |
| Differences Between Expected and Actual Experience | 988,766 | - | 988,766 |
| Contributions - Employer | - | 7,458,317 | (7,458,317) |
| Contributions - Employee | - | 1,888,893 | (1,888,893) |
| Net Investment Income | - | 1,646,993 | (1,646,993) |
| Benefit Payments, Including Refunds of Contributions | (11,993,649) | (11,993,649) | - |
| Administrative Expense | - | (17,932) | 17,932 |
| Balance - June 30, 2020 | <u>\$ 190,254,508</u> | <u>\$ 135,668,767</u> | <u>\$ 54,585,741</u> |

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

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

| | 1% Decrease | Current Discount Rate | 1% Increase |
|------------------------------|----------------------|--------------------------|----------------------|
| City Employees' Pension Plan | <u>\$ 76,190,537</u> | <u>\$ 54,585,741</u> | <u>\$ 36,443,535</u> |

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

For the year ended June 30, 2020, the City Employee Pension Plan recognized pension expense of \$9,527,227. As of June 30, 2020, the City 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 |
|--|--------------------------------------|-------------------------------------|
| Difference Between Expected and Actual Experience | \$ 4,082,435 | \$ - |
| Net Difference Between Projected and Actual Earning on Pension Plan Investments | 6,053,844 | - |
| Total | <u>\$ 10,136,279</u> | <u>\$ -</u> |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

A. City Employees' Pension Plan (Continued)

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

| <u>Year Ending June 30.</u> | Net Deferred Outflows (Inflows) of Resources |
|-----------------------------|---|
| 2021 | \$ 2,349,730 |
| 2022 | 3,241,406 |
| 2023 | 2,919,870 |
| 2024 | 1,625,273 |
| Total | \$ 10,136,279 |

B. Police I and Fire Pension Plan

Summary of Significant Accounting Policies

Basis of Accounting

The Police I and Fire Pension Trust Fund's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Description

The City of Warwick's Police I and Fire Pension Plan covers all City Police Officers that were appointed before February 1, 1971, and all permanent members of the City's Fire Department appointed before May 29, 1992. The plan is closed to new members. The Police I and Fire Pension Plan is a single employer defined benefit pension plan that was established in 1953. The pension plan is reported as a Pension Trust Fund in the City's financial statements. The City does not issue a separate publicly available financial report that includes financial statements and required supplementary information (RSI) for the Police I and Fire Pension Plan.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Police I and Fire Pension Plan (Continued)

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

| | |
|--|-----|
| Active Plan Members | 5 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 423 |
| Inactive Plan Members Entitled to, but not Yet Receiving Benefits | - |
| Total | 428 |

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

Benefit Provisions – Police Officers

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

Benefit Provisions – Firefighters

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

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

A participant who is unable to perform active duty as a firefighter, which the Board of Public Safety finds to be permanently incapacitating, is eligible to receive disability retirement benefits. The service-related disability retirement benefit for disabilities involving heart, lung, cancer, or other social security disabilities is 66.67% of the highest annual salary, reduced for each dollar of earned income in excess of the salary the member would earn as an active employee, to a minimum of 50% of annual salary. The other service-related and nonservice-related benefit is 50% of annual salary.

A member is eligible for a return of contributions without interest for terminations prior to the completion of 10 years of service. For termination after the completion of 10 years of service, but prior to eligibility for retirement, the employee is eligible for a deferred benefit equal to 2.5% of annual salary at termination, multiplied by the number of full years of service, payable on the 20th anniversary of employment.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Police I and Fire Pension Plan (Continued)

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

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

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

Funding Policy

Active plan members contribute 7% of their covered earnings (regular, holiday and longevity). In addition, the City is required to contribute an actuarially determined amount each year, calculated in accordance with its pension ordinances. The statutory contribution level includes a 40-year amortization of the unfunded actuarial liability as a level percentage of payroll. During fiscal 2020, this contribution amounted to \$18,935,407. Administrative costs are netted against investment return in the actuarial valuation.

Investments

Investment Policy

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

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Police I and Fire Pension Plan (Continued)

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

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|------------------------------|---|
| Fixed Income | 30.25 % | 0.77 - 3.97% |
| Large Cap Equity | 24.00 | 6.19 |
| Small/Mid Cap Equity | 9.75 | 7.30 |
| International Equity | 21.00 | 1.57 - 7.57 |
| Inflation Protection | 5.00 | 2.91 |
| Multi Asset | 10.00 | 6.23 |
| Total | 100.00 % | 4.74 % |

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.77%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the City at June 30, 2020 were as follows:

| | |
|---|----------------|
| Total Pension Liability | \$ 296,418,784 |
| Plan Fiduciary Net Position | 67,284,644 |
| City's Net Pension Liability | \$ 229,134,140 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 22.7% |

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Police I and Fire Pension Plan (Continued)

Actuarial Assumptions

The following actuarial assumptions were used in the July 1, 2018 valuation and rolled forward to the measurement date of June 30, 2020.

| | |
|---------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Inflation | 2.25% |
| Salary Increases | 3.50% to 13.50% including inflation |
| Investment Rate of Return | 6.90% |
| Mortality Rates | (Male) 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000. (Female) 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000. |

Measurement of the Net Pension Liability

Discount Rate

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

A single discount rate of 6.90% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.90%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Police I and Fire Pension Plan (Continued)

| | Increase (Decrease) | | |
|---|--------------------------------|------------------------------------|----------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a - b) |
| Balance - June 30, 2019 | \$ 297,836,233 | \$ 71,553,786 | \$ 226,282,447 |
| Service Cost | 120,433 | - | 120,433 |
| Interest | 19,749,130 | - | 19,749,130 |
| Differences Between Expected and Actual Experience | 2,461,445 | - | 2,461,445 |
| Contributions - Employer | - | 18,935,407 | (18,935,407) |
| Contributions - Employee | - | 39,822 | (39,822) |
| Net Investment Income | - | 533,271 | (533,271) |
| Benefit Payments, Including Refunds of Contributions | (23,748,457) | (23,748,457) | - |
| Administrative Expense | - | (29,185) | 29,185 |
| Other Charges | - | - | - |
| Balance - June 30, 2020 | <u>\$ 296,418,784</u> | <u>\$ 67,284,644</u> | <u>\$ 229,134,140</u> |

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

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

| | 1% Decrease | Current Discount Rate | 1% Increase |
|--------------------------------|-----------------------|--------------------------|-----------------------|
| Police I and Fire Pension Plan | <u>\$ 259,331,297</u> | <u>\$ 229,134,140</u> | <u>\$ 203,783,006</u> |

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

For the year ended June 30, 2020, the Police I and Fire Pension Plan recognized pension expense of \$18,885,236. As of June 30, 2020, the City 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 |
|--|--------------------------------------|-------------------------------------|
| Net Difference Between Projected and Actual Earning on Pension Plan Investments | \$ 3,315,973 | \$ - |
| Total | <u>\$ 3,315,973</u> | <u>\$ -</u> |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Police I and Fire Pension Plan (Continued)

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

| <u>Year Ending June 30,</u> | Net Deferred Outflows (Inflows) of Resources |
|-----------------------------|---|
| 2021 | \$ 123,271 |
| 2022 | 1,062,888 |
| 2023 | 1,281,610 |
| 2024 | 848,204 |
| Total | <u>\$ 3,315,973</u> |

C. Police II Pension Plan

Summary of Significant Accounting Policies

Basis of Accounting

The Police II Pension Trust Fund's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Description

The City of Warwick, Rhode Island's Police II Pension Plan covers all City Police Officers that were appointed after February 1, 1971. The Police Pension II Plan is a single-employer defined benefit pension plan that was established in 1971. The pension plan is reported as a Pension Trust Fund in the City's financial statements.

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

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

C. Police II Pension Plan (Continued)

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

| | |
|--|-----|
| Active Plan Members | 163 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 209 |
| Inactive Plan Members Entitled to, but not Yet Receiving Benefits | 4 |
| Total | 376 |

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

Benefit Provisions

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

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

A member who is unable to perform active as a result of disability, which the Board of Public Safety finds to be permanently incapacitating, is eligible to receive disability retirement benefits. The service-related disability retirement benefit is 66.67% of the highest annual salary, reduced for each dollar of earned income in excess of the salary the member would earn as an active employee, to a minimum of 50% of annual salary. The nonservice-related benefit is 50% of annual salary.

A member who leaves employment prior to completing 10 years of service will receive a lump-sum payment of accumulated contributions without interest. For termination after the completion of 10 years of service, but prior to eligibility for retirement, the employee is eligible for a deferred benefit equal to 2.5% of annual salary at termination, multiplied by the number of full years of service, payable on the 20th anniversary of employment.

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

C. Police II Pension Plan (Continued)

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

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

Funding Policy

Active plan members contribute a percentage of their covered earnings (regular, holiday, and longevity) equal to $\frac{1}{3}$ of the actuarially determined contribution rate. The City is required to contribute $\frac{2}{3}$ of the actuarially determined contribution rate. For fiscal year 2020, employees were required to contribute 15.12% and the City was required to contribute 30.24% of covered earnings, which amounted to \$4,610,514. The statutory contribution level includes a 20, 25, and 30-year amortization of the unfunded actuarial liability as a level percentage of payroll. Administrative costs are netted against investment return in the actuarial valuation.

Investments

Investment Policy

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

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

C. Police II Pension Plan (Continued)

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

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|------------------------------|---|
| Fixed Income | 30.25 % | 0.77 - 3.97% |
| Large Cap Equity | 24.00 | 6.19 |
| Small/Mid Cap Equity | 9.75 | 7.30 |
| International Equity | 21.00 | 1.57 - 7.57 |
| Inflation Protection | 5.00 | 2.91 |
| Multi Asset | 10.00 | 6.23 |
| Total | <u>100.00 %</u> | <u>4.74 %</u> |

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.14%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the City at June 30, 2020 were as follows:

| | |
|---|----------------------|
| Total Pension Liability | \$ 264,748,873 |
| Plan Fiduciary Net Position | <u>208,004,463</u> |
| City's Net Pension Liability | <u>\$ 56,744,410</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | <u>78.6%</u> |

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

C. Police II Pension Plan (Continued)

Actuarial Assumptions

The following actuarial assumptions, used in the valuation dated July 1, 2018, and rolled forward to the measurement date of June 30, 2020.

| | |
|---------------------------|--|
| Actuarial Cost Method | Entry Age Normal Actuarial Cost Method |
| Salary Increases | 2.25% |
| Investment Rate of Return | 3.50% to 13.50% including inflation |
| Mortality Rates | 6.90% |
| | (Male) 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000. |
| | (Female) 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000. |

Measurement of the Net Pension Liability

Discount Rate

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

A single discount rate of 6.90% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.90%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

C. Police II Pension Plan (Continued)

| | Increase (Decrease) | | |
|---|--------------------------------|------------------------------------|----------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a - b) |
| Balance - June 30, 2019 | \$ 254,089,432 | \$ 210,257,908 | \$ 43,831,524 |
| Service Cost | 4,613,386 | - | 4,613,386 |
| Interest | 17,296,153 | - | 17,296,153 |
| Differences Between Expected and Actual Experience | 320,431 | - | 320,431 |
| Contributions - Employer | - | 4,610,514 | (4,610,514) |
| Contributions - Employee | - | 2,347,752 | (2,347,752) |
| Other Charges | - | 150,000 | (150,000) |
| Net Investment Income | - | 2,217,681 | (2,217,681) |
| Benefit Payments, Including Refunds of Contributions | (11,570,529) | (11,570,529) | - |
| Administrative Expense | - | (8,863) | 8,863 |
| Balance - June 30, 2020 | <u>\$ 264,748,873</u> | <u>\$ 208,004,463</u> | <u>\$ 56,744,410</u> |

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

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

| | 1% Decrease | Current Discount Rate | 1% Increase |
|------------------------|----------------------|--------------------------|----------------------|
| Police Pension Plan II | <u>\$ 94,905,218</u> | <u>\$ 56,744,410</u> | <u>\$ 25,805,610</u> |

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

For the year ended June 30, 2020, the Police II Pension Plan recognized pension expense of \$11,970,786. As of June 30, 2020, the City 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 |
|--|--------------------------------------|-------------------------------------|
| Difference Between Expected and Actual Experience | \$ 406,433 | \$ 773,289 |
| Net Difference Between Projected and Actual Earning on Pension Plan Investments | 9,799,890 | - |
| Total | <u>\$ 10,206,323</u> | <u>\$ 773,289</u> |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

C. Police II Pension Plan (Continued)

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

| <u>Year Ending June 30,</u> | Net Deferred Outflows (Inflows) of Resources |
|-----------------------------|---|
| 2021 | \$ 477,676 |
| 2022 | 2,740,547 |
| 2023 | 3,708,098 |
| 2024 | 2,488,037 |
| Thereafter | 18,676 |
| Total | <u>\$ 9,433,034</u> |

D. Fire II Pension Plan

Summary of Significant Accounting Policies

Basis of Accounting

The Fire II Pension Trust Fund's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Description

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

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

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Fire II Pension Plan (Continued)

| | |
|--|-----|
| Active Plan Members | 182 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 31 |
| Inactive Plan Members Entitled to, but not Yet Receiving Benefits | - |
| Total | 213 |

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

Benefit Provisions

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

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

A member who is unable to perform active duty as a result of disability, which the Board of Public Safety finds to be permanently incapacitating, is eligible to receive disability retirement benefits. The annual benefit for a service-related disability involving any heart, lung, cancer or other social security disability is 66.67% of the member's average salary, reduced for each dollar of earned income in excess of the salary the member would earn as an active employee, to a minimum of 50% of salary. The benefit for other service-related and nonservice-related disabilities is 50% of the member's average salary.

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

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Fire II Pension Plan (Continued)

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

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

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

Funding Policy

Active plan members contribute a percentage of their covered earnings (regular, holiday and longevity) equal to $\frac{1}{3}$ of the actuarially determined contribution rate. The City is required to contribute $\frac{2}{3}$ of the actuarially determined contribution rate. Administrative costs are netted against investment return in the actuarial valuation. For fiscal year 2020, employees were required to contribute 13.38% and the City was required to contribute 26.76% of covered earnings which amounted to \$4,282,728.

Investments

Investment Policy

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

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

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Fire II Pension Plan (Continued)

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------|------------------------------|---|
| Fixed Income | 30.25 % | 0.77 - 3.97% |
| Large Cap Equity | 24.00 | 6.19 |
| Small/Mid Cap Equity | 9.75 | 7.30 |
| International Equity | 21.00 | 1.57 - 7.57 |
| Inflation Protection | 5.00 | 2.91 |
| Multi Asset | 10.00 | 6.23 |
| Total | <u>100.00 %</u> | <u>4.74 %</u> |

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.37%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the City at June 30, 2020 were as follows:

| | |
|---|----------------------|
| Total Pension Liability | \$ 111,238,984 |
| Plan Fiduciary Net Position | <u>87,143,761</u> |
| City's Net Pension Liability | <u>\$ 24,095,223</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | <u>78.3%</u> |

Actuarial Assumptions

The following actuarial assumptions were used in the actuarial valuation dated July 1, 2018 and rolled forward to the measurement date of June 30, 2020.

| | |
|---------------------------|---|
| Actuarial Cost Method | Entry Age Normal |
| Inflation | 2.25% |
| Salary Increases | 3.50% to 13.50% including inflation |
| Investment Rate of Return | 6.90% |
| Mortality Rates | (Male) 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000. (Female) 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000. |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Fire II Pension Plan (Continued)

Measurement of the Net Pension Liability

Discount Rate

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

A single discount rate of 6.90% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.90%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

| | Increase (Decrease) | | |
|---|--------------------------------|------------------------------------|----------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a - b) |
| Balance - June 30, 2019 | \$ 96,636,825 | \$ 81,199,968 | \$ 15,436,857 |
| Service Cost | 5,620,680 | - | 5,620,680 |
| Interest | 6,804,383 | - | 6,804,383 |
| Differences Between Expected and Actual Experience | 3,775,843 | - | 3,775,843 |
| Contributions - Employer | - | 4,282,728 | (4,282,728) |
| Contributions - Employee | - | 2,141,361 | (2,141,361) |
| Net Investment Income | - | 1,143,368 | (1,143,368) |
| Benefit Payments, Including Refunds of Contributions | (1,598,747) | (1,598,747) | - |
| Administrative Expense | - | (24,917) | 24,917 |
| Balance - June 30, 2020 | <u>\$ 111,238,984</u> | <u>\$ 87,143,761</u> | <u>\$ 24,095,223</u> |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

D. Fire II Pension Plan (Continued)

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

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

| | 1% Decrease | Current Discount Rate | 1% Increase |
|----------------------|---------------|--------------------------|--------------|
| Fire II Pension Plan | \$ 45,187,801 | \$ 24,095,223 | \$ 7,503,548 |

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

For the year ended June 30, 2020, the Fire II Pension Plan recognized pension expense of \$6,836,217. As of June 30, 2020, the City 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 |
|---|--------------------------------------|-------------------------------------|
| Difference Between Expected and Actual Experience | \$ 4,263,024 | \$ 453,987 |
| Changes of Assumptions | 3,165,677 | - |
| Net Difference Between Projected and Actual Earning on Pension Plan Investments | 4,001,128 | - |
| Total | \$ 11,429,829 | \$ 453,987 |

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 Resources |
|----------------------|---|
| 2021 | \$ 1,332,288 |
| 2022 | 2,145,246 |
| 2023 | 2,132,601 |
| 2024 | 1,768,941 |
| 2025 | 844,487 |
| Thereafter | 2,752,279 |
| Total | \$ 10,975,842 |

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Warwick Public School Employees' Pension Plan

Summary of Significant Accounting Policies

Basis of Accounting

The Warwick Public School Employees' Pension Trust Fund's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Description

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

As of July 1, 2020, employee membership data related to the pension plan was as follows:

| | |
|--|------------|
| Active Plan Members | 337 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 180 |
| Inactive Plan Members Entitled to, but not Yet Receiving Benefits | 33 |
| Total | <u>550</u> |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Warwick Public School Employees' Pension Plan (Continued)

Benefit Provisions

Participants are eligible for normal retirement at the later of age 62 or 10 years of plan participation or at any age upon completion of 32 years of service with 10 years of plan participation. The normal retirement benefit is 1.67% of average monthly earnings times years of participation, plus 0.33% times the average monthly earnings times years of participation exceeding 20 years. The normal form of benefit is a life annuity. Average monthly earnings are the monthly average of total compensation for the 3 consecutive years of highest compensation over the last 10 years.

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

The plan also provides death and disability benefits.

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

Plan Provisions

| | |
|---------------------------|---|
| Effective Date: | July 1, 1965 |
| Plan Year Beginning: | July 1, 2020 |
| Requirements | Minimum Age: 0 Minimum Months of Service: 3 |
| Eligible Class | An elected school committee member or a member covered by the collective bargaining agreement. |
| Entry Dates | 1st day of the month coinciding with or next following the date the plan requirements are met. |
| Employee Contributions | 5% of earnings |
| Normal Retirement Date | First day of the month coinciding with or next following attainment of age 62, or if later, the 10th anniversary of plan entry, or 32 years of service with 10 years of plan participation. |
| Normal Retirement Benefit | 1.67% of the member's average monthly earnings multiplied by years of participation, plus 0.33% times average monthly earnings times years of participation greater than 20. |
| Average Monthly Earnings | Monthly average of total compensation for the three consecutive years of highest compensation of the previous 10 years. |
| Maximum Annual Benefit | \$230,000 as adjusted per IRC Sec 415 for retirement age other than social security retirement age and annuity form. |
| Normal Form of Benefit | Life Annuity |
| Accrued Benefit | Normal Retirement Benefit based on earnings and participation to date. |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Warwick Public School Employees' Pension Plan (Continued)

Plan Provisions (Continued)

| | |
|------------------------------|--|
| Early Retirement Benefit | Minimum Age: 52 Minimum Service: 10 years Benefit Amount: Accrued benefit, reduced by 7% for each year by which early retirement precedes normal retirement. |
| Pre-Retirement Death Benefit | Member contributions with interest, plus a \$5,000 lump-sum benefit. |
| Disability Benefit | Determined in the same manner as the normal retirement benefit. |
| Vest Termination Benefit | Upon termination after 10 years of service, 100% of the accrued benefit, deferred until the normal retirement date. A school committee member is vested after six years of plan participation. |

Contributions

Plan members contribute 5% of earnings during the year. The School Department contributes based upon an annual actuarial valuation. During fiscal 2020, the School Department's contribution totaled \$50,050. Administrative costs are included in the actuarial valuation as part of the normal cost and financed through contributions.

Investments

Investment information has been provided by USI Advisors.

Investment Policy

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

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

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Warwick Public School Employees' Pension Plan (Continued)

Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------------|------------------------------|---|
| U.S. Equity - Large Cap | 25.00 % | 6.06 % |
| U.S. Equity - Small/Mid Cap | 15.00 | 7.21 |
| Non-U.S. Equity - Developed | 10.00 | 6.77 |
| Non-U.S. Equity - Emerging | 5.00 | 8.97 |
| U.S. Corporate Bonds - Core | 15.00 | 1.54 |
| U.S. Corporate Bonds - High Yield | 5.00 | 1.90 |
| Non-U.S. Debt - Emerging | 4.00 | 0.35 |
| U.S. Treasuries (Cash Equivalents) | 12.00 | 0.11 |
| TIPS (Inflation Protected) | 4.00 | 0.75 |
| Real Estate | 5.00 | 5.62 |

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.01%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

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

| | |
|---|------------------------------|
| Total Pension Liability | \$ 65,479,929 |
| Plan Fiduciary Net Position | <u>57,236,688</u> |
| City's Net Pension Liability | <u><u>\$ 8,243,241</u></u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | <u><u>87.41%</u></u> |

Actuarial Assumptions

The following actuarial assumptions were used in the June 30, 2020 actuarial valuation:

| | |
|---------------------------|---|
| Actuarial Cost Method | Individual Entry Age Normal |
| Amortization Method | Level Amortization |
| Salary Increases | 3.00% |
| Investment Rate of Return | 6.75% |
| Mortality Rates | PubG-2010(B) with Generational Mortality Improvement and PubG-2010 Disabled Retiree Mortality with Generation Mortality Improvement |

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Warwick Public School Employees' Pension Plan (Continued)

Measurement of the Net Pension Liability

Discount Rate

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

A single discount rate of 6.75% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

| | Increase (Decrease) | | |
|---|--------------------------------|------------------------------------|----------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a - b) |
| Balance - June 30, 2019 | \$ 62,671,464 | \$ 57,374,472 | \$ 5,296,992 |
| Service Cost | 1,221,621 | - | 1,221,621 |
| Interest | 4,213,696 | - | 4,213,696 |
| Differences Between Expected and Actual Experience | 515,079 | - | 515,079 |
| Assumption Changes | (157,290) | - | (157,290) |
| Contributions - Employer | - | 50,050 | (50,050) |
| Contributions - Employee | - | 796,308 | (796,308) |
| Net Investment Income | - | 2,255,272 | (2,255,272) |
| Benefit Payments, Including Refunds of Contributions | (2,984,641) | (2,984,641) | - |
| Administrative Expense | - | (254,773) | 254,773 |
| Balance - June 30, 2020 | <u>\$ 65,479,929</u> | <u>\$ 57,236,688</u> | <u>\$ 8,243,241</u> |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

E. Warwick Public School Employees' Pension Plan (Continued)

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

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability (asset) if it was calculated using a single discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the single discount rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|--------------------------|---------------|--------------------------|--------------|
| Warwick School Employees | \$ 15,614,125 | \$ 8,243,241 | \$ 1,983,412 |

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

For the year ended June 30, 2020, the Warwick Public School Employees Pension Plan recognized pension expense of \$2,134,511. As of June 30, 2020, the City 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 |
|---|--------------------------------------|-------------------------------------|
| Difference Between Expected and Actual Experience | \$ 2,076,135 | \$ 70,913 |
| Changes of Assumptions | 1,659,135 | 128,054 |
| Net Difference Between Projected and Actual Earning on Pension Plan Investments | - | 618 |
| Total | \$ 3,735,270 | \$ 199,585 |

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 Resources |
|----------------------|---|
| 2021 | \$ 633,840 |
| 2022 | 1,034,130 |
| 2023 | 1,006,108 |
| 2024 | 836,338 |
| 2025 | 25,269 |
| Total | \$ 3,535,685 |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

F. Employees' Retirement System Plan - Teachers

Summary of Significant Accounting Policies

Plan Description

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

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

Benefit Provisions

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

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

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

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

F. Employees' Retirement System Plan – Teachers (Continued)

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

Funding Policy

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2020, Warwick Public School System 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 who must contribute 11% of their annual covered salary. The state and Warwick Public Schools are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by Warwick Public Schools; the rates were 10.49% and 14.12% of annual covered payroll for the fiscal year ended June 30, 2020 for the state and Warwick Public Schools, respectively. Warwick Public Schools contributed \$11,800,882 for the fiscal year ended June 30, 2020, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal year 2020 was \$11,481,613 and is reported as on-behalf payments and included in both revenue and expenditures on the financial statements.

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

At June 30, 2020, Warwick Public Schools reported a liability of \$138,160,441 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by Warwick Public Schools as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with Warwick Public Schools were as follows:

| | |
|---|------------------------------|
| Warwick Public School's Proportionate Share of the Net Pension Liability | \$ 138,160,441 |
| State of Rhode Island's Proportionate Share of the Net Pension Liability | <u>103,496,476</u> |
| Total | <u><u>\$ 241,656,917</u></u> |

The net pension liability was measured as of June 30, 2019, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019. Warwick Public School's proportion of the net pension liability was based on a projection of Warwick Public School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2019, Warwick Public School's proportion was 4.33%, compared to 4.41% in the prior year.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

F. Employees' Retirement System Plan – Teachers (Continued)

For the year ended June 30, 2020, Warwick Public Schools recognized gross pension expense of \$23,623,540 and revenue of \$11,481,613 for support provided by the state. At June 30, 2020, Warwick Public Schools 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 |
|---|--------------------------------------|-------------------------------------|
| Difference Between Expected and Actual Experience | \$ 1,682,439 | \$ 2,307,276 |
| Changes of Assumptions | 8,084,566 | 1,090,413 |
| Net Difference Between Projected and Actual Earning on Pension Plan Investments | - | 217,405 |
| Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | 3,130,772 | 12,130,010 |
| Contributions Subsequent to the Measurement Date | 11,800,882 | - |
| Total | \$ 24,698,659 | \$ 15,745,104 |

An amount of \$11,800,882 reported as deferred outflows of resources related to pensions resulting from Warwick Public School's contributions in fiscal year 2020 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 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 Ending June 30, | Net Deferred Outflows (Inflows) of Resources |
|----------------------|---|
| 2021 | \$ (388,833) |
| 2022 | (2,784,220) |
| 2023 | (701,018) |
| 2024 | 696,911 |
| 2025 | 596,720 |
| Thereafter | (266,887) |
| Total | \$ (2,847,327) |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

F. Employees' Retirement System Plan – Teachers (Continued)

Actuarial Assumptions

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

| | |
|---------------------------|---------------|
| Inflation | 2.5% |
| Salary Increases | 3.0% to 13.0% |
| Investment Rate of Return | 7.0% |

Mortality - variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

The actuarial assumptions used in the June 30, 2018 valuation rolled forward to June 30, 2019 and the calculation of the total pension liability at June 30, 2019 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

Investments

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 34 sources. The June 30, 2018 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------------------|------------------------------|---|
| Global Equity: | | |
| U.S. Equity | 22.10 % | 6.16 % |
| International Developed Equity | 13.20 | 6.83 |
| Emerging Markets Equity | 4.70 | 8.90 |
| Private Equity: | | |
| Private Energy | 11.25 | 9.81 |
| Non-Core RE | 2.25 | 5.51 |
| Opportunistic Private Credit | 1.50 | 9.81 |
| Income: | | |
| High Yield Infrastructure | 1.00 | 3.98 |
| REITS | 1.00 | 5.51 |
| Liquid Credit | 2.80 | 3.98 |
| Private Credit | 3.20 | 3.98 |
| Crisis Protection Class: | | |
| Treasure Duration | 4.00 | 0.77 |
| Systematic Trend | 4.00 | 4.20 |
| Inflation Protection: | | |
| Core Real Estate | 3.60 | 5.51 |
| Private Infrastructure | 2.40 | 5.85 |
| TIPs | 1.00 | 1.37 |
| Natural Resources | 1.00 | 3.76 |
| Volatility Protection: | | |
| IG Fixed Income | 11.50 | 2.15 |
| Absolute Return | 6.50 | 4.20 |
| Cash | 3.00 | 0.77 |
| | 100.00 % | |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

F. Employees' Retirement System Plan – Teachers (Continued)

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

Discount Rate

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

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

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

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-------------------------------|----------------|--------------------------|----------------|
| School Teacher's Pension Plan | \$ 170,742,821 | \$ 138,160,440 | \$ 111,488,481 |

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

G. Summarized Net Pension Liability, Deferred Outflows and Inflows of Resources and Pension Expense

| | City Employees' Pension | Police I and Fire Pension | Police II Pension | Fire II Pension | Public School Employees' Pension | Public School Teachers' Pension | Total |
|--------------------------------|-------------------------------|---------------------------------|----------------------|--------------------|--|---------------------------------------|----------------|
| Net Pension Liability | \$ 54,585,741 | \$ 229,134,140 | \$ 56,744,410 | \$ 24,095,223 | \$ 8,243,241 | \$ 138,160,441 | \$ 510,963,196 |
| Deferred Outflows of Resources | 10,136,279 | 3,315,973 | 10,206,323 | 11,429,829 | 3,735,270 | 24,698,659 | 63,522,333 |
| Deferred Inflows of Resources | - | - | 773,289 | 453,987 | 199,585 | 15,745,104 | 17,171,965 |
| Pension Expense | 9,527,227 | 18,885,236 | 11,970,786 | 6,836,217 | 2,134,511 | 23,623,540 | 72,977,517 |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 DEFINED BENEFIT PENSION PLANS (CONTINUED)

H. Combining Schedule of Net Position – Pension Trust Funds

| | Police Pension I and Fire Pension | Police Pension II | City Employees Pension | Fire Pension II | Other School Department Employees | Total |
|--|---|----------------------|------------------------------|-------------------|---|--------------------|
| Assets | | | | | | |
| Cash | \$ 43,873 | \$ - | \$ 351,501 | \$ 1,658,778 | \$ 2,025,680 | \$ 4,079,832 |
| Investments, at Fair Value: | | | | | | |
| Mutual Funds | 36,920,300 | 115,122,224 | 73,975,540 | 46,965,046 | 50,966,504 | 323,949,614 |
| Equity Investments | 10,657,529 | 32,567,347 | 21,688,837 | 13,811,804 | - | 78,725,517 |
| Index Funds | 11,869,383 | 36,393,523 | 24,212,508 | 14,764,177 | - | 87,239,591 |
| Fixed Income Securities | 7,074,160 | 24,100,555 | 15,173,550 | 9,761,077 | - | 56,109,342 |
| Group Annuity Contracts | - | - | - | - | 4,244,504 | 4,244,504 |
| Accounts Receivable | 790,237 | 225,247 | 380,942 | 253,532 | - | 1,649,958 |
| Accrued Interest Receivable | 19 | - | 34 | 144 | - | 197 |
| Total Assets | 67,355,501 | 208,408,896 | 135,782,912 | 87,214,558 | 57,236,688 | 555,998,555 |
| Liabilities | | | | | | |
| Accounts Payable and Accrued Expenses | 70,857 | 404,433 | 114,145 | 70,797 | - | 660,232 |
| Net Position | | | | | | |
| Held in Trust for Pension Benefits | \$ 67,284,644 | \$ 208,004,463 | \$ 135,668,767 | \$ 87,143,761 | \$ 57,236,688 | \$ 555,338,323 |

I. Combining Schedule of Changes in Net Position – Pension Trust Funds

| | Police Pension I and Fire Pension | Police Pension II | City Employees Pension | Fire Pension II | Other School Department Employees | Total |
|---|---|-----------------------|------------------------------|----------------------|---|-----------------------|
| Additions | | | | | | |
| Contributions: | | | | | | |
| Employer | \$ 18,935,407 | \$ 4,610,514 | \$ 7,458,317 | \$ 4,282,728 | \$ 50,050 | \$ 35,337,016 |
| Plan Members | 39,822 | 2,347,752 | 1,888,893 | 2,141,361 | 796,308 | 7,214,136 |
| Other Income - Transfers/Misc. | - | 150,000 | - | - | - | 150,000 |
| Total Contributions | 18,975,229 | 7,108,266 | 9,347,210 | 6,424,089 | 846,358 | 42,701,152 |
| Investment Income: | | | | | | |
| Investment Earnings | 732,986 | 2,778,653 | 2,013,744 | 1,348,052 | 2,339,014 | 9,212,449 |
| Less Investment Expense | (199,715) | (560,972) | (366,751) | (204,684) | (83,742) | (1,415,864) |
| Net Investment Income | 533,271 | 2,217,681 | 1,646,993 | 1,143,368 | 2,255,272 | 7,796,585 |
| Total Additions | 19,508,500 | 9,325,947 | 10,994,203 | 7,567,457 | 3,101,630 | 50,497,737 |
| Deductions | | | | | | |
| Benefits | 23,748,457 | 11,570,529 | 11,993,649 | 1,598,747 | 2,984,641 | 51,896,023 |
| Administrative and Other Expense | 29,185 | 8,863 | 17,932 | 24,917 | 254,773 | 335,670 |
| Total Deductions | 23,777,642 | 11,579,392 | 12,011,581 | 1,623,664 | 3,239,414 | 52,231,693 |
| Change in Net Position | (4,269,142) | (2,253,445) | (1,017,378) | 5,943,793 | (137,784) | (1,733,956) |
| Net Position - Beginning of Year (As Restated) | 71,553,786 | 210,257,908 | 136,686,145 | 81,199,968 | 57,374,472 | 557,072,279 |
| Net Position - End of Year | \$ 67,284,644 | \$ 208,004,463 | \$ 135,668,767 | \$ 87,143,761 | \$ 57,236,688 | \$ 555,338,323 |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 14 DEFINED CONTRIBUTION PLAN

Defined Contribution Plan Description

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

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

Warwick Public Schools recognized pension expense of \$503,026 for the fiscal year ended June 30, 2020.

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

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS

A. Other Postemployment Benefits – City

Plan Description

The City administers a single-employer defined benefit other postemployment healthcare plan. The plan provides medical/drug and dental (police officers only) benefits for eligible retirees and their dependents through the City group health and dental insurance plans, which cover both active and retired members. Benefit provisions are established and amended by union contract, through negotiations between the City and respective unions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

Benefits are negotiated between the City and the respective unions. The City is required to contribute the cost of medical/drug and dental benefits, less the amount of any applicable co-payments in effect at the time of retirement. For the year ended June 30, 2020, the plan operated on a pay-as-you-go basis and no provision has been made to fund future benefits to be provided to plan members. For the fiscal year ended June 30, 2020, the City paid benefits in the amount of \$12,908,231.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. Other Postemployment Benefits – City (Continued)

At July 1, 2019, membership consisted of:

| | |
|------------------|---------------------------|
| | City, Police, and Fire |
| Active Employees | 675 |
| Retired | 964 |
| Total | <u>1,639</u> |

Total OPEB Liability

The City's total OPEB liability of \$383,266,763 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to the measurement date of June 30, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability at the June 30, 2020 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

| | |
|-----------------------------|--|
| Inflation | 3.00% |
| Salary Increases | 3.00% |
| Discount Rate | 2.66% |
| Healthcare Cost Trend Rates | 8.0%, decreasing 0.5% per year to an ultimate rate of 5.0% |
| Mortality | RP-2006 Mortality Table with MP-2019 projection |

The discount rate was based on the S&P Municipal Bond 20-year High Grade Rate Index as of June 30, 2020.

Changes in Total OPEB Liability

| | |
|--|-------------------------|
| | Total OPEB Liability |
| Balance - June 30, 2019 | \$ 363,203,570 |
| Service Cost | 10,622,337 |
| Interest | 9,953,310 |
| Difference Between Expected and Actual Experience | 7,774,043 |
| Changes in Assumptions | 4,621,734 |
| Benefit Payments | <u>(12,908,231)</u> |
| Balance - June 30, 2020 | <u>\$ 383,266,763</u> |

Changes of assumptions and other inputs reflect a change in the discount rate from 2.79% in 2019 to 2.66% in 2020. In addition, mortality table was changed from RP-2014 in 2019 to RP-2006 in 2020.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

A. Other Postemployment Benefits – City (Continued)

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.66%) or 1 percentage point higher (3.66%) than the current discount rate:

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|----------------------|-----------------------|----------------------------------|-----------------------|
| Total OPEB Liability | <u>\$ 418,736,953</u> | <u>\$ 383,266,763</u> | <u>\$ 347,796,572</u> |

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

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

| | <u>1% Decrease</u> | <u>Current Healthcare Cost Trend</u> | <u>1% Increase</u> |
|----------------------|-----------------------|--|-----------------------|
| Total OPEB Liability | <u>\$ 332,699,660</u> | <u>\$ 383,266,763</u> | <u>\$ 442,424,439</u> |

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$21,186,608. At June 30, 2020, the City reported deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference Between Expected and Actual Experience | \$ 6,478,369 | \$ 11,460,855 |
| Changes of Assumptions | 8,346,002 | - |
| Total | <u>\$ 14,824,371</u> | <u>\$ 11,460,855</u> |

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

| <u>Year Ending June 30,</u> | <u>Amount</u> |
|-----------------------------|---------------------|
| 2021 | \$ 610,961 |
| 2022 | 610,961 |
| 2023 | 610,961 |
| 2024 | 610,961 |
| 2025 | 610,961 |
| Thereafter | 308,711 |
| Total | <u>\$ 3,363,516</u> |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Other Postemployment Benefits – School

Plan Description

The Warwick School Department administers a single-employer defined benefit other postemployment healthcare plan. The plan provides medical/drug benefits for eligible retirees and their dependents through the City’s group health and dental insurance plans, which cover both active and retired members. Benefit provisions are established and amended by union contract, through negotiations between the City and respective unions. All benefits terminate at age 65. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

Benefits Provided

Benefits are negotiated between the Warwick School Department and the respective unions. The Warwick School Department is required to contribute the cost of medical/drug and dental benefits, less the amount of any applicable co-payments in effect at the time of retirement. For the year ended June 30, 2020, the plan operated on a pay-as-you-go basis, and no provision has been made to fund future benefits to be provided to plan members. For the fiscal year ended June 30, 2020, the Warwick School Department paid benefits in the amount of \$765,203.

At July 1, 2019, membership consisted of:

| | |
|------------------|--------|
| | School |
| Active Employees | 1,235 |
| Retired | 59 |
| Total | 1,294 |

Total OPEB Liability

The Warwick School Department’s total OPEB liability of \$26,301,212 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to the measurement date of June 30, 2020.

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Other Postemployment Benefits – School

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2020 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

| | |
|-----------------------------|--|
| Inflation | 3.00% |
| Salary Increases | 3.00% |
| Discount Rate | 2.66% |
| Healthcare Cost Trend Rates | 8.0%, decreasing 0.5% per year to an ultimate rate of 5.0% |
| Mortality | RP-2006 Mortality Table with MP-2019 Projection |

The discount rate was based on the S&P Municipal Bond 20-year High Grade Rate Index as of June 30, 2020.

Changes in Total OPEB Liability

| | Total OPEB Liability |
|--|-------------------------|
| Balance - June 30, 2019 | \$ 27,083,414 |
| Service Cost | 873,977 |
| Interest | 744,953 |
| Difference Between Expected and Actual Experience | (2,059,373) |
| Changes in Assumptions | 423,444 |
| Benefit Payments | (765,203) |
| Balance - June 30, 2020 | <u>\$ 26,301,212</u> |

Changes of assumptions and other inputs reflect a change in the discount rate from 2.79% in 2019 to 2.66% in 2020. In addition, mortality table was changed from RP-2014 in 2019 to RP-2006 in 2020.

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

The following presents the total OPEB liability of the Warwick School Department, as well as what the Warwick School Department's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.66%) or 1 percentage point higher (3.66%) than the current discount rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|----------------------|----------------------|--------------------------|----------------------|
| Total OPEB Liability | <u>\$ 29,548,971</u> | <u>\$ 26,301,212</u> | <u>\$ 23,053,454</u> |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Other Postemployment Benefits – School

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

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

| | <u>1% Decrease</u> | <u>Current Healthcare Cost Trend</u> | <u>1% Increase</u> |
|----------------------|----------------------|--|----------------------|
| Total OPEB Liability | <u>\$ 21,914,103</u> | <u>\$ 26,301,212</u> | <u>\$ 31,586,069</u> |

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

For the year ended June 30, 2020, the Warwick School Department recognized OPEB expense of \$1,190,585. At June 30, 2020, the Warwick School Department reported deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference Between Expected and Actual Experience | \$ - | \$ 3,860,926 |
| Changes of Assumptions | 959,233 | - |
| Total | <u>\$ 959,233</u> | <u>\$ 3,860,926</u> |

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

| <u>Year Ending June 30,</u> | <u>Amount</u> |
|-----------------------------|-----------------------|
| 2021 | \$ (428,345) |
| 2022 | (428,345) |
| 2023 | (428,345) |
| 2024 | (428,345) |
| 2025 | (428,345) |
| Thereafter | (759,968) |
| Total | <u>\$ (2,901,693)</u> |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 15 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

C. Summarized Total Liability, Deferred Outflows and Inflows of Resources and OPEB Expenses

| | City Plan | School Plan | Total |
|--------------------------------|----------------|----------------|----------------|
| Total OPEB Liability | \$ 383,266,763 | \$ 26,301,212 | \$ 409,567,975 |
| Deferred Outflows of Resources | 14,824,371 | 959,233 | 15,783,604 |
| Deferred Inflows of Resources | 11,460,855 | 3,860,926 | 15,321,781 |
| OPEB Expense | 21,186,608 | 1,190,585 | 22,377,193 |

NOTE 16 SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

Liabilities for legal cases and other claims against governmental funds are recorded in the governmental funds when the ultimate liability can be estimated, and such cases are expected to be settled with available expendable financial resources.

At June 30, 2020, the City had several lawsuits pending. The total maximum damages being sought from the City to these cases are not known. In the opinion of the City officials and the City's legal counsel, the City's ultimate liability with respects to these cases, if any, will be immaterial.

Commitments

The City had several outstanding construction projects as of June 30, 2020. These projects are evidenced by contractual commitments with contractors and include:

| Contract | Spent to Date | Remaining Commitment | Funding Source(s) |
|-------------------------|----------------------|-------------------------|----------------------------------|
| Bayside | \$ 2,691,773 | \$ 1,216,754 | SRF Capital Contracts |
| NW Gorton's Pond | 150,553 | 38,237 | SRF Capital Contracts |
| School Capital Projects | 4,178,976 | 281,024 | Capital Projects - Bond Issuance |
| School Capital Projects | 3,701,194 | 2,448,806 | Capital Projects - Bond Issuance |
| Total | <u>\$ 10,722,496</u> | <u>\$ 3,984,821</u> | |

Grants

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

CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; and natural disasters. As a result, the City participates in a nonprofit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.), which provides coverage for property/liability claims. Upon joining the Trust, the City signed a participation agreement which outlines the rights and responsibilities of both the Trust and the City. The agreement states that for premiums paid by the City, the Trust will assume financial responsibility for the City's losses up to the maximum amount of insurance purchased, minus the City's deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism, which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its Members. There have been no significant reductions in insurance coverage during the year ended June 30, 2020 as compared to the previous year. The claims incurred did not exceed insurance coverage this year.

The City is self-insured for workers' compensation and is liable for the payment of claims. The claims are administered by a third party administrator and are funding on a pay-as-you-go basis. The changes in workers' compensation claims liability are as follows:

| Year | Beginning Fiscal Year Liability | Current Year Claims and Changes in Estimate | Claims Payments | Balance Fiscal Year-End |
|-----------|---------------------------------------|--|--------------------|-------------------------------|
| 2018-2019 | \$ 141,743 | \$ 41,477 | \$ 129,407 | \$ 53,813 |
| 2019-2020 | 53,813 | 691,034 | 423,515 | 321,332 |

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

An analysis of claims activity is presented below:

| | Liability July 1 | Claims and Changes in Estimate | Claims Payments | Liability June 30 |
|-----------|---------------------|--------------------------------------|----------------------|----------------------|
| School | \$ 1,232,256 | \$ 25,077,700 | \$ 25,111,289 | \$ 1,198,667 |
| City | - | 22,936,451 | 22,216,568 | 719,883 |
| 2018-2019 | <u>\$ 1,232,256</u> | <u>\$ 48,014,151</u> | <u>\$ 47,327,857</u> | <u>\$ 1,918,550</u> |
| School | \$ 1,198,667 | \$ 22,220,877 | \$ 22,345,813 | \$ 1,073,731 |
| City | 719,883 | 23,426,332 | 23,103,777 | 1,042,438 |
| 2019-2020 | <u>\$ 1,918,550</u> | <u>\$ 45,647,209</u> | <u>\$ 45,449,590</u> | <u>\$ 2,116,169</u> |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 18 ABATEMENTS

The City enters into tax abatement agreements in conjunction with the City's tax stabilization ordinance for Warwick Intermodal and Historic Districts pursuant to the Rhode Island General Laws 44-3-9. Under the ordinance, the first five years of the tax stabilization period the tax assessment shall be frozen at a base tax rate as determined by the City, beginning in year six the property will pay 90% of the assessed value exempt from tax which decreases each year by 10%.

As of and for the fiscal year ended June 30, 2020, the City's two agreements under the tax stabilization ordinance have not reached year six and therefore no abatements have occurred to date.

NOTE 19 RESTATEMENTS AND RECLASSIFICATIONS

During fiscal year 2020, the City reflected the following restatements and reclassifications:

| | Governmental Activities | Business-Type Activities | Sewer Fund | Sewer Assessment Fund | Water Fund | Nonmajor Enterprise Funds | Pension Trust Funds |
|--|----------------------------|-----------------------------|-----------------------|-----------------------------|----------------------|---------------------------------|------------------------|
| Net Position, June 30, 2019, as Previously Reported | \$ (716,433,078) | \$ 129,659,927 | \$ 110,954,142 | \$ 4,489,806 | \$ 7,362,933 | \$ 6,853,046 | \$ 551,992,830 |
| Enterprise Reclassifications | - | - | 8,311,128 | (4,489,806) | 3,031,724 | (6,853,046) | - |
| Understatement of Enterprise Accrued Receivables | - | 4,092,676 | 2,592,634 | - | 1,500,042 | - | - |
| Deferred Inflows for Sewer Assessments | - | 11,888,860 | 11,888,860 | - | - | - | - |
| Net Pension Liability Restatement | (3,064,367) | (220,870) | (110,435) | - | (110,435) | - | - |
| Pension Fund Investment Value Understatement | - | - | - | - | - | - | 5,079,449 |
| Net Position, June 30, 2019, as Restated | <u>\$ (719,497,445)</u> | <u>\$ 145,420,593</u> | <u>\$ 133,636,329</u> | <u>\$ -</u> | <u>\$ 11,784,264</u> | <u>\$ -</u> | <u>\$ 557,072,279</u> |

NOTE 20 SUBSEQUENT EVENTS

In August 2020, the City issued \$6,400,000 of revenue bonds through the Rhode Island Health and Educational Building Corporation. The bond proceeds will be used by the school department to fund school building improvements.

In October 2020, the City issued \$3,200,000 of bonds through the Rhode Island Infrastructure Bank. The bond proceeds will be used by the City to fund the Streetlight LED conversion.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF REVENUES AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
YEAR ENDED JUNE 30, 2020

| | Original Budgeted Revenues | Final Budgeted Revenues | Actual Amount (Budgetary Basis) | Variance |
|---|----------------------------------|----------------------------|---------------------------------------|-----------------------|
| REVENUES | | | | |
| General Property Taxes | \$ 239,362,719 | \$ 239,362,719 | \$ 238,276,906 | \$ (1,085,813) |
| Intergovernmental: | | | | |
| Telephone Tax | 1,033,439 | 1,033,439 | 1,009,817 | (23,622) |
| Aid to School Buildings | 1,030,954 | 1,030,954 | 1,198,442 | 167,488 |
| Tax in Lieu | 1,510,326 | 1,510,326 | 1,536,665 | 26,339 |
| Motor Vehicle Tax Phase-Out | 5,684,875 | 5,684,875 | 6,244,786 | 559,911 |
| Departmental Grant Income | 2,558,011 | 2,558,011 | 2,386,055 | (171,956) |
| Total Intergovernmental | <u>11,817,605</u> | <u>11,817,605</u> | <u>12,375,765</u> | <u>558,160</u> |
| Licenses and Fees: | | | | |
| Licenses - Police/Miscellaneous | 498,400 | 498,400 | 464,476 | (33,924) |
| Municipal Fees | 1,135,000 | 1,135,000 | 1,126,545 | (8,455) |
| Building Permits | 950,000 | 950,000 | 1,145,047 | 195,047 |
| Recreational Fees | 890,000 | 890,000 | 725,715 | (164,285) |
| Parking Violation and Fines | 115,000 | 115,000 | 111,470 | (3,530) |
| Department Processing/Program Fees | 554,600 | 554,600 | 562,712 | 8,112 |
| Total Licenses and Fees | <u>4,143,000</u> | <u>4,143,000</u> | <u>4,135,965</u> | <u>(7,035)</u> |
| Other Revenue: | | | | |
| Realty Transfer Tax | 1,150,000 | 1,150,000 | 1,163,390 | 13,390 |
| Tax Titles | 23,000 | 23,000 | 8,400 | (14,600) |
| Interest on Taxes | 2,050,000 | 2,050,000 | 2,125,411 | 75,411 |
| Interest on Investments/Capital Projects | 353,000 | 353,000 | 569,310 | 216,310 |
| Housing Authority | 145,000 | 145,000 | 149,323 | 4,323 |
| Airport Parking Tax | 500,000 | 500,000 | 500,000 | - |
| Airport Miscellaneous Income | 900,000 | 900,000 | 935,039 | 35,039 |
| Airport Surcharge | 1,400,000 | 1,400,000 | 1,083,381 | (316,619) |
| Airport EDC | 778,000 | 778,000 | 773,006 | (4,994) |
| Municipal Court | 200,000 | 200,000 | 234,513 | 34,513 |
| Hotel Tax | 2,105,077 | 2,105,077 | 1,566,496 | (538,581) |
| Meal Tax | 3,292,250 | 3,292,250 | 2,784,958 | (507,292) |
| School Back Charge - Lease Purchase/Tipping Fee | 17,000 | 17,000 | 32,209 | 15,209 |
| Other Revenue | 316,000 | 316,000 | 779,843 | 463,843 |
| Enterprise Fund Back Charges | 2,885,428 | 2,885,428 | 2,552,245 | (333,183) |
| Employee Healthcare Copayments | 2,300,000 | 2,300,000 | 2,300,867 | 867 |
| Total Other Revenue | <u>18,414,755</u> | <u>18,414,755</u> | <u>17,558,391</u> | <u>(856,364)</u> |
| Total Revenues | <u>273,738,079</u> | <u>273,738,079</u> | <u>272,347,027</u> | <u>(1,391,052)</u> |
| OTHER FINANCING SOURCES | | | | |
| Prior Year Encumbrances | - | 508,419 | - | (508,419) |
| Fund Balance Drawdown | 2,441,213 | 4,342,814 | 4,342,814 | - |
| Rescue Service Fees | 3,150,000 | 3,150,000 | 3,275,150 | 125,150 |
| Transfers - In from Special Detail | 575,000 | 575,000 | 498,151 | (76,849) |
| Transfers - In from School | 41,917,964 | 41,917,964 | 40,939,388 | (978,576) |
| Total Other Financing Sources | <u>48,084,177</u> | <u>50,494,197</u> | <u>49,055,503</u> | <u>(1,438,694)</u> |
| Total Revenues and Other Financing Sources | <u>\$ 321,822,256</u> | <u>\$ 324,232,276</u> | <u>\$ 321,402,530</u> | <u>\$ (2,829,746)</u> |

See accompanying Notes to Required Supplementary Information.

CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF REVENUES AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2020

| | Original Budgeted Revenues | Final Budgeted Revenues | Actual Amount (Budgetary Basis) | Variance |
|---|----------------------------------|----------------------------|---------------------------------------|------------------|
| EXPENSES | | | | |
| Executive and Administrative: | | | | |
| Executive Department | \$ 407,528 | \$ 407,529 | \$ 354,910 | \$ 52,619 |
| Legal Department | 975,000 | 625,000 | 291,981 | 333,019 |
| City Clerk | 433,707 | 444,460 | 277,558 | 166,902 |
| Probate Court | 118,947 | 123,698 | 112,172 | 11,526 |
| Municipal Court | 105,466 | 105,466 | 79,494 | 25,972 |
| Personnel Department | 387,248 | 387,414 | 359,664 | 27,750 |
| Subtotal | <u>2,427,896</u> | <u>2,093,567</u> | <u>1,475,779</u> | <u>617,788</u> |
| Legislative and Citizens Representation: | | | | |
| Legislative Department | 334,155 | 337,395 | 212,568 | 124,827 |
| Board of Canvassers | 217,388 | 217,642 | 165,574 | 52,068 |
| Subtotal | <u>551,543</u> | <u>555,037</u> | <u>378,142</u> | <u>176,895</u> |
| Financial Management: | | | | |
| Finance Administration | 574,240 | 554,944 | 525,706 | 29,238 |
| Treasury | 435,170 | 435,208 | 326,100 | 109,108 |
| Management Information Services | 1,692,307 | 1,724,402 | 1,315,428 | 408,974 |
| Purchasing | 244,617 | 244,617 | 244,297 | 320 |
| City Tax Collection | 821,315 | 821,690 | 432,939 | 388,751 |
| City Assessment | 801,357 | 874,490 | 696,463 | 178,027 |
| Boards and Commissions | 117,621 | 117,621 | 112,394 | 5,227 |
| Subtotal | <u>4,686,627</u> | <u>4,772,972</u> | <u>3,653,327</u> | <u>1,119,645</u> |
| Debt: | | | | |
| Principal | 6,335,055 | 6,006,477 | 5,944,366 | 62,111 |
| Interest | 1,259,377 | 1,259,377 | 1,285,708 | (26,331) |
| Subtotal | <u>7,594,432</u> | <u>7,265,854</u> | <u>7,230,074</u> | <u>35,780</u> |
| Total Executive and Administrative | 15,260,498 | 14,687,430 | 12,737,322 | 1,950,108 |
| Public Safety Department: | | | | |
| Animal Shelter | 228,443 | 231,559 | 210,083 | 21,476 |
| Police Department | 21,132,246 | 21,167,066 | 20,222,092 | 944,974 |
| Fire Department | 23,477,211 | 23,479,937 | 24,631,177 | (1,151,240) |
| Organized Crime/Drug Enforcement Task Force | 23,000 | 23,000 | 22,471 | 529 |
| Alcohol and Highway Safety Enforcement | 81,000 | 81,000 | 96,644 | (15,644) |
| Police Grants | 33,000 | 33,000 | 17,159 | 15,841 |
| Fire Grants | 783,151 | 783,151 | 1,008,915 | (225,764) |
| Emergency Management | 59,200 | 92,550 | 53,162 | 39,388 |
| Building Inspection and Minimum Housing | 1,043,788 | 1,043,788 | 767,561 | 276,227 |
| Total Public Safety | <u>46,861,039</u> | <u>46,935,051</u> | <u>47,029,264</u> | <u>(94,213)</u> |
| Recreation | 3,024,236 | 3,024,397 | 2,860,454 | 163,943 |
| Public Library | 3,037,286 | 3,037,286 | 2,811,250 | 226,036 |

See accompanying Notes to Required Supplementary Information.

CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF REVENUES AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2020

| | Original Budgeted Revenues | Final Budgeted Revenues | Actual Amount (Budgetary Basis) | Variance |
|--|----------------------------------|----------------------------|---------------------------------------|---------------------|
| EXPENSES (CONTINUED) | | | | |
| Social Services: | | | | |
| Human Services Administration | \$ 406,546 | \$ 406,740 | \$ 365,224 | \$ 41,516 |
| Senior Center | 583,708 | 584,162 | 525,618 | 58,544 |
| Senior Transportation | 297,232 | 297,232 | 226,997 | 70,235 |
| Total Social Services | <u>1,287,486</u> | <u>1,288,134</u> | <u>1,117,839</u> | <u>170,295</u> |
| Planning Department | 729,655 | 890,343 | 890,209 | 134 |
| Community Development | 304,532 | 304,532 | 154,394 | 150,138 |
| Tourism, Culture, and Development | 740,260 | 741,334 | 464,191 | 277,143 |
| Public Works Department: | | | | |
| Administrative Division | 232,843 | 232,880 | 200,532 | 32,348 |
| Highway Division | 8,173,149 | 5,078,885 | 4,421,019 | 657,866 |
| Sanitation Division | 2,752,635 | 2,752,635 | 2,633,068 | 119,567 |
| Automotive Division | 2,446,940 | 2,668,936 | 2,349,797 | 319,139 |
| City Building Maintenance Division | 1,414,408 | 1,407,315 | 1,188,099 | 219,216 |
| Engineering Division | 1,810,422 | 1,693,822 | 1,423,009 | 270,813 |
| Recycling | 66,500 | 106,749 | 97,277 | 9,472 |
| Total Public Works Department | <u>16,896,897</u> | <u>13,941,222</u> | <u>12,312,801</u> | <u>1,628,421</u> |
| Employee Benefits, Special, and Capital: | | | | |
| Employee Benefits | 30,109,945 | 29,844,224 | 28,144,244 | 1,699,980 |
| Insurance | 2,060,650 | 2,060,650 | 2,480,400 | (419,750) |
| City Council Claims | 20,000 | 20,000 | 3,972 | 16,028 |
| Postage | 80,200 | 83,209 | 76,276 | 6,933 |
| Fixed Costs | 483,000 | 560,817 | 424,419 | 136,398 |
| Pension | 35,026,144 | 35,026,144 | 35,259,987 | (233,843) |
| Total Employee Benefits, Special, and Capital | <u>67,779,939</u> | <u>67,595,044</u> | <u>66,389,298</u> | <u>1,205,746</u> |
| Total Expenditures | 155,921,828 | 152,444,773 | 146,767,022 | 5,677,751 |
| OTHER FINANCING USES | | | | |
| Operating Transfer to School Unrestricted Fund | 165,900,428 | 171,787,503 | 170,808,927 | 978,576 |
| Total Other Financing Uses | <u>165,900,428</u> | <u>171,787,503</u> | <u>170,808,927</u> | <u>978,576</u> |
| Total Expenditures and Other Financing Uses | <u>\$ 321,822,256</u> | <u>\$ 324,232,276</u> | <u>\$ 317,575,949</u> | <u>\$ 6,656,327</u> |

See accompanying Notes to Required Supplementary Information.

CITY OF WARWICK, RHODE ISLAND
SCHEDULE OF REVENUES AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGETARY COMPARISON SCHEDULE – SCHOOL GENERAL FUND
YEAR ENDED JUNE 30, 2020

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual Amounts (Budgetary Basis)</u> | <u>Variance</u> |
|--|------------------------|---------------------|---|---------------------|
| REVENUES | | | | |
| State and Federal School Aid | \$ 40,502,965 | \$ 40,910,874 | \$ 39,411,004 | \$ (1,499,870) |
| Other School Miscellaneous Revenue | 1,414,999 | 1,414,999 | 1,378,384 | (36,615) |
| Appropriation from the City | <u>123,982,464</u> | <u>129,869,539</u> | <u>129,869,539</u> | <u>-</u> |
| Total Revenues | 165,900,428 | 172,195,412 | 170,658,927 | (1,536,485) |
| EXPENDITURES | | | | |
| Education | <u>165,900,428</u> | <u>170,293,811</u> | <u>167,053,923</u> | <u>3,239,888</u> |
| EXCESS OF REVENUE OVER EXPENDITURES | <u>\$ -</u> | <u>\$ 1,901,601</u> | <u>\$ 3,605,004</u> | <u>\$ 1,703,403</u> |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY DATA AND BUDGETARY COMPLIANCE
YEAR ENDED JUNE 30, 2020**

NOTE 1 BUDGETARY TO GAAP BASIS RECONCILIATION

The following reconciliation summarizes the difference for the City's General Fund and the School Unrestricted Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2020:

| REVENUES AND OTHER FINANCING SOURCES | General Fund | School Unrestricted Fund |
|---|-----------------------|--------------------------------|
| Actual Amounts (Budgetary Basis) | \$ 321,402,530 | \$ 170,658,927 |
| Difference - Budget to GAAP: | | |
| The appropriated fund balance drawdown is a budgetary revenue but is not a current year revenue for financial reporting purposes. | (4,342,814) | - |
| The appropriated fund balance from the Reserve for Education is a budgetary revenue but is not a current year revenue for financial reporting purposes. | (40,939,388) | - |
| Co-Payment and Enterprise Chargebacks which are budgeted as revenues and reported net of expenses for financial reporting purposes. | (4,853,112) | - |
| Unavailable Revenue for GAAP Purposes | (1,280,550) | (291,352) |
| Debt Interest Subsidy | 414,245 | - |
| Rescue Service Fund revenue net of transfer to General Fund reported as revenue for GAAP purposes not included in Budget Basis revenues. | 99,050 | - |
| The pension contributions made to the Employees Retirement System by the state of Rhode Island on behalf of the City of Warwick is not reported as a budgetary revenue, but is a current year revenue for financial reporting purposes. | - | 11,481,613 |
| Total Revenues and Other Financing Sources as Reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds | \$ 270,499,961 | \$ 181,849,188 |

**CITY OF WARWICK, RHODE ISLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY DATA AND BUDGETARY COMPLIANCE
YEAR ENDED JUNE 30, 2020**

NOTE 1 BUDGETARY TO GAAP BASIS RECONCILIATION (CONTINUED)

| EXPENDITURES AND OTHER FINANCING SOURCES | <u>General Fund</u> | <u>School Unrestricted Fund</u> |
|---|-------------------------|---|
| Actual Amounts (Budgetary Basis) | \$ 317,575,949 | \$ 167,053,923 |
| Difference - Budget to GAAP: | | |
| Encumbrances | (541,762) | - |
| Transfer to School Department is reported at gross amount for budget purposes but is reported net of School revenue for GAAP. | (40,939,388) | - |
| Co-Payment and Enterprise Chargebacks which are budgeted as revenues and reported net of expenses for financial reporting purposes. | (4,853,112) | - |
| Debt Interest Subsidy | 414,245 | - |
| Water Refunding Credit | 63,664 | - |
| Rescue Service Fund revenue net of transfer to General Fund reported as revenue for GAAP purposes not part of the budgetary basis expenditures. | 99,050 | - |
| The pension contributions made to the Employees Retirement System by the state of Rhode Island on behalf of the City of Warwick is not reported as budgetary revenue, but is a current year revenue for financial reporting purposes. | - | 11,481,613 |
| Total Expenditures and Other Financing Sources as Reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds | <u>\$ 271,818,646</u> | <u>\$ 178,535,536</u> |

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability: | | | | | | | |
| Service Cost | \$ 3,078,896 | \$ 3,006,219 | \$ 3,470,808 | \$ 3,265,824 | \$ 2,604,452 | \$ 2,361,164 | \$ 1,368,801 |
| Interest | 12,508,910 | 11,922,138 | 11,508,757 | 11,177,444 | 11,143,830 | 10,681,187 | 9,817,470 |
| Difference Between Actual and Expected Experience | 988,766 | 5,173,695 | 1,973,093 | - | (552,930) | 1,619,642 | 8,308,519 |
| Assumption Changes | - | - | - | - | 8,912,895 | - | (354,818) |
| Benefit Payments | (11,993,649) | (11,285,833) | (10,198,712) | (9,301,086) | (8,862,354) | (8,367,787) | (7,872,056) |
| Net Change in Total Pension Liability | 4,582,923 | 8,816,219 | 6,753,946 | 5,142,182 | 13,245,893 | 6,294,206 | 11,267,916 |
| Total Pension Liability - Beginning | 185,671,585 | 176,855,366 | 170,101,420 | 164,959,238 | 151,713,345 | 145,419,139 | 134,151,223 |
| Total Pension Liability - Ending (a) | 190,254,508 | 185,671,585 | 176,855,366 | 170,101,420 | 164,959,238 | 151,713,345 | 145,419,139 |
| Plan Fiduciary Net Position: | | | | | | | |
| Contributions - Employer | 7,458,317 | 6,728,459 | 6,194,245 | 5,764,819 | 5,505,376 | 5,640,498 | 5,436,625 |
| Contributions - Employee | 1,888,893 | 1,877,583 | 1,888,875 | 1,765,310 | 1,620,427 | 1,579,755 | 1,572,702 |
| Net Investment Income (Loss) | 1,646,993 | 5,339,193 | 11,247,563 | 14,263,989 | (1,578,910) | 2,695,082 | 15,609,969 |
| Benefit Payments | (11,993,649) | (11,285,833) | (10,198,712) | (9,301,086) | (8,862,354) | (8,367,787) | (7,872,056) |
| Administrative Expense | (17,932) | (28,655) | (21,413) | (34,671) | (33,370) | (34,244) | (28,582) |
| Other | - | - | 10,591 | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | (1,017,378) | 2,630,747 | 9,121,149 | 12,458,361 | (3,348,831) | 1,513,304 | 14,718,658 |
| Plan Fiduciary Net Position - Beginning | 136,686,145 | 134,055,398 | 124,934,249 | 112,475,888 | 115,824,719 | 114,311,415 | 99,592,757 |
| Plan Fiduciary Net Position - Ending (b) | 135,668,767 | 136,686,145 | 134,055,398 | 124,934,249 | 112,475,888 | 115,824,719 | 114,311,415 |
| Net Pension Liability (a - b) | <u>\$ 54,585,741</u> | <u>\$ 48,985,440</u> | <u>\$ 42,799,968</u> | <u>\$ 45,167,171</u> | <u>\$ 52,483,350</u> | <u>\$ 35,888,626</u> | <u>\$ 31,107,724</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 71.3% | 73.6% | 75.8% | 73.4% | 68.2% | 76.3% | 78.6% |
| Covered Payroll | \$ 20,987,700 | \$ 20,862,031 | \$ 23,610,939 | \$ 22,066,375 | \$ 20,255,338 | \$ 20,072,947 | \$ 18,391,191 |
| Net Pension Liability as a Percentage of Covered Payroll | 260.1% | 234.8% | 181.3% | 204.7% | 259.1% | 178.8% | 169.1% |

Note: The fiscal year 2019 Net Investment Income and Net Pension Liability amounts were restated as a result of the restatement of pension trust funds.

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they come available.

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Pension Liability: | | | | | | | |
| Service Cost | \$ 120,433 | \$ 203,421 | \$ 653,640 | \$ 810,009 | \$ 936,610 | \$ 1,005,457 | \$ 1,276,922 |
| Interest | 19,749,130 | 19,695,012 | 19,565,475 | 19,645,595 | 20,076,965 | 20,085,394 | 22,543,132 |
| Difference Between Actual and Expected Experience | 2,461,445 | 4,520,679 | 4,604,032 | - | 1,862 | (1,195,853) | (10,108,652) |
| Assumption Changes | - | - | - | - | 16,534,846 | - | (26,630,682) |
| Benefit Payments | (23,748,457) | (23,444,600) | (22,027,916) | (21,067,877) | (20,192,173) | (19,753,740) | (19,675,904) |
| Net Change in Total Pension Liability | (1,417,449) | 974,512 | 2,795,231 | (612,273) | 17,358,110 | 141,258 | (32,595,184) |
| Total Pension Liability - Beginning | 297,836,233 | 296,861,721 | 294,066,490 | 294,678,763 | 277,320,653 | 277,179,395 | 309,774,579 |
| Total Pension Liability - Ending (a) | 296,418,784 | 297,836,233 | 296,861,721 | 294,066,490 | 294,678,763 | 277,320,653 | 277,179,395 |
| Plan Fiduciary Net Position: | | | | | | | |
| Contributions - Employer | 18,935,407 | 18,427,881 | 17,934,399 | 17,465,464 | 17,378,897 | 16,039,998 | 15,206,485 |
| Contributions - Employee | 39,822 | 54,725 | 175,440 | 219,770 | 266,831 | 284,810 | 321,061 |
| Net Investment Income (Loss) | 533,271 | 2,753,392 | 5,911,507 | 9,138,696 | (929,819) | 1,380,201 | 9,803,078 |
| Benefit Payments | (23,748,457) | (23,444,600) | (22,027,916) | (21,067,877) | (20,192,173) | (19,753,740) | (19,675,904) |
| Administrative Expense | (29,185) | (31,059) | (22,453) | (38,823) | (29,322) | (29,576) | (24,335) |
| Other | - | 55,057 | 11,061 | 670 | - | - | - |
| Net Change in Plan Fiduciary Net Position | (4,269,142) | (2,184,604) | 1,982,038 | 5,717,900 | (3,505,586) | (2,078,307) | 5,630,385 |
| Plan Fiduciary Net Position - Beginning | 71,553,786 | 73,738,390 | 71,756,352 | 66,038,452 | 69,544,038 | 71,622,345 | 65,991,960 |
| Plan Fiduciary Net Position - Ending (b) | 67,284,644 | 71,553,786 | 73,738,390 | 71,756,352 | 66,038,452 | 69,544,038 | 71,622,345 |
| Net Pension Liability (a - b) | <u>\$ 229,134,140</u> | <u>\$ 226,282,447</u> | <u>\$ 223,123,331</u> | <u>\$ 222,310,138</u> | <u>\$ 228,640,311</u> | <u>\$ 207,776,615</u> | <u>\$ 205,557,050</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 22.7% | 24.0% | 24.8% | 24.4% | 22.4% | 25.1% | 25.8% |
| Covered Payroll | \$ 568,886 | \$ 781,786 | \$ 2,506,287 | \$ 3,139,571 | \$ 3,811,871 | \$ 4,068,714 | \$ 4,154,657 |
| Net Pension Liability as a Percentage of Covered Payroll | 40277.7% | 28944.3% | 8902.5% | 7080.9% | 5998.1% | 5106.7% | 4947.6% |

Note: The fiscal year 2019 Net Investment Income and Net Pension Liability amounts were restated as a result of the restatement of pension trust funds.

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they come available.

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Total Pension Liability: | | | | | | | |
| Service Cost | \$ 4,613,386 | \$ 4,718,763 | \$ 4,693,492 | \$ 4,744,240 | \$ 3,884,441 | \$ 3,770,366 | \$ 3,762,837 |
| Interest | 17,296,153 | 16,581,550 | 15,998,841 | 15,258,836 | 14,589,705 | 13,811,883 | 13,520,113 |
| Difference Between Actual and Expected Experience | 320,431 | 244,425 | (2,080,926) | - | 329,603 | 738,684 | (1,806,121) |
| Assumption Changes | - | - | - | - | 15,898,398 | - | (3,961,813) |
| Benefit Payments | (11,570,529) | (10,716,458) | (9,658,734) | (8,861,372) | (8,245,091) | (7,768,947) | (7,488,066) |
| Net Change in Total Pension Liability | 10,659,441 | 10,828,280 | 8,952,673 | 11,141,704 | 26,457,056 | 10,551,986 | 4,026,950 |
| Total Pension Liability - Beginning | 254,089,432 | 243,261,152 | 234,308,479 | 223,166,775 | 196,709,719 | 186,157,733 | 182,130,783 |
| Total Pension Liability - Ending (a) | 264,748,873 | 254,089,432 | 243,261,152 | 234,308,479 | 223,166,775 | 196,709,719 | 186,157,733 |
| Plan Fiduciary Net Position: | | | | | | | |
| Contributions - Employer | 4,610,514 | 4,483,039 | 4,179,364 | 3,938,725 | 3,853,855 | 3,828,534 | 3,322,236 |
| Contributions - Employee | 2,347,752 | 2,171,138 | 2,089,682 | 2,008,027 | 1,931,974 | 1,914,267 | 1,661,118 |
| Net Investment Income (Loss) | 2,217,681 | 8,225,502 | 16,368,484 | 22,689,311 | (2,481,497) | 4,075,102 | 24,147,499 |
| Benefit Payments | (11,570,529) | (10,716,458) | (9,658,734) | (8,861,372) | (8,245,091) | (7,768,947) | (7,488,066) |
| Administrative Expense | (8,863) | (47,871) | (19,924) | (28,474) | (37,409) | (39,395) | - |
| Other | 150,000 | - | 500 | - | - | - | (24,100) |
| Net Change in Plan Fiduciary Net Position | (2,253,445) | 4,115,350 | 12,959,372 | 19,746,217 | (4,978,168) | 2,009,561 | 21,618,687 |
| Plan Fiduciary Net Position - Beginning | 210,257,908 | 206,142,558 | 193,183,186 | 173,436,969 | 178,415,137 | 176,405,576 | 154,786,889 |
| Plan Fiduciary Net Position - Ending (b) | 208,004,463 | 210,257,908 | 206,142,558 | 193,183,186 | 173,436,969 | 178,415,137 | 176,405,576 |
| Net Pension Liability (a - b) | <u>\$ 56,744,410</u> | <u>\$ 43,831,524</u> | <u>\$ 37,118,594</u> | <u>\$ 41,125,293</u> | <u>\$ 49,729,806</u> | <u>\$ 18,294,582</u> | <u>\$ 9,752,157</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 78.6% | 82.7% | 84.7% | 82.4% | 77.7% | 90.7% | 94.8% |
| Covered Payroll | \$ 14,358,499 | \$ 15,696,281 | \$ 13,820,649 | \$ 13,791,394 | \$ 13,269,052 | \$ 12,781,663 | \$ 12,494,306 |
| Net Pension Liability as a Percentage of Covered Payroll | 395.2% | 279.2% | 268.6% | 298.2% | 374.8% | 143.1% | 78.1% |

Note: The fiscal year 2019 Net Investment Income and Net Pension Liability amounts were restated as a result of the restatement of pension trust funds.
Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they come available.

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|----------------------|----------------------|----------------------|---------------------|----------------------|---------------------|---------------------|
| Total Pension Liability: | | | | | | | |
| Service Cost | \$ 5,620,680 | \$ 5,507,825 | \$ 4,844,310 | \$ 4,563,165 | \$ 3,946,558 | \$ 3,534,726 | \$ 3,435,947 |
| Interest | 6,804,383 | 6,048,701 | 5,250,580 | 4,654,274 | 4,125,110 | 3,572,193 | 3,205,452 |
| Benefit Changes | - | - | 2,321,185 | - | - | - | - |
| Difference Between Actual and Expected Experience | 3,775,843 | 758,031 | (135,069) | - | (577,982) | 482,842 | (62,953) |
| Assumption Changes | - | - | - | - | 5,201,487 | - | (1,341,914) |
| Benefit Payments | <u>(1,598,747)</u> | <u>(1,243,444)</u> | <u>(843,743)</u> | <u>(587,618)</u> | <u>(449,467)</u> | <u>(397,441)</u> | <u>(394,626)</u> |
| Net Change in Total Pension Liability | 14,602,159 | 11,071,113 | 11,437,263 | 8,629,821 | 12,245,706 | 7,192,320 | 4,841,906 |
| Total Pension Liability - Beginning | <u>96,636,825</u> | <u>85,565,712</u> | <u>74,128,449</u> | <u>65,498,628</u> | <u>53,252,922</u> | <u>46,060,602</u> | <u>41,218,696</u> |
| Total Pension Liability - Ending (a) | 111,238,984 | 96,636,825 | 85,565,712 | 74,128,449 | 65,498,628 | 53,252,922 | 46,060,602 |
| Plan Fiduciary Net Position: | | | | | | | |
| Contributions - Employer | 4,282,728 | 3,646,246 | 3,561,858 | 3,149,947 | 2,973,277 | 2,943,088 | 2,903,462 |
| Contributions - Employee | 2,141,361 | 1,823,301 | 1,780,929 | 1,574,973 | 1,486,639 | 1,471,544 | 1,451,731 |
| Net Investment Income (Loss) | 1,143,368 | 3,401,921 | 4,543,343 | 7,834,412 | (930,262) | 782,789 | 5,483,041 |
| Benefit Payments | (1,598,747) | (1,243,444) | (843,743) | (587,618) | (449,467) | (397,441) | (394,626) |
| Administrative Expense | <u>(24,917)</u> | <u>(11,083)</u> | <u>(18,000)</u> | <u>(20,875)</u> | <u>(8,926)</u> | <u>(8,697)</u> | <u>(4,315)</u> |
| Net Change in Plan Fiduciary Net Position | 5,943,793 | 7,616,941 | 9,024,387 | 11,950,839 | 3,071,261 | 4,791,283 | 9,439,293 |
| Plan Fiduciary Net Position - Beginning | <u>81,199,968</u> | <u>73,583,027</u> | <u>64,558,640</u> | <u>52,607,801</u> | <u>49,536,540</u> | <u>44,745,257</u> | <u>35,305,964</u> |
| Plan Fiduciary Net Position - Ending (b) | <u>87,143,761</u> | <u>81,199,968</u> | <u>73,583,027</u> | <u>64,558,640</u> | <u>52,607,801</u> | <u>49,536,540</u> | <u>44,745,257</u> |
| Net Pension Liability (a - b) | <u>\$ 24,095,223</u> | <u>\$ 15,436,857</u> | <u>\$ 11,982,685</u> | <u>\$ 9,569,809</u> | <u>\$ 12,890,827</u> | <u>\$ 3,716,382</u> | <u>\$ 1,315,345</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 78.3% | 84.0% | 86.0% | 87.1% | 80.3% | 93.0% | 97.1% |
| Covered Payroll | \$ 16,004,215 | \$ 15,696,281 | \$ 15,267,285 | \$ 14,188,946 | \$ 13,393,144 | \$ 12,602,432 | \$ 11,769,201 |
| Net Pension Liability as a Percentage of Covered Payroll | 150.6% | 98.3% | 78.5% | 67.4% | 96.2% | 29.5% | 11.2% |

Note: The fiscal year 2019 Net Investment Income and Net Pension Liability amounts were restated as a result of the restatement of pension trust funds.

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they come available.

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Pension Liability: | | | | | | | |
| Service Cost | \$ 1,221,621 | \$ 1,148,322 | \$ 1,101,378 | \$ 1,085,156 | \$ 1,182,332 | \$ 1,153,661 | \$ 1,233,904 |
| Interest | 4,213,696 | 3,985,397 | 3,727,866 | 3,405,815 | 3,239,682 | 3,013,821 | 2,683,152 |
| Difference Between Actual and Expected Experience | 515,079 | 655,019 | 1,105,363 | 2,093,032 | (363,953) | 342,058 | 664,117 |
| Assumption Changes | (157,290) | 2,375,125 | 85,298 | 81,200 | 113,452 | - | 67,700 |
| Benefit Payments | (2,984,641) | (2,514,114) | (2,265,755) | (1,901,797) | (1,506,891) | (1,122,881) | (1,035,956) |
| Net Change in Total Pension Liability | 2,808,465 | 5,649,749 | 3,754,150 | 4,763,406 | 2,664,622 | 3,386,659 | 3,612,917 |
| Total Pension Liability - Beginning | 62,671,464 | 57,021,715 | 53,267,565 | 48,504,159 | 45,839,537 | 42,452,878 | 38,839,961 |
| Total Pension Liability - Ending (a) | 65,479,929 | 62,671,464 | 57,021,715 | 53,267,565 | 48,504,159 | 45,839,537 | 42,452,878 |
| Plan Fiduciary Net Position: | | | | | | | |
| Contributions - Employer | 50,050 | 2,286,461 | 1,152,310 | 2,044,880 | 1,968,941 | 1,752,679 | 2,160,500 |
| Contributions - Employee | 796,308 | 742,348 | 721,712 | 803,054 | 732,245 | 766,137 | 743,492 |
| Net Investment Income | 2,255,272 | 4,037,778 | 4,797,201 | 5,414,063 | 936,885 | 1,487,522 | 3,977,291 |
| Benefit Payments | (2,984,641) | (2,514,114) | (2,265,755) | (1,901,797) | (1,506,891) | (1,122,881) | (1,035,956) |
| Administrative Expense | (254,773) | (180,897) | (200,111) | (205,899) | (173,084) | (95,056) | (83,496) |
| Net Change in Plan Fiduciary Net Position | (137,784) | 4,371,576 | 4,205,357 | 6,154,301 | 1,958,096 | 2,788,401 | 5,761,831 |
| Plan Fiduciary Net Position - Beginning | 57,374,472 | 53,002,896 | 48,797,539 | 42,643,238 | 40,685,142 | 37,896,741 | 32,134,910 |
| Plan Fiduciary Net Position - Ending (b) | 57,236,688 | 57,374,472 | 53,002,896 | 48,797,539 | 42,643,238 | 40,685,142 | 37,896,741 |
| Net Pension Liability (a - b) | \$ 8,243,241 | \$ 5,296,992 | \$ 4,018,819 | \$ 4,470,026 | \$ 5,860,921 | \$ 5,154,395 | \$ 4,556,137 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 87.4% | 91.5% | 93.0% | 91.6% | 87.9% | 88.8% | 89.3% |
| Covered Payroll | \$ 13,529,580 | \$ 12,952,620 | \$ 13,435,984 | \$ 12,914,407 | \$ 12,567,847 | \$ 13,918,915 | \$ 13,335,646 |
| Net Pension Liability as a Percentage of Covered Payroll | 60.9% | 40.9% | 29.9% | 34.6% | 46.6% | 37.0% | 34.2% |

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they come available.

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Actuarially Determined Contribution | \$ 7,458,317 | \$ 6,728,459 | \$ 6,194,245 | \$ 5,764,819 | \$ 5,505,376 | \$ 5,640,498 | \$ 5,436,625 |
| Actual Contribution Made in Relation to the Actuarially Determined Contribution | <u>7,458,317</u> | <u>6,728,459</u> | <u>6,194,245</u> | <u>5,764,819</u> | <u>5,505,376</u> | <u>5,640,498</u> | <u>5,436,625</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> |
| Covered Payroll | \$ 20,987,700 | \$ 20,862,031 | \$ 23,610,939 | \$ 23,610,939 | \$ 20,255,338 | \$ 20,072,947 | \$ 18,391,191 |
| Contributions as a Percentage of Covered Payroll | 35.5% | 32.3% | 26.2% | 24.4% | 27.2% | 28.1% | 29.6% |

Notes to Schedule of Contributions

Valuation Date

July 1, 2018

Notes

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method

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

Asset Valuation Method

Fair Market Value

Inflation

3.00%

Salary Increases

2.75%

Investment Rate of Return

6.90%

Retirement Age

Experienced-based table of rates that are specific to the type of eligibility condition.

Mortality

(Male) 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.

(Female) 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

Other Information:

Notes

There were no benefit changes during the year.

The schedule is intended to show information for 10 years. Additional years will be displayed as the become available.

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Actuarially Determined Contribution | \$ 18,935,407 | \$ 18,427,881 | \$ 17,934,399 | \$ 17,465,464 | \$ 17,378,897 | \$ 16,039,998 | \$ 15,206,485 |
| Actual Contribution Made in Relation to the Actuarially Determined Contribution | <u>18,935,407</u> | <u>18,427,881</u> | <u>17,934,399</u> | <u>17,465,464</u> | <u>17,378,897</u> | <u>16,039,998</u> | <u>15,206,485</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> |
| Covered Payroll | \$ 568,886 | \$ 781,786 | \$ 2,506,287 | \$ 3,139,571 | \$ 3,811,871 | \$ 4,068,714 | \$ 4,154,657 |
| Contributions as a Percentage of Covered Payroll | 3328.5% | 2357.2% | 715.6% | 556.3% | 455.9% | 394.2% | 366.0% |

Notes to Schedule of Contributions

Valuation Date

July 1, 2018

Notes

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method

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

Asset Valuation Method

Fair Market Value

Inflation

2.75%

Salary Increases

3.50% to 13.50% including inflation

Investment Rate of Return

6.90%

Retirement Age

Experienced-based table of rates that are specific to the type of eligibility condition.

Mortality

(Male) 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.

(Female) 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

Other Information:

Notes

There were no benefit changes during the year.

The schedule is intended to show information for 10 years. Additional years will be displayed as the become available.

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially Determined Contribution | \$ 4,610,514 | \$ 4,483,039 | \$ 4,179,364 | \$ 3,938,725 | \$ 3,853,855 | \$ 3,828,534 | \$ 3,322,236 |
| Actual Contribution Made in Relation to the Actuarially Determined Contribution | 4,610,514 | 4,483,039 | 4,179,364 | 3,938,725 | 3,853,855 | 3,828,534 | 3,322,236 |
| Contribution Deficiency (Excess) | <u>\$ -</u> |
| Covered Payroll | \$ 14,358,499 | \$ 14,286,295 | \$ 13,820,649 | \$ 13,791,394 | \$ 13,269,052 | \$ 12,781,663 | \$ 12,494,306 |
| Contributions as a Percentage of Covered Payroll | 32.1% | 31.4% | 30.2% | 28.6% | 29.0% | 30.0% | 26.6% |

Notes to Schedule of Contributions

Valuation Date

July 1, 2018

Notes

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method

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

Asset Valuation Method

Fair Market Value

Inflation

2.75%

Salary Increases

3.50% to 13.50% including inflation

Investment Rate of Return

6.90%

Retirement Age

Experienced-based table of rates that are specific to the type of eligibility condition.

Mortality

(Male) 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.

(Female) 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

Other Information:

Notes

There were no benefit changes during the year.

The schedule is intended to show information for 10 years. Additional years will be displayed as the become available.

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Actuarially Determined Contribution | \$ 4,282,728 | \$ 3,646,246 | \$ 3,561,858 | \$ 3,149,947 | \$ 2,973,277 | \$ 2,943,088 | \$ 2,903,462 |
| Actual Contribution Made in Relation to the Actuarially Determined Contribution | <u>4,282,728</u> | <u>3,646,246</u> | <u>3,561,858</u> | <u>3,149,947</u> | <u>2,973,277</u> | <u>2,943,088</u> | <u>2,903,462</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> |
| Covered Payroll | \$ 16,004,215 | \$ 15,696,281 | \$ 15,696,281 | \$ 14,188,946 | \$ 13,393,144 | \$ 12,602,432 | \$ 11,769,201 |
| Contributions as a Percentage of Covered Payroll | 26.8% | 23.2% | 22.7% | 22.2% | 22.2% | 23.4% | 24.7% |

Notes to Schedule of Contributions

Valuation Date

July 1, 2018

Notes

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method

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

Asset Valuation Method

Fair Market Value

Inflation

2.75%

Salary Increases

3.50% to 13.50% including inflation

Investment Rate of Return

6.90%

Retirement Age

Experienced-based table of rates that are specific to the type of eligibility condition.

Mortality

(Male) 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000.

(Female) 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

Other Information:

Notes

There were no benefit changes during the year.

The schedule is intended to show information for 10 years. Additional years will be displayed as the become available.

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

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|---------------------|-----------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially Determined Contribution | \$ 1,130,306 | \$ 1,000,253 | \$ 1,109,882 | \$ 1,156,709 | \$ 1,161,346 | \$ 1,092,021 | \$ 1,236,062 |
| Actual Contribution Made in Relation to the Actuarially Determined Contribution | <u>50,050</u> | <u>2,286,461</u> | <u>1,152,310</u> | <u>2,044,880</u> | <u>1,968,941</u> | <u>1,752,679</u> | <u>2,160,500</u> |
| Contribution Deficiency (Excess) | <u>\$ 1,080,256</u> | <u>\$ (1,286,208)</u> | <u>\$ (42,428)</u> | <u>\$ (888,171)</u> | <u>\$ (807,595)</u> | <u>\$ (660,658)</u> | <u>\$ (924,438)</u> |
| Covered Payroll | \$ 13,529,580 | \$ 12,952,620 | \$ 13,435,984 | \$ 12,914,407 | \$ 12,567,847 | \$ 13,918,915 | \$ 13,335,646 |
| Contributions as a Percentage of Covered Payroll | 0.4% | 17.7% | 8.6% | 15.8% | 15.7% | 12.6% | 16.2% |

Notes to Schedule of Contributions

Valuation Date

July 1, 2018

Notes Actuarially determined contribution rates are calculated as of the beginning of the fiscal year, July 1, the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|---------------------------|---|
| Actuarial Cost Method | For funding purposes, the Entry Age Normal Actuarial Cost Method is used. |
| Amortization Method | Level percentage of payroll |
| Asset Valuation Method | Fair Market Value |
| Salary Increases | 3.00% per annum |
| Investment Rate of Return | 7.00% |
| Retirement Age | 15% per year for ages 62 to 64, 100% at age 65. |
| Mortality | Prescribed IRS Static Mortality Table for the year of the valuation. |

Other Information:

Notes There were no benefit changes during the year.

The schedule is intended to show information for 10 years. Additional years will be displayed as the become available.

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

| | <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: | | | | | | | |
| Police I and Fire Pension Plan | 0.8 % | 4.2 % | 8.5 % | 14.2 % | (1.9)% | 0.5 % | 15.4 % |
| Police II Pension Plan | 1.1 | 4.2 | 8.6 | 13.2 | (1.4) | 2.3 | 15.7 |
| Fire II Pension Plan | 1.4 | 4.4 | 6.8 | 14.4 | (1.8) | 1.3 | 14.8 |
| City Employees Pension Plan | 1.2 | 4.2 | 9.1 | 12.8 | (1.4) | 2.1 | 15.7 |
| Warwick Public School Employees' Pension Plan | 4.0 | 7.5 | 9.7 | 12.6 | 2.3 | 2.0 | 17.2 |

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

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

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Actuarially Determined Contribution | \$ 11,800,882 | \$ 11,027,679 | \$ 10,176,528 | \$ 10,619,358 | \$ 10,888,514 | \$ 10,546,876 |
| Actual Contribution Made in Relation to the Actuarially Determined Contribution | <u>11,800,882</u> | <u>11,027,679</u> | <u>10,176,528</u> | <u>10,619,358</u> | <u>10,888,514</u> | <u>10,546,876</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> |
| Covered Payroll | \$ 83,598,027 | \$ 78,624,319 | \$ 76,861,994 | \$ 80,571,760 | \$ 79,304,545 | \$ 78,649,336 |
| Contributions as a Percentage of Covered Payroll | 14.1% | 14.0% | 13.2% | 13.2% | 13.7% | 13.4% |

Notes

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

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

| Fiscal Year Measurement Date | 2020 June 30, 2019 | 2019 June 30, 2018 | 2018 June 30, 2017 | 2017 June 30, 2016 | 2016 June 30, 2015 | 2015 June 30, 2014 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Employer's Proportion of the Net Pension Liability | 4.330% | 4.413% | 4.264% | 4.708% | 4.840% | 5.003% |
| Employer's Proportionate Share of the Net Pension Liability | \$ 138,160,441 | \$ 140,219,615 | \$ 134,499,571 | \$ 140,460,773 | \$ 133,250,179 | \$ 121,776,253 |
| State's Proportionate Share of the Net Pension Liability | 103,496,476 | 104,593,761 | 101,649,361 | 96,195,004 | 91,032,340 | 83,507,586 |
| Total Net Pension Liability | <u>\$ 241,656,917</u> | <u>\$ 244,813,376</u> | <u>\$ 236,148,932</u> | <u>\$ 236,655,777</u> | <u>\$ 224,282,519</u> | <u>\$ 205,283,839</u> |
| Employer's Covered Payroll | \$ 78,624,319 | \$ 76,861,994 | \$ 80,571,760 | \$ 79,304,545 | \$ 78,649,336 | \$ 76,683,103 |
| Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 175.72% | 182.43% | 166.93% | 177.12% | 169.42% | 158.80% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 54.60% | 54.30% | 54.00% | 54.06% | 57.55% | 61.40% |

Notes

- 1) The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to fiscal year end.
- 2) The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

| | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|-----------------------|-----------------------|-----------------------|
| <u>City Plan</u> | | | |
| Total OPEB Liability: | | | |
| Service Cost | \$ 10,622,337 | \$ 10,159,859 | \$ 10,631,235 |
| Interest | 9,953,310 | 10,320,288 | 10,463,940 |
| Changes in Benefit Terms | - | - | - |
| Differences Between Expected and Actual Experience | 7,774,043 | (3,523,060) | (14,109,697) |
| Changes in Assumptions and Other Inputs | 4,621,734 | 5,992,743 | - |
| Benefit Payments | <u>(12,908,231)</u> | <u>(12,129,308)</u> | <u>(11,482,709)</u> |
| Net Change in Total OPEB Liability | 20,063,193 | 10,820,522 | (4,497,231) |
| Total OPEB Liability - Beginning | <u>363,203,570</u> | <u>352,383,048</u> | <u>356,880,279</u> |
| Total OPEB Liability - Ending | <u>\$ 383,266,763</u> | <u>\$ 363,203,570</u> | <u>\$ 352,383,048</u> |
| Covered-Employee Payroll | \$ 52,396,661 | \$ 51,864,261 | \$ 49,203,459 |
| Total OPEB Liability as a percentage of covered-employee payroll | 731.5% | 700.3% | 716.2% |
| <u>School Plan</u> | | | |
| Total OPEB Liability: | | | |
| Service Cost | \$ 873,977 | \$ 843,281 | \$ 2,069,696 |
| Interest | 744,953 | 763,073 | 1,573,178 |
| Changes in Benefit Terms | - | (27,448,651) | - |
| Differences Between Expected and Actual Experience | (2,059,373) | (409,717) | (2,581,254) |
| Changes in Assumptions and Other Inputs | 423,444 | 671,700 | - |
| Benefit Payments | <u>(765,203)</u> | <u>(782,810)</u> | <u>(812,604)</u> |
| Net Change in Total OPEB Liability | (782,202) | (26,363,124) | 249,016 |
| Total OPEB Liability - Beginning | <u>27,083,414</u> | <u>53,446,538</u> | <u>53,197,522</u> |
| Total OPEB Liability - Ending | <u>\$ 26,301,212</u> | <u>\$ 27,083,414</u> | <u>\$ 53,446,538</u> |
| Covered-Employee Payroll | \$ 88,671,896 | \$ 93,240,089 | \$ 95,717,334 |
| Total OPEB Liability as a percentage of covered-employee payroll | 29.7% | 29.0% | 55.8% |

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

**SUPPLEMENTAL, COMBINING, AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

**CITY OF WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

SPECIAL REVENUE FUNDS

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

Special Detail Fund – Established to account for police and fire special details revenue and related expenditures.

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

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

**CITY OF WARWICK, RHODE ISLAND
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

CAPITAL PROJECT FUNDS

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

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

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

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

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

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

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

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

2020 Road Bridge Fund – to account for expenditures relating to road and bridge work.

2019 School Bond Fund – to account for capital improvements related to schools.

2020 Efficient Building Loan Fund – to account for capital improvements related to municipal facilities.

2020 School Bond Fund – to account for capital improvements related to schools.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the balance of funds restricted for the repayment of debt service.

**CITY OF WARWICK, RHODE ISLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020**

| | Special Revenue Restricted City | Special Revenue Restricted School | Capital Project Funds | Debt Service Fund | Total |
|--|--|--|--------------------------|----------------------|----------------------|
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 1,446,035 | \$ 1,530 | \$ 5,706,279 | \$ - | \$ 7,153,844 |
| Cash Held by Fiscal Agent | - | - | 949,508 | - | 949,508 |
| Restricted Cash and Cash Equivalents | - | - | 1,000,171 | 4,693,572 | 5,693,743 |
| Receivables, Net of Allowance for Uncollectible Amounts: | | | | | |
| Intergovernmental | 135,117 | 1,222,229 | 9,132,392 | - | 10,489,738 |
| Loan Receivable | 2,701,668 | - | - | - | 2,701,668 |
| Departmental and Other | 306,790 | 92,262 | 7,000 | - | 406,052 |
| Due from Other Funds | 1,442,033 | 1,287,826 | 83,655 | - | 2,813,514 |
| Other Assets | - | 178,300 | - | - | 178,300 |
| Total Assets | <u>\$ 6,031,643</u> | <u>\$ 2,782,147</u> | <u>\$ 16,879,005</u> | <u>\$ 4,693,572</u> | <u>\$ 30,386,367</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts Payable and Accrued Expenditures | \$ 73,454 | \$ 230,755 | \$ 2,048,518 | \$ - | \$ 2,352,727 |
| Accrued Payroll and Related Liabilities | 35,201 | 401,034 | - | - | 436,235 |
| Due to Federal and State Governments | 65 | - | - | - | 65 |
| Due to Other Funds | 88,423 | 1,093,384 | 1,035,379 | - | 2,217,186 |
| Other Liabilities | 4,044 | - | - | - | 4,044 |
| Total Liabilities | <u>201,187</u> | <u>1,725,173</u> | <u>3,083,897</u> | <u>-</u> | <u>5,010,257</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable Revenues - Other | 3,008,458 | 150,000 | - | - | 3,158,458 |
| Total Deferred Inflows of Resources | <u>3,008,458</u> | <u>150,000</u> | <u>-</u> | <u>-</u> | <u>3,158,458</u> |
| FUND BALANCES | | | | | |
| Nonspendable | - | 176,703 | - | - | 176,703 |
| Restricted | 2,821,998 | 1,153,216 | 15,204,423 | 4,693,572 | 23,873,209 |
| Unassigned | - | (422,945) | (1,409,315) | - | (1,832,260) |
| Total Fund Balances | <u>2,821,998</u> | <u>906,974</u> | <u>13,795,108</u> | <u>4,693,572</u> | <u>22,217,652</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 6,031,643</u> | <u>\$ 2,782,147</u> | <u>\$ 16,879,005</u> | <u>\$ 4,693,572</u> | <u>\$ 30,386,367</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

| | Special Revenue Restricted City | Special Revenue Restricted School | Capital Project Funds | Debt Service Fund | Total |
|--|--|--|--------------------------|----------------------|----------------------|
| REVENUES | | | | | |
| Intergovernmental Revenues | \$ 1,009,748 | \$ 6,585,535 | \$ - | \$ - | \$ 7,595,283 |
| Charges for Services | 837,644 | 825,863 | - | - | 1,663,507 |
| Other Revenue | 112,373 | - | - | - | 112,373 |
| Investment Income | 1,863 | - | 30,871 | 126,072 | 158,806 |
| Contributions and Private Grants | 310,704 | 397,851 | - | - | 708,555 |
| Total Revenues | <u>2,272,332</u> | <u>7,809,249</u> | <u>30,871</u> | <u>126,072</u> | <u>10,238,524</u> |
| EXPENDITURES | | | | | |
| Executive and Administration | 40,413 | - | 247,714 | - | 288,127 |
| Public Safety | 84,597 | - | 629,850 | - | 714,447 |
| Public Libraries | 95,139 | - | - | - | 95,139 |
| Social Services | 17,518 | - | - | - | 17,518 |
| Planning and Economic Development | 1,157,863 | - | - | - | 1,157,863 |
| Education | - | 8,712,170 | 5,335,841 | - | 14,048,011 |
| Total Expenditures | <u>1,395,530</u> | <u>8,712,170</u> | <u>6,213,405</u> | <u>-</u> | <u>16,321,105</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | | | |
| | 876,802 | (902,921) | (6,182,534) | 126,072 | (6,082,581) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from Issuance of Bonds and Notes | - | - | 15,445,000 | - | 15,445,000 |
| Premium on Issuance of Bonds and Notes | - | - | 885,914 | - | 885,914 |
| Proceeds from Capital Leases | - | - | 2,303,074 | - | 2,303,074 |
| Transfers In | - | 554,213 | - | 507,500 | 1,061,713 |
| Transfer Out | (498,151) | - | - | - | (498,151) |
| Total Other Financing Sources (Uses) | <u>(498,151)</u> | <u>554,213</u> | <u>18,633,988</u> | <u>507,500</u> | <u>19,197,550</u> |
| NET CHANGE IN FUND BALANCES | | | | | |
| | 378,651 | (348,708) | 12,451,454 | 633,572 | 13,114,969 |
| Fund Balances - Beginning of Year | <u>2,443,347</u> | <u>1,255,682</u> | <u>1,343,654</u> | <u>4,060,000</u> | <u>9,102,683</u> |
| FUND BALANCES - END OF YEAR | | | | | |
| | <u>\$ 2,821,998</u> | <u>\$ 906,974</u> | <u>\$ 13,795,108</u> | <u>\$ 4,693,572</u> | <u>\$ 22,217,652</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING BALANCE SHEET
SPECIAL REVENUE RESTRICTED CITY
JUNE 30, 2020**

| ASSETS | Special Detail Fund | City Clerk Restricted Fund | Emergency Operations City | Warwick Public Library Restricted Fund | Open Space Land Dedication | Sewer Connection Grant | Excess Hotel Tax Fund | Mooring Fee Reserve Fund |
|--|------------------------|----------------------------------|---------------------------------|---|----------------------------------|------------------------------|--------------------------|-----------------------------|
| Cash and Cash Equivalents | \$ - | \$ - | \$ - | \$ 208,093 | \$ 330,298 | \$ 22,267 | \$ 147,706 | \$ 232,575 |
| Receivables, Net of Uncollectibles: | | | | | | | | |
| Departmental and Other | 306,790 | - | - | - | - | - | - | - |
| Loans Receivable | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Due from Other Funds | 71,684 | 882,903 | 128,657 | 168,019 | 24,046 | 17,287 | - | 22,087 |
| Total Assets | <u>\$ 378,474</u> | <u>\$ 882,903</u> | <u>\$ 128,657</u> | <u>\$ 376,112</u> | <u>\$ 354,344</u> | <u>\$ 39,554</u> | <u>\$ 147,706</u> | <u>\$ 254,662</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts Payable and Accrued Expenditures | \$ - | \$ 3,393 | \$ - | \$ 1,356 | \$ - | \$ 1,000 | \$ - | \$ - |
| Accrued Payroll and Related Liabilities | 35,201 | - | - | - | - | - | - | - |
| Due to Federal and State Governments | - | - | - | - | - | - | - | - |
| Due to Other Funds | - | - | - | - | - | 13,000 | - | - |
| Other Liabilities | - | - | - | - | - | - | - | - |
| Total Liabilities | <u>35,201</u> | <u>3,393</u> | <u>-</u> | <u>1,356</u> | <u>-</u> | <u>14,000</u> | <u>-</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable Revenue - Other | <u>306,790</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | | | | |
| Restricted | <u>36,483</u> | <u>879,510</u> | <u>128,657</u> | <u>374,756</u> | <u>354,344</u> | <u>25,554</u> | <u>147,706</u> | <u>254,662</u> |
| Total Fund Balances | <u>36,483</u> | <u>879,510</u> | <u>128,657</u> | <u>374,756</u> | <u>354,344</u> | <u>25,554</u> | <u>147,706</u> | <u>254,662</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 378,474</u> | <u>\$ 882,903</u> | <u>\$ 128,657</u> | <u>\$ 376,112</u> | <u>\$ 354,344</u> | <u>\$ 39,554</u> | <u>\$ 147,706</u> | <u>\$ 254,662</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING BALANCE SHEET (CONTINUED)
SPECIAL REVENUE RESTRICTED CITY
JUNE 30, 2020**

| ASSETS | Senior Center Gift Shop | Police JAG Grant | Federal Asset Forfeiture Fund | State Asset Forfeiture Fund | Community Development Block Grant | HUD Disaster Recovery Grant | Total |
|--|----------------------------|---------------------|-------------------------------------|-----------------------------------|---|-----------------------------------|---------------------|
| Cash and Cash Equivalents | \$ 33,348 | \$ - | \$ 36,110 | \$ 57,290 | \$ 378,348 | \$ - | \$ 1,446,035 |
| Receivables, Net of Uncollectibles: | | | | | | | |
| Departmental and Other | - | - | - | - | - | - | 306,790 |
| Loans Receivable | - | - | - | - | 2,701,668 | - | 2,701,668 |
| Intergovernmental | - | - | - | - | 135,117 | - | 135,117 |
| Due from Other Funds | 1,046 | 500 | 66,217 | 59,587 | - | - | 1,442,033 |
| Total Assets | <u>\$ 34,394</u> | <u>\$ 500</u> | <u>\$ 102,327</u> | <u>\$ 116,877</u> | <u>\$ 3,215,133</u> | <u>\$ -</u> | <u>\$ 6,031,643</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | |
| LIABILITIES | | | | | | | |
| Accounts Payable and Accrued Expenditures | \$ - | \$ - | \$ - | \$ 6,750 | \$ 60,955 | \$ - | \$ 73,454 |
| Accrued Payroll and Related Liabilities | - | - | - | - | - | - | 35,201 |
| Due to Federal and State Governments | - | - | - | - | 65 | - | 65 |
| Due to Other Funds | - | - | - | - | 75,423 | - | 88,423 |
| Other Liabilities | - | - | - | 4,044 | - | - | 4,044 |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>10,794</u> | <u>136,443</u> | <u>-</u> | <u>201,187</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable Revenue - Other | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,701,668</u> | <u>-</u> | <u>3,008,458</u> |
| FUND BALANCES | | | | | | | |
| Restricted | <u>34,394</u> | <u>500</u> | <u>102,327</u> | <u>106,083</u> | <u>377,022</u> | <u>-</u> | <u>2,821,998</u> |
| Total Fund Balances | <u>34,394</u> | <u>500</u> | <u>102,327</u> | <u>106,083</u> | <u>377,022</u> | <u>-</u> | <u>2,821,998</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 34,394</u> | <u>\$ 500</u> | <u>\$ 102,327</u> | <u>\$ 116,877</u> | <u>\$ 3,215,133</u> | <u>\$ -</u> | <u>\$ 6,031,643</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE RESTRICTED CITY
YEAR ENDED JUNE 30, 2020

| | Special Detail Fund | City Clerk Restricted Fund | Emergency Operations City | Warwick Public Library Restricted Fund | Open Space Land Dedication | Sewer Connection Grant | Excess Hotel Tax Fund | Mooring Fee Reserve Fund |
|--|------------------------|----------------------------------|---------------------------------|---|----------------------------------|------------------------------|--------------------------|-----------------------------|
| REVENUES | | | | | | | | |
| Charges for Services | \$ 674,263 | \$ 108,119 | \$ - | \$ - | \$ 24,046 | \$ 10,000 | \$ - | \$ 8,778 |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Contributions and Private Grants | - | - | - | 310,704 | - | - | - | - |
| Investment Income | - | - | - | 363 | 576 | 39 | 257 | 406 |
| Other Revenue | - | - | - | - | - | - | - | - |
| Total Revenues | <u>674,263</u> | <u>108,119</u> | <u>-</u> | <u>311,067</u> | <u>24,622</u> | <u>10,039</u> | <u>257</u> | <u>9,184</u> |
| EXPENDITURES | | | | | | | | |
| Executive and Administration | - | 40,413 | - | - | - | - | - | - |
| Public Safety | 35,646 | - | - | - | - | - | - | - |
| Public Libraries | - | - | - | 95,139 | - | - | - | - |
| Social Services | - | - | - | - | - | - | - | - |
| Planning and Economic Development | - | - | - | - | - | 12,000 | - | - |
| Total Expenditures | <u>35,646</u> | <u>40,413</u> | <u>-</u> | <u>95,139</u> | <u>-</u> | <u>12,000</u> | <u>-</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 638,617 | 67,706 | - | 215,928 | 24,622 | (1,961) | 257 | 9,184 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers Out | (498,151) | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>(498,151)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 140,466 | 67,706 | - | 215,928 | 24,622 | (1,961) | 257 | 9,184 |
| Fund Balances - Beginning of Year | <u>(103,983)</u> | <u>811,804</u> | <u>128,657</u> | <u>158,828</u> | <u>329,722</u> | <u>27,515</u> | <u>147,449</u> | <u>245,478</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 36,483</u> | <u>\$ 879,510</u> | <u>\$ 128,657</u> | <u>\$ 374,756</u> | <u>\$ 354,344</u> | <u>\$ 25,554</u> | <u>\$ 147,706</u> | <u>\$ 254,662</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
SPECIAL REVENUE RESTRICTED CITY
YEAR ENDED JUNE 30, 2020

| | Senior Center Gift Shop | Police JAG Grant | Federal Asset Forfeiture Fund | State Asset Forfeiture Fund | Community Development Block Grant | HUD Disaster Recovery Grant | Total |
|--|----------------------------|---------------------|-------------------------------------|-----------------------------------|---|-----------------------------------|---------------------|
| REVENUES | | | | | | | |
| Charges for Services | \$ 12,438 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 837,644 |
| Intergovernmental | - | 500 | 84,390 | 60,498 | 822,729 | 41,631 | 1,009,748 |
| Contributions and Private Grants | - | - | - | - | - | - | 310,704 |
| Investment Income | 58 | - | 64 | 100 | - | - | 1,863 |
| Other Revenue | 7,955 | - | 4,848 | - | 99,570 | - | 112,373 |
| Total Revenues | <u>20,451</u> | <u>500</u> | <u>89,302</u> | <u>60,598</u> | <u>922,299</u> | <u>41,631</u> | <u>2,272,332</u> |
| EXPENDITURES | | | | | | | |
| Executive and Administration | - | - | - | - | - | - | 40,413 |
| Public Safety | - | - | 38,661 | 10,290 | - | - | 84,597 |
| Public Libraries | - | - | - | - | - | - | 95,139 |
| Social Services | 17,518 | - | - | - | - | - | 17,518 |
| Planning and Economic Development | - | - | - | - | 1,104,232 | 41,631 | 1,157,863 |
| Total Expenditures | <u>17,518</u> | <u>-</u> | <u>38,661</u> | <u>10,290</u> | <u>1,104,232</u> | <u>41,631</u> | <u>1,395,530</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 2,933 | 500 | 50,641 | 50,308 | (181,933) | - | 876,802 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers Out | - | - | - | - | - | - | (498,151) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(498,151)</u> |
| NET CHANGE IN FUND BALANCES | 2,933 | 500 | 50,641 | 50,308 | (181,933) | - | 378,651 |
| Fund Balances - Beginning of Year | <u>31,461</u> | <u>-</u> | <u>51,686</u> | <u>55,775</u> | <u>558,955</u> | <u>-</u> | <u>2,443,347</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 34,394</u> | <u>\$ 500</u> | <u>\$ 102,327</u> | <u>\$ 106,083</u> | <u>\$ 377,022</u> | <u>\$ -</u> | <u>\$ 2,821,998</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING BALANCE SHEET
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
JUNE 30, 2020**

| ASSETS | IDEA | IDEA Preschool | Title I | Title II | Title III | Title IV | Perkins Voc | Homeless Child/Youth |
|--|-------------------|-------------------|-------------------|------------------|---------------|-----------------|-------------------|-------------------------|
| Cash and Cash Equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receivables, Net of Uncollectibles: | | | | | | | | |
| Departmental and Other | - | - | - | - | - | - | 44,665 | - |
| Intergovernmental | 450,442 | 22,185 | 280,992 | 65,576 | 642 | 3,389 | 108,975 | - |
| Due from Other Funds | - | - | - | - | - | - | 146,140 | 5,122 |
| Other Assets | - | - | - | - | - | - | - | - |
| Total Assets | <u>\$ 450,442</u> | <u>\$ 22,185</u> | <u>\$ 280,992</u> | <u>\$ 65,576</u> | <u>\$ 642</u> | <u>\$ 3,389</u> | <u>\$ 299,780</u> | <u>\$ 5,122</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts Payable and Accrued Expenditures | \$ - | \$ - | \$ - | \$ 7,215 | \$ - | \$ - | \$ 44,665 | \$ - |
| Accrued Payroll and Related Liabilities | 169,777 | 11,503 | 144,027 | 33,839 | - | - | 28,007 | - |
| Due to Other Funds | 364,235 | 13,699 | 189,450 | 37,359 | 642 | 3,389 | 235,744 | 8,799 |
| Total Liabilities | <u>534,012</u> | <u>25,202</u> | <u>333,477</u> | <u>78,413</u> | <u>642</u> | <u>3,389</u> | <u>308,416</u> | <u>8,799</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable Revenue - Other | - | - | - | - | - | - | - | - |
| FUND BALANCES | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - |
| Restricted | - | - | - | - | - | - | - | - |
| Unassigned | (83,570) | (3,017) | (52,485) | (12,837) | - | - | (8,636) | (3,677) |
| Total Fund Balances | <u>(83,570)</u> | <u>(3,017)</u> | <u>(52,485)</u> | <u>(12,837)</u> | <u>-</u> | <u>-</u> | <u>(8,636)</u> | <u>(3,677)</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 450,442</u> | <u>\$ 22,185</u> | <u>\$ 280,992</u> | <u>\$ 65,576</u> | <u>\$ 642</u> | <u>\$ 3,389</u> | <u>\$ 299,780</u> | <u>\$ 5,122</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING BALANCE SHEET (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
JUNE 30, 2020**

| | Fresh Fruit/Veg Program | School Lunch Equipment | Gen-Assembly Skills USA | RI Arts Big Yellow Bus | Arts Dalmation Toll Gate | Big Yellow Bus Vets | Emergency Repairs - Tech | Career and Tech Repairs |
|--|-------------------------------|---------------------------|----------------------------|------------------------------|-----------------------------|------------------------|--------------------------------|-------------------------------|
| ASSETS | | | | | | | | |
| Cash and Cash Equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receivables, Net of Uncollectibles: | | | | | | | | |
| Departmental and Other | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Due from Other Funds | - | - | 5,500 | 2,190 | 3,040 | 580 | 350,942 | 70,437 |
| Other Assets | - | - | - | - | - | - | - | - |
| Total Assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,500</u> | <u>\$ 2,190</u> | <u>\$ 3,040</u> | <u>\$ 580</u> | <u>\$ 350,942</u> | <u>\$ 70,437</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts Payable and Accrued Expenditures | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued Payroll and Related Liabilities | - | - | - | - | - | - | - | - |
| Due to Other Funds | 3,997 | 777 | - | - | - | - | - | - |
| Total Liabilities | <u>3,997</u> | <u>777</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable Revenue - Other | - | - | - | - | - | - | - | - |
| FUND BALANCES | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - |
| Restricted | - | - | 5,500 | 2,190 | 3,040 | 580 | 350,942 | 70,437 |
| Unassigned | (3,997) | (777) | - | - | - | - | - | - |
| Total Fund Balances | <u>(3,997)</u> | <u>(777)</u> | <u>5,500</u> | <u>2,190</u> | <u>3,040</u> | <u>580</u> | <u>350,942</u> | <u>70,437</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,500</u> | <u>\$ 2,190</u> | <u>\$ 3,040</u> | <u>\$ 580</u> | <u>\$ 350,942</u> | <u>\$ 70,437</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING BALANCE SHEET (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
JUNE 30, 2020**

| | CTE Categorical | CTE Reserve | CTE Trust | Full Day Kindergarten | English Learner Categorical | Learning Champions | CS4RI Teals Innovation Office Grant | Champlin Audio/Video |
|--|--------------------|-------------------|------------------|--------------------------|-----------------------------------|-----------------------|---|-------------------------|
| ASSETS | | | | | | | | |
| Cash and Cash Equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receivables, Net of Uncollectibles: | | | | | | | | |
| Departmental and Other | - | - | - | - | - | - | - | - |
| Intergovernmental | 119,589 | - | - | - | 2,830 | - | - | - |
| Due from Other Funds | 130,445 | 151,184 | 14,260 | 880 | - | - | 16,613 | 83,641 |
| Other Assets | - | - | - | - | - | - | - | - |
| Total Assets | <u>\$ 250,034</u> | <u>\$ 151,184</u> | <u>\$ 14,260</u> | <u>\$ 880</u> | <u>\$ 2,830</u> | <u>\$ -</u> | <u>\$ 16,613</u> | <u>\$ 83,641</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts Payable and Accrued Expenditures | \$ 7,960 | \$ 2,756 | \$ - | \$ - | \$ 2,455 | \$ - | \$ - | \$ - |
| Accrued Payroll and Related Liabilities | - | - | - | - | 246 | - | 10,026 | - |
| Due to Other Funds | - | - | - | - | 129 | 1,076 | - | - |
| Total Liabilities | <u>7,960</u> | <u>2,756</u> | <u>-</u> | <u>-</u> | <u>2,830</u> | <u>1,076</u> | <u>10,026</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable Revenue - Other | - | - | - | - | - | - | - | - |
| FUND BALANCES | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - |
| Restricted | 242,074 | 148,428 | 14,260 | 880 | - | - | 6,587 | 83,641 |
| Unassigned | - | - | - | - | - | (1,076) | - | - |
| Total Fund Balances | <u>242,074</u> | <u>148,428</u> | <u>14,260</u> | <u>880</u> | <u>-</u> | <u>(1,076)</u> | <u>6,587</u> | <u>83,641</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 250,034</u> | <u>\$ 151,184</u> | <u>\$ 14,260</u> | <u>\$ 880</u> | <u>\$ 2,830</u> | <u>\$ -</u> | <u>\$ 16,613</u> | <u>\$ 83,641</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING BALANCE SHEET (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
JUNE 30, 2020**

| | Champlin Winman | Champlin Aldrich Gorton | Feinstein | Feinstein Holliman | Feinstein Scott-Comm Fund | Lowes Charitable Fund | United Way | Toshiba Grant Science |
|--|--------------------|-------------------------------|------------------|-----------------------|---------------------------------|-----------------------------|---------------|--------------------------|
| ASSETS | | | | | | | | |
| Cash and Cash Equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receivables, Net of Uncollectibles: | | | | | | | | |
| Departmental and Other | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Due from Other Funds | - | 3,306 | 98,048 | - | 924 | 634 | 589 | 1,579 |
| Other Assets | - | - | - | - | - | - | - | - |
| Total Assets | <u>\$ -</u> | <u>\$ 3,306</u> | <u>\$ 98,048</u> | <u>\$ -</u> | <u>\$ 924</u> | <u>\$ 634</u> | <u>\$ 589</u> | <u>\$ 1,579</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts Payable and Accrued Expenditures | \$ - | \$ - | \$ 809 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued Payroll and Related Liabilities | - | - | - | - | - | - | - | - |
| Due to Other Funds | 977 | - | - | 525 | - | - | - | - |
| Total Liabilities | <u>977</u> | <u>-</u> | <u>809</u> | <u>525</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable Revenue - Other | - | - | - | - | - | - | - | - |
| FUND BALANCES | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - |
| Restricted | - | 3,306 | 97,239 | - | 924 | 634 | 589 | 1,579 |
| Unassigned | (977) | - | - | (525) | - | - | - | - |
| Total Fund Balances | <u>(977)</u> | <u>3,306</u> | <u>97,239</u> | <u>(525)</u> | <u>924</u> | <u>634</u> | <u>589</u> | <u>1,579</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ -</u> | <u>\$ 3,306</u> | <u>\$ 98,048</u> | <u>\$ -</u> | <u>\$ 924</u> | <u>\$ 634</u> | <u>\$ 589</u> | <u>\$ 1,579</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING BALANCE SHEET (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
JUNE 30, 2020**

| | Gen Youth Foundation Oak Beach | Staples Foundation | Shapiro Fund for Warwick | Kula Foundation | Target | Education Development Center | Dorothy Rich Association | RI Interlocal Trust |
|--|--------------------------------------|-----------------------|--------------------------------|--------------------|-----------------|------------------------------------|--------------------------------|------------------------|
| ASSETS | | | | | | | | |
| Cash and Cash Equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receivables, Net of Uncollectibles: | | | | | | | | |
| Departmental and Other | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Due from Other Funds | 221 | 242 | 3,817 | 6 | 1,241 | 1,444 | 314 | 9,801 |
| Other Assets | - | - | - | - | - | - | - | - |
| Total Assets | <u>\$ 221</u> | <u>\$ 242</u> | <u>\$ 3,817</u> | <u>\$ 6</u> | <u>\$ 1,241</u> | <u>\$ 1,444</u> | <u>\$ 314</u> | <u>\$ 9,801</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts Payable and Accrued Expenditures | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued Payroll and Related Liabilities | - | - | - | - | - | - | - | - |
| Due to Other Funds | - | - | - | - | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable Revenue - Other | - | - | - | - | - | - | - | - |
| FUND BALANCES | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - |
| Restricted | 221 | 242 | 3,817 | 6 | 1,241 | 1,444 | 314 | 9,801 |
| Unassigned | - | - | - | - | - | - | - | - |
| Total Fund Balances | <u>221</u> | <u>242</u> | <u>3,817</u> | <u>6</u> | <u>1,241</u> | <u>1,444</u> | <u>314</u> | <u>9,801</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 221</u> | <u>\$ 242</u> | <u>\$ 3,817</u> | <u>\$ 6</u> | <u>\$ 1,241</u> | <u>\$ 1,444</u> | <u>\$ 314</u> | <u>\$ 9,801</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING BALANCE SHEET (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
JUNE 30, 2020**

| ASSETS | Signs of Enlightenment Toll Gate | Shaw Grant | Stop & Shop | Carter Family Spark Grant | Cedar Hill Library Books | PTO Donations | C.A.S.I.T Italian Program | James Manson Memorial |
|--|--|---------------|------------------|------------------------------|-----------------------------|------------------|---------------------------------|-----------------------------|
| Cash and Cash Equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receivables, Net of Uncollectibles: | | | | | | | | |
| Departmental and Other | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Due from Other Funds | 1,292 | 500 | 16,797 | 645 | 42 | 3,912 | 5,811 | 4,439 |
| Other Assets | - | - | - | - | - | - | - | - |
| Total Assets | <u>\$ 1,292</u> | <u>\$ 500</u> | <u>\$ 16,797</u> | <u>\$ 645</u> | <u>\$ 42</u> | <u>\$ 3,912</u> | <u>\$ 5,811</u> | <u>\$ 4,439</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts Payable and Accrued Expenditures | \$ - | \$ - | \$ 506 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued Payroll and Related Liabilities | - | - | - | - | - | - | - | - |
| Due to Other Funds | - | - | - | - | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>506</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable Revenue - Other | - | - | - | - | - | - | - | - |
| FUND BALANCES | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - |
| Restricted | 1,292 | 500 | 16,291 | 645 | 42 | 3,912 | 5,811 | 4,439 |
| Unassigned | - | - | - | - | - | - | - | - |
| Total Fund Balances | <u>1,292</u> | <u>500</u> | <u>16,291</u> | <u>645</u> | <u>42</u> | <u>3,912</u> | <u>5,811</u> | <u>4,439</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 1,292</u> | <u>\$ 500</u> | <u>\$ 16,797</u> | <u>\$ 645</u> | <u>\$ 42</u> | <u>\$ 3,912</u> | <u>\$ 5,811</u> | <u>\$ 4,439</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING BALANCE SHEET (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
JUNE 30, 2020**

| | Workforce Partnership of Greater RI | Scott Tech Donations | Esther Chester Donation | Mary Mani Memorial Fund | Carol Gray Memorial Fund | Patricia St. Amant Afterschool | Day One Your Voice Your Data | City/Town Contribution Sports |
|--|---|-------------------------|-------------------------------|-------------------------------|--------------------------------|--------------------------------------|------------------------------------|-------------------------------------|
| ASSETS | | | | | | | | |
| Cash and Cash Equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receivables, Net of Uncollectibles: | | | | | | | | |
| Departmental and Other | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Due from Other Funds | - | - | - | 50 | 23 | 6,623 | 1,000 | 7,988 |
| Other Assets | - | - | 178,300 | - | - | - | - | - |
| Total Assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 178,300</u> | <u>\$ 50</u> | <u>\$ 23</u> | <u>\$ 6,623</u> | <u>\$ 1,000</u> | <u>\$ 7,988</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts Payable and Accrued Expenditures | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued Payroll and Related Liabilities | - | - | - | - | - | - | - | - |
| Due to Other Funds | - | - | 1,597 | - | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>1,597</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable Revenue - Other | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | | | | |
| Nonspendable | - | - | 176,703 | - | - | - | - | - |
| Restricted | - | - | - | 50 | 23 | 6,623 | 1,000 | 7,988 |
| Unassigned | - | - | - | - | - | - | - | - |
| Total Fund Balances | <u>-</u> | <u>-</u> | <u>176,703</u> | <u>50</u> | <u>23</u> | <u>6,623</u> | <u>1,000</u> | <u>7,988</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 178,300</u> | <u>\$ 50</u> | <u>\$ 23</u> | <u>\$ 6,623</u> | <u>\$ 1,000</u> | <u>\$ 7,988</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING BALANCE SHEET (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
JUNE 30, 2020**

| ASSETS | Injury Fund | Donations Performing Arts | Donations Instructional Supplies | Holliman Yearbook | Technology Self Insurance | School Food Service Fund | Johnny Rockets |
|--|---------------|---------------------------------|--|----------------------|---------------------------------|-----------------------------|-------------------|
| Cash and Cash Equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,530 | \$ - |
| Receivables, Net of Uncollectibles: | | | | | | | |
| Departmental and Other | 25 | - | - | - | - | 47,572 | - |
| Intergovernmental | - | - | - | - | - | 17,609 | - |
| Due from Other Funds | 234 | 10,010 | 8,283 | 1,290 | - | 81,547 | 11,290 |
| Other Assets | - | - | - | - | - | - | - |
| Total Assets | \$ 259 | \$ 10,010 | \$ 8,283 | \$ 1,290 | \$ - | \$ 148,258 | \$ 11,290 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | |
| LIABILITIES | | | | | | | |
| Accounts Payable and Accrued Expenditures | \$ - | \$ - | \$ 225 | \$ 79 | \$ 18,783 | \$ 145,302 | \$ - |
| Accrued Payroll and Related Liabilities | - | - | - | - | 1,599 | 2,010 | - |
| Due to Other Funds | - | - | - | - | 78,212 | - | - |
| Total Liabilities | - | - | 225 | 79 | 98,594 | 147,312 | - |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable Revenue - Other | - | - | - | - | - | - | - |
| FUND BALANCES | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - |
| Restricted | 259 | 10,010 | 8,058 | 1,211 | - | 946 | 11,290 |
| Unassigned | - | - | - | - | (98,594) | - | - |
| Total Fund Balances | 259 | 10,010 | 8,058 | 1,211 | (98,594) | 946 | 11,290 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 259 | \$ 10,010 | \$ 8,283 | \$ 1,290 | \$ - | \$ 148,258 | \$ 11,290 |

**CITY OF WARWICK, RHODE ISLAND
COMBINING BALANCE SHEET (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
JUNE 30, 2020**

| | Donations Instructional Materials | Donations Sports | RISCA Promoting Lit & Art | School Climate Transformation | Title I ATSI Launch Mini Grant | Champlin Toll Gate | Tech Assistance Grant | Total |
|--|---|---------------------|---------------------------------|-------------------------------------|--------------------------------------|-----------------------|-----------------------------|---------------------|
| ASSETS | | | | | | | | |
| Cash and Cash Equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,530 |
| Receivables, Net of Uncollectibles: | | | | | | | | |
| Departmental and Other | - | - | - | - | - | - | - | 92,262 |
| Intergovernmental | - | - | - | - | - | - | 150,000 | 1,222,229 |
| Due from Other Funds | 1,000 | 1,000 | 3,420 | - | - | 17,490 | - | 1,287,826 |
| Other Assets | - | - | - | - | - | - | - | 178,300 |
| Total Assets | <u>\$ 1,000</u> | <u>\$ 1,000</u> | <u>\$ 3,420</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 17,490</u> | <u>\$ 150,000</u> | <u>\$ 2,782,147</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | |
| LIABILITIES | | | | | | | | |
| Accounts Payable and Accrued Expenditures | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 230,755 |
| Accrued Payroll and Related Liabilities | - | - | - | - | - | - | - | 401,034 |
| Due to Other Funds | - | - | - | 2,777 | - | - | 150,000 | 1,093,384 |
| Total Liabilities | - | - | - | 2,777 | - | - | 150,000 | 1,725,173 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Unavailable Revenue - Other | - | - | - | - | - | - | 150,000 | 150,000 |
| FUND BALANCES | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | 176,703 |
| Restricted | 1,000 | 1,000 | 3,420 | - | - | 17,490 | - | 1,153,216 |
| Unassigned | - | - | - | (2,777) | - | - | (150,000) | (422,945) |
| Total Fund Balances | <u>1,000</u> | <u>1,000</u> | <u>3,420</u> | <u>(2,777)</u> | <u>-</u> | <u>17,490</u> | <u>(150,000)</u> | <u>906,974</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 1,000</u> | <u>\$ 1,000</u> | <u>\$ 3,420</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 17,490</u> | <u>\$ 150,000</u> | <u>\$ 2,782,147</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
YEAR ENDED JUNE 30, 2020

| | IDEA | IDEA Preschool | Title I | Title II | Title III | Title IV | Perkins Voc | Homeless Child/Youth |
|--|--------------------|-------------------|--------------------|--------------------|---------------|----------------|-------------------|-------------------------|
| REVENUES | | | | | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 2,685,956 | 119,533 | 1,666,349 | 402,475 | 19,579 | 103,345 | 276,915 | 15,970 |
| Other Revenue | - | - | - | - | - | - | - | - |
| Total Revenues | <u>2,685,956</u> | <u>119,533</u> | <u>1,666,349</u> | <u>402,475</u> | <u>19,579</u> | <u>103,345</u> | <u>276,915</u> | <u>15,970</u> |
| EXPENDITURES | | | | | | | | |
| Salaries | 1,836,686 | 71,911 | 1,081,531 | 219,901 | 1,598 | 24,603 | 180,058 | 16,905 |
| Employee Benefits | 820,683 | 40,576 | 547,377 | 81,397 | 961 | 1,796 | 81,891 | 1,350 |
| Purchased Services | 21,313 | - | 27,773 | 100,397 | 16,378 | 22,560 | 7,824 | 4,013 |
| Supplies and Materials | - | 6,026 | 5,780 | - | - | 50,997 | 384 | 2,262 |
| Capital Equipment and Property | - | - | - | - | - | - | 2,036 | - |
| Indirect | 90,844 | 4,037 | 56,373 | 13,617 | 642 | 3,389 | 8,738 | - |
| Miscellaneous | - | - | - | - | - | - | 4,620 | 106 |
| Total Expenditures | <u>2,769,526</u> | <u>122,550</u> | <u>1,718,834</u> | <u>415,312</u> | <u>19,579</u> | <u>103,345</u> | <u>285,551</u> | <u>24,636</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (83,570) | (3,017) | (52,485) | (12,837) | - | - | (8,636) | (8,666) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - |
| Total 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 | (83,570) | (3,017) | (52,485) | (12,837) | - | - | (8,636) | (8,666) |
| Fund Balances - Beginning of Year | - | - | - | - | - | - | - | 4,989 |
| FUND BALANCES - END OF YEAR | <u>\$ (83,570)</u> | <u>\$ (3,017)</u> | <u>\$ (52,485)</u> | <u>\$ (12,837)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (8,636)</u> | <u>\$ (3,677)</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
YEAR ENDED JUNE 30, 2020

| | Fresh Fruit/Veg Program | School Lunch Equipment | Gen-Assembly Skills USA | RI Arts Big Yellow Bus - Sher | Arts Dalmation Toll Gate | Big Yellow Bus Vets | Emergency Repairs - Tech | Career and Tech Repairs |
|--|-------------------------------|---------------------------|----------------------------|-------------------------------------|-----------------------------|------------------------|--------------------------------|-------------------------------|
| REVENUES | | | | | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 43,531 | - | 9,500 | - | 2,275 | 400 | - | - |
| Other Revenue | - | - | - | 220 | - | - | - | - |
| Total Revenues | <u>43,531</u> | <u>-</u> | <u>9,500</u> | <u>220</u> | <u>2,275</u> | <u>400</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - |
| Employee Benefits | - | - | - | - | - | - | - | - |
| Purchased Services | 43,531 | - | - | - | 275 | - | - | - |
| Supplies and Materials | - | - | 387 | - | - | - | - | - |
| Capital Equipment and Property | - | 777 | 7,613 | - | - | - | 3,584 | 9,961 |
| Indirect | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>43,531</u> | <u>777</u> | <u>8,000</u> | <u>-</u> | <u>275</u> | <u>-</u> | <u>3,584</u> | <u>9,961</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - | (777) | 1,500 | 220 | 2,000 | 400 | (3,584) | (9,961) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - |
| Total 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 | - | (777) | 1,500 | 220 | 2,000 | 400 | (3,584) | (9,961) |
| Fund Balances - Beginning of Year | <u>(3,997)</u> | <u>-</u> | <u>4,000</u> | <u>1,970</u> | <u>1,040</u> | <u>180</u> | <u>354,526</u> | <u>80,398</u> |
| FUND BALANCES - END OF YEAR | <u>\$ (3,997)</u> | <u>\$ (777)</u> | <u>\$ 5,500</u> | <u>\$ 2,190</u> | <u>\$ 3,040</u> | <u>\$ 580</u> | <u>\$ 350,942</u> | <u>\$ 70,437</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
YEAR ENDED JUNE 30, 2020

| | CTE Categorical | CTE Reserve | CTE Trust | Full Day Kindergarten | English Learner Categorical | Learning Champions | CS4RI Teals Innovation Office Grant | Champlin Audio/Video |
|--|--------------------|-------------------|------------------|--------------------------|-----------------------------------|-----------------------|---|-------------------------|
| REVENUES | | | | | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 119,589 | - | - | - | 15,908 | - | 14,000 | - |
| Other Revenue | - | - | - | - | - | - | - | 83,462 |
| Total Revenues | <u>119,589</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>15,908</u> | <u>-</u> | <u>14,000</u> | <u>83,462</u> |
| EXPENDITURES | | | | | | | | |
| Salaries | - | - | - | - | 2,592 | - | 11,000 | - |
| Employee Benefits | - | - | - | - | 192 | - | 828 | - |
| Purchased Services | 9,244 | 3,898 | - | - | 10,086 | - | - | - |
| Supplies and Materials | 3,067 | 50 | - | - | 4,088 | - | - | - |
| Capital Equipment and Property | 46,233 | 91,968 | - | - | - | - | - | - |
| Indirect | - | - | - | - | - | - | - | - |
| Miscellaneous | 1,938 | - | - | - | - | - | - | - |
| Total Expenditures | <u>60,482</u> | <u>95,916</u> | <u>-</u> | <u>-</u> | <u>16,958</u> | <u>-</u> | <u>11,828</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 59,107 | (95,916) | - | - | (1,050) | - | 2,172 | 83,462 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - |
| Total 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 | 59,107 | (95,916) | - | - | (1,050) | - | 2,172 | 83,462 |
| Fund Balances - Beginning of Year | <u>182,967</u> | <u>244,344</u> | <u>14,260</u> | <u>880</u> | <u>1,050</u> | <u>(1,076)</u> | <u>4,415</u> | <u>179</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 242,074</u> | <u>\$ 148,428</u> | <u>\$ 14,260</u> | <u>\$ 880</u> | <u>\$ -</u> | <u>\$ (1,076)</u> | <u>\$ 6,587</u> | <u>\$ 83,641</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
YEAR ENDED JUNE 30, 2020

| | Champlin Winman | Champlin Aldrich Gorton | Feinstein | Feinstein Holliman | Feinstein Scott-Comm Fund | Lowes Charitable Fund | United Way | Toshiba Grant Science |
|--|--------------------|-------------------------------|------------------|-----------------------|---------------------------------|-----------------------------|---------------|--------------------------|
| REVENUES | | | | | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Other Revenue | - | - | 42,085 | - | - | - | - | - |
| Total Revenues | - | - | 42,085 | - | - | - | - | - |
| EXPENDITURES | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - |
| Employee Benefits | - | - | 574 | - | - | - | - | - |
| Purchased Services | - | - | 3,474 | - | - | - | - | - |
| Supplies and Materials | - | - | 15,568 | - | - | 4,366 | - | - |
| Capital Equipment and Property | - | - | 8,259 | - | - | - | - | - |
| Indirect | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - |
| Total Expenditures | - | - | 27,875 | - | - | 4,366 | - | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - | - | 14,210 | - | - | (4,366) | - | - |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | - | - | - | - |
| NET CHANGE IN FUND BALANCES | - | - | 14,210 | - | - | (4,366) | - | - |
| Fund Balances - Beginning of Year | (977) | 3,306 | 83,029 | (525) | 924 | 5,000 | 589 | 1,579 |
| FUND BALANCES - END OF YEAR | <u>\$ (977)</u> | <u>\$ 3,306</u> | <u>\$ 97,239</u> | <u>\$ (525)</u> | <u>\$ 924</u> | <u>\$ 634</u> | <u>\$ 589</u> | <u>\$ 1,579</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
YEAR ENDED JUNE 30, 2020

| | Gen Youth Foundation Oak Beach | Staples Foundation | Shapiro Fund for Warwick | Kula Foundation | Target | Education Development Center | Dorothy Rich Association | RI Interlocal Trust |
|--|--------------------------------------|-----------------------|--------------------------------|--------------------|-----------------|------------------------------------|--------------------------------|------------------------|
| REVENUES | | | | | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Other Revenue | - | - | 4,632 | - | - | - | - | - |
| Total Revenues | - | - | 4,632 | - | - | - | - | - |
| EXPENDITURES | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - |
| Employee Benefits | - | - | - | - | - | - | - | - |
| Purchased Services | - | - | 2,907 | - | - | - | - | - |
| Supplies and Materials | - | - | - | - | - | - | - | - |
| Capital Equipment and Property | - | - | - | - | - | - | - | - |
| Indirect | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | 600 | - | - | - | - | - |
| Total Expenditures | - | - | 3,507 | - | - | - | - | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - | - | 1,125 | - | - | - | - | - |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | - | - | - | - |
| NET CHANGE IN FUND BALANCES | - | - | 1,125 | - | - | - | - | - |
| Fund Balances - Beginning of Year | 221 | 242 | 2,692 | 6 | 1,241 | 1,444 | 314 | 9,801 |
| FUND BALANCES - END OF YEAR | <u>\$ 221</u> | <u>\$ 242</u> | <u>\$ 3,817</u> | <u>\$ 6</u> | <u>\$ 1,241</u> | <u>\$ 1,444</u> | <u>\$ 314</u> | <u>\$ 9,801</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
YEAR ENDED JUNE 30, 2020

| | Signs of Enlightenment Toll Gate | Shaw Grant | Stop & Shop | Carter Family Spark Grant | Cedar Hill Library Books | PTO Donations | C.A.S.I.T Italian Program | James Manson Memorial |
|--|--|---------------|------------------|------------------------------|-----------------------------|------------------|---------------------------------|-----------------------------|
| REVENUES | | | | | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Other Revenue | 1,000 | - | 8,569 | - | - | 26,008 | 2,500 | - |
| Total Revenues | <u>1,000</u> | <u>-</u> | <u>8,569</u> | <u>-</u> | <u>-</u> | <u>26,008</u> | <u>2,500</u> | <u>-</u> |
| EXPENDITURES | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - |
| Employee Benefits | - | - | - | - | - | - | - | - |
| Purchased Services | - | - | 885 | - | - | - | - | - |
| Supplies and Materials | 208 | - | 4,136 | - | - | 808 | 579 | - |
| Capital Equipment and Property | - | - | 1,100 | - | - | 25,200 | 304 | 561 |
| Indirect | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | 175 | - |
| Total Expenditures | <u>208</u> | <u>-</u> | <u>6,121</u> | <u>-</u> | <u>-</u> | <u>26,008</u> | <u>1,058</u> | <u>561</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 792 | - | 2,448 | - | - | - | 1,442 | (561) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - |
| Total 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 | 792 | - | 2,448 | - | - | - | 1,442 | (561) |
| Fund Balances - Beginning of Year | <u>500</u> | <u>500</u> | <u>13,843</u> | <u>645</u> | <u>42</u> | <u>3,912</u> | <u>4,369</u> | <u>5,000</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 1,292</u> | <u>\$ 500</u> | <u>\$ 16,291</u> | <u>\$ 645</u> | <u>\$ 42</u> | <u>\$ 3,912</u> | <u>\$ 5,811</u> | <u>\$ 4,439</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
YEAR ENDED JUNE 30, 2020

| | Workforce Partnership of Greater RI | Scott Tech Donations | Esther Chester Donation | Mary Mani Memorial Fund | Carol Gray Memorial Fund | Patricia St. Amant Afterschool | Day One Your Voice Your Data | City/Town Contribution Sports |
|--|---|-------------------------|-------------------------------|-------------------------------|--------------------------------|--------------------------------------|------------------------------------|-------------------------------------|
| REVENUES | | | | | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Other Revenue | 12,611 | - | - | - | - | 1,493 | - | - |
| Total Revenues | <u>12,611</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,493</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES | | | | | | | | |
| Salaries | 9,560 | - | - | - | - | - | - | - |
| Employee Benefits | 853 | - | - | - | - | - | - | - |
| Purchased Services | - | - | - | - | - | 1,501 | - | - |
| Supplies and Materials | 2,198 | - | - | - | - | - | - | 162 |
| Capital Equipment and Property | - | 874 | - | - | - | - | - | - |
| Indirect | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>12,611</u> | <u>874</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,501</u> | <u>-</u> | <u>162</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - | (874) | - | - | - | (8) | - | (162) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | - |
| Total 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 | - | (874) | - | - | - | (8) | - | (162) |
| Fund Balances - Beginning of Year | <u>-</u> | <u>874</u> | <u>176,703</u> | <u>50</u> | <u>23</u> | <u>6,631</u> | <u>1,000</u> | <u>8,150</u> |
| FUND BALANCES - END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 176,703</u> | <u>\$ 50</u> | <u>\$ 23</u> | <u>\$ 6,623</u> | <u>\$ 1,000</u> | <u>\$ 7,988</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
YEAR ENDED JUNE 30, 2020

| | Injury Fund | Donations Performing Arts | Donations Instructional Supplies | Holliman Yearbook | Technology Self Insurance | School Food Service Fund | Johnny Rockets |
|--|---------------|---------------------------------|--|----------------------|---------------------------------|-----------------------------|-------------------|
| REVENUES | | | | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 825,863 | \$ - |
| Intergovernmental | - | - | - | - | - | 1,053,302 | - |
| Other Revenue | 1,841 | 5,200 | 4,258 | - | 101,142 | - | - |
| Total Revenues | <u>1,841</u> | <u>5,200</u> | <u>4,258</u> | <u>-</u> | <u>101,142</u> | <u>1,879,165</u> | <u>-</u> |
| EXPENDITURES | | | | | | | |
| Salaries | - | - | - | - | 58,933 | 73,651 | - |
| Employee Benefits | - | - | - | - | 23,938 | 10,558 | - |
| Purchased Services | - | - | - | 79 | - | 2,186,401 | - |
| Supplies and Materials | - | 2,329 | 525 | - | - | 1,444 | - |
| Capital Equipment and Property | - | 841 | 2,549 | - | 123,632 | 139,112 | - |
| Indirect | - | - | - | - | - | - | - |
| Miscellaneous | 1,810 | - | - | - | - | 21,266 | - |
| Total Expenditures | <u>1,810</u> | <u>3,170</u> | <u>3,074</u> | <u>79</u> | <u>206,503</u> | <u>2,432,432</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 31 | 2,030 | 1,184 | (79) | (105,361) | (553,267) | - |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers In | - | - | - | - | - | 554,213 | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>554,213</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | 31 | 2,030 | 1,184 | (79) | (105,361) | 946 | - |
| Fund Balances - Beginning of Year | <u>228</u> | <u>7,980</u> | <u>6,874</u> | <u>1,290</u> | <u>6,767</u> | <u>-</u> | <u>11,290</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 259</u> | <u>\$ 10,010</u> | <u>\$ 8,058</u> | <u>\$ 1,211</u> | <u>\$ (98,594)</u> | <u>\$ 946</u> | <u>\$ 11,290</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
SPECIAL REVENUE RESTRICTED SCHOOL FUNDS
YEAR ENDED JUNE 30, 2020

| | Donations Instructional Materials | Donations Sports | RISCA Promoting Lit & Art | School Climate Transformation | Title I ATSI Launch Mini Grant | Champlin Toll Gate | Tech Assistance Grant | Total |
|--|---|---------------------|---------------------------------|-------------------------------------|--------------------------------------|-----------------------|-----------------------------|-------------------|
| REVENUES | | | | | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 825,863 |
| Intergovernmental | - | - | - | 2,908 | 34,000 | - | - | 6,585,535 |
| Other Revenue | 1,000 | 1,000 | 3,420 | - | - | 97,410 | - | 397,851 |
| Total Revenues | 1,000 | 1,000 | 3,420 | 2,908 | 34,000 | 97,410 | - | 7,809,249 |
| EXPENDITURES | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | 3,588,929 |
| Employee Benefits | - | - | - | 396 | - | - | - | 1,613,370 |
| Purchased Services | - | - | - | 5,289 | - | 3,990 | 150,000 | 2,621,818 |
| Supplies and Materials | - | - | - | - | - | 75,930 | - | 181,294 |
| Capital Equipment and Property | - | - | - | - | - | - | - | 464,604 |
| Indirect | - | - | - | - | - | - | - | 177,640 |
| Miscellaneous | - | - | - | - | 34,000 | - | - | 64,515 |
| Total Expenditures | - | - | - | 5,685 | 34,000 | 79,920 | 150,000 | 8,712,170 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1,000 | 1,000 | 3,420 | (2,777) | - | 17,490 | (150,000) | (902,921) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers In | - | - | - | - | - | - | - | 554,213 |
| Total Other Financing Sources (Uses) | - | - | - | - | - | - | - | 554,213 |
| NET CHANGE IN FUND BALANCES | 1,000 | 1,000 | 3,420 | (2,777) | - | 17,490 | (150,000) | (348,708) |
| Fund Balances - Beginning of Year | - | - | - | - | - | - | - | 1,255,682 |
| FUND BALANCES - END OF YEAR | <u>\$ 1,000</u> | <u>\$ 1,000</u> | <u>\$ 3,420</u> | <u>\$ (2,777)</u> | <u>\$ -</u> | <u>\$ 17,490</u> | <u>\$ (150,000)</u> | <u>\$ 906,974</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS
JUNE 30, 2020**

| | 2000 Open Space Bond Fund | 2006 Fire Station Bond | 2006 School Bond Fund | 2002 Drainage Bond Fund | 2006 City Buildings Bond Fund | Capital Leases | Road and Bridge Fund | 2020 Road and Bridge Fund | 2019 School Bond Fund | 2020 Efficient Building Loan | 2020 School Bond Fund | Total |
|--|---------------------------------|------------------------------|-----------------------------|-------------------------------|-------------------------------------|-------------------|-------------------------|---------------------------------|-----------------------------|------------------------------------|-----------------------------|----------------------|
| ASSETS | | | | | | | | | | | | |
| Cash and Cash Equivalents | \$ 349,482 | \$ 101,662 | \$ 327,481 | \$ - | \$ 919,645 | \$ - | \$ - | \$ - | \$ 4,008,009 | \$ - | \$ - | \$ 5,706,279 |
| Cash Held by Fiscal Agent | - | - | - | - | - | 949,508 | - | - | - | - | - | 949,508 |
| Restricted Cash and Cash Equivalents | - | - | - | - | - | - | - | 1,000,171 | - | - | - | 1,000,171 |
| Receivables, Net of Uncollectibles: | | | | | | | | | | | | |
| Departmental and Other | - | - | - | 7,000 | - | - | - | - | - | - | - | 7,000 |
| Intergovernmental | - | - | - | - | - | - | 232,392 | 5,930,000 | - | 2,970,000 | - | 9,132,392 |
| Due from Other Funds | - | - | - | - | - | - | 83,655 | - | - | - | - | 83,655 |
| Total Assets | <u>\$ 349,482</u> | <u>\$ 101,662</u> | <u>\$ 327,481</u> | <u>\$ 7,000</u> | <u>\$ 919,645</u> | <u>\$ 949,508</u> | <u>\$ 316,047</u> | <u>\$ 6,930,171</u> | <u>\$ 4,008,009</u> | <u>\$ 2,970,000</u> | <u>\$ -</u> | <u>\$ 16,879,005</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | | | | | |
| LIABILITIES | | | | | | | | | | | | |
| Accounts Payable and Accrued Expenditures | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 639,203 | \$ - | \$ 1,409,315 | \$ 2,048,518 |
| Due to Other Funds | 787 | - | 35,372 | 7,000 | 2,376 | 434 | - | - | 989,410 | - | - | 1,035,379 |
| Total Liabilities | 787 | - | 35,372 | 7,000 | 2,376 | 434 | - | - | 1,628,613 | - | 1,409,315 | 3,083,897 |
| FUND BALANCES | | | | | | | | | | | | |
| Restricted | 348,695 | 101,662 | 292,109 | - | 917,269 | 949,074 | 316,047 | 6,930,171 | 2,379,396 | 2,970,000 | - | 15,204,423 |
| Unassigned | - | - | - | - | - | - | - | - | - | - | (1,409,315) | (1,409,315) |
| Total Fund Balances | 348,695 | 101,662 | 292,109 | - | 917,269 | 949,074 | 316,047 | 6,930,171 | 2,379,396 | 2,970,000 | (1,409,315) | 13,795,108 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 349,482</u> | <u>\$ 101,662</u> | <u>\$ 327,481</u> | <u>\$ 7,000</u> | <u>\$ 919,645</u> | <u>\$ 949,508</u> | <u>\$ 316,047</u> | <u>\$ 6,930,171</u> | <u>\$ 4,008,009</u> | <u>\$ 2,970,000</u> | <u>\$ -</u> | <u>\$ 16,879,005</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECT FUNDS
YEAR ENDED JUNE 30, 2020

| | 2000 Open Space Bond Fund | 2006 Fire Station Bond | 2006 School Bond Fund | 2002 Drainage Bond Fund | 2006 City Buildings Bond Fund | Capital Leases | Road and Bridge Fund | 2020 Road and Bridge Fund | 2019 School Bond Fund | 2020 Efficient Building Loan | 2020 School Bond Fund | Total |
|--|---------------------------------|------------------------------|-----------------------------|-------------------------------|-------------------------------------|-------------------|-------------------------|---------------------------------|-----------------------------|------------------------------------|-----------------------------|----------------------|
| REVENUES | | | | | | | | | | | | |
| Investment Income | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 171 | \$ 30,700 | \$ - | \$ - | \$ 30,871 |
| Total Revenues | - | - | - | - | - | - | - | 171 | 30,700 | - | - | 30,871 |
| EXPENDITURES | | | | | | | | | | | | |
| Executive and Administration | - | - | 1,800 | - | - | - | - | 70,000 | 145,914 | 30,000 | - | 247,714 |
| Public Safety | - | - | - | - | - | 629,850 | - | - | - | - | - | 629,850 |
| Education | - | - | 90,222 | - | - | - | - | - | 3,836,304 | - | 1,409,315 | 5,335,841 |
| Total Expenditures | - | - | 92,022 | - | - | 629,850 | - | 70,000 | 3,982,218 | 30,000 | 1,409,315 | 6,213,405 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - | - | (92,022) | - | - | (629,850) | - | (69,829) | (3,951,518) | (30,000) | (1,409,315) | (6,182,534) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | | |
| Proceeds from Issuance of Bonds and Notes | - | - | - | - | - | - | - | 7,000,000 | 5,445,000 | 3,000,000 | - | 15,445,000 |
| Premium on Issuance of Bonds and Notes | - | - | - | - | - | - | - | - | 885,914 | - | - | 885,914 |
| Proceeds from Capital Leases | - | - | - | - | - | 2,303,074 | - | - | - | - | - | 2,303,074 |
| Total Other Financing Sources (Uses) | - | - | - | - | - | 2,303,074 | - | 7,000,000 | 6,330,914 | 3,000,000 | - | 18,633,988 |
| NET CHANGE IN FUND BALANCES | - | - | (92,022) | - | - | 1,673,224 | - | 6,930,171 | 2,379,396 | 2,970,000 | (1,409,315) | 12,451,454 |
| Fund Balances - Beginning of Year | 348,695 | 101,662 | 384,131 | - | 917,269 | (724,150) | 316,047 | - | - | - | - | 1,343,654 |
| FUND BALANCES - END OF YEAR | \$ 348,695 | \$ 101,662 | \$ 292,109 | \$ - | \$ 917,269 | \$ 949,074 | \$ 316,047 | \$ 6,930,171 | \$ 2,379,396 | \$ 2,970,000 | \$ (1,409,315) | \$ 13,795,108 |

**PENSION TRUST FUNDS AND
PRIVATE PURPOSE TRUST FUNDS**

**CITY OF WARWICK, RHODE ISLAND
TRUST FUNDS
JUNE 30, 2020**

PENSION TRUST FUNDS

Four trust funds held for the City employees and one school department fund held for the school employees. Combining schedules are included in Note 13.

PRIVATE PURPOSE TRUST FUNDS

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

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

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

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

**CITY OF WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 JUNE 30, 2020**

| | Employee Benefit Trust Fund | Neighbors Helping Neighbors | Jeanette Cram Scholarship Fund | Total |
|-------------------------------------|-----------------------------------|-----------------------------------|---|------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 106,461 | \$ 4,840 | \$ 23,616 | \$ 134,917 |
| Accounts Receivable | 22,556 | - | - | 22,556 |
| Due From Primary Government | - | 4,958 | - | 4,958 |
| Total Assets | \$ 129,017 | \$ 9,798 | \$ 23,616 | \$ 162,431 |
| LIABILITIES AND NET POSITION | | | | |
| NET POSITION | | | | |
| Held in Trust for Other Purposes | \$ 129,017 | \$ 9,798 | \$ 23,616 | \$ 162,431 |
| Total Liabilities and Net Position | \$ 129,017 | \$ 9,798 | \$ 23,616 | \$ 162,431 |

**CITY OF WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 YEAR ENDED JUNE 30, 2020**

| | Employee Benefit Trust Fund | Neighbors Helping Neighbors | Jeanette Cram Scholarship Fund | Total |
|-----------------------------------|-----------------------------------|-----------------------------------|---|--------------------------|
| ADDITIONS | | | | |
| Contributions | \$ 18,051 | \$ 7,012 | \$ - | \$ 25,063 |
| Other Revenue | 6,294 | 4,885 | - | 11,179 |
| Total Contributions and Other | <u>24,345</u> | <u>11,897</u> | <u>-</u> | <u>36,242</u> |
| Investment Income | 186 | 9 | 23 | 218 |
| Total Additions | <u>24,531</u> | <u>11,906</u> | <u>23</u> | <u>36,460</u> |
| DEDUCTIONS | <u>17,443</u> | <u>14,060</u> | <u>-</u> | <u>31,503</u> |
| CHANGE IN NET POSITION | 7,088 | (2,154) | 23 | 4,957 |
| Net Position - Beginning of Year | <u>121,929</u> | <u>11,952</u> | <u>23,593</u> | <u>157,474</u> |
| NET POSITION - END OF YEAR | <u><u>\$ 129,017</u></u> | <u><u>\$ 9,798</u></u> | <u><u>\$ 23,616</u></u> | <u><u>\$ 162,431</u></u> |

AGENCY FUNDS

CITY OF WARWICK, RHODE ISLAND
AGENCY FUNDS
JUNE 30, 2020

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

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

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

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

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

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

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2020

| | July 1, 2019 | Additions | Deductions | June 30, 2020 |
|---|-------------------|---------------------|-----------------------|-------------------|
| TREASURER'S AGENT | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | <u>\$ 609,620</u> | <u>\$ 15,656</u> | <u>\$ (142,709)</u> | <u>\$ 482,567</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 41,689 | \$ 417,945 | \$ (409,244) | \$ 50,390 |
| Deposits Held in Custody | 567,931 | 433,601 | <u>(569,355)</u> | 432,177 |
| Total Liabilities | <u>\$ 609,620</u> | <u>\$ 851,546</u> | <u>\$ (978,599)</u> | <u>\$ 482,567</u> |
| FUNDS IN REGISTRY OF PROBATE COURT | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | <u>\$ 15,866</u> | <u>\$ 5</u> | <u>\$ -</u> | <u>\$ 15,871</u> |
| LIABILITIES | | | | |
| Deposits Held in Custody for Others | <u>\$ 15,866</u> | <u>\$ 5</u> | <u>\$ -</u> | <u>\$ 15,871</u> |
| SEWER LINE AGENCY | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | <u>\$ 187,861</u> | <u>\$ 328</u> | <u>\$ -</u> | <u>\$ 188,189</u> |
| LIABILITIES | | | | |
| Accounts Payable and Accrued Expenditures | \$ 7,773 | \$ 329 | \$ (2,454) | \$ 5,648 |
| Deposits Held in Custody for Others | 180,088 | 4,907 | <u>(2,454)</u> | 182,541 |
| Total Liabilities | <u>\$ 187,861</u> | <u>\$ 5,236</u> | <u>\$ (4,908)</u> | <u>\$ 188,189</u> |
| REALTY TAX FUND | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | <u>\$ 391,424</u> | <u>\$ 2,430,416</u> | <u>\$ (2,592,666)</u> | <u>\$ 229,174</u> |
| LIABILITIES | | | | |
| Due to Federal and State Government | \$ 204,215 | \$ 1,267,026 | \$ (1,351,681) | \$ 119,560 |
| Accounts Payable | 187,209 | 1,163,390 | <u>(1,240,985)</u> | 109,614 |
| Total Liabilities | <u>\$ 391,424</u> | <u>\$ 2,430,416</u> | <u>\$ (2,592,666)</u> | <u>\$ 229,174</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
AGENCY FUNDS
YEAR ENDED JUNE 30, 2020

| | July 1, 2019 | Additions | Deductions | June 30, 2020 |
|-------------------------------------|---------------------|---------------------|-----------------------|---------------------|
| STUDENT ACTIVITY | | | | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 509,678 | \$ 647,013 | \$ (680,545) | \$ 476,146 |
| Accounts Receivable | 12,702 | - | (12,702) | - |
| Total Assets | <u>\$ 522,380</u> | <u>\$ 647,013</u> | <u>\$ (693,247)</u> | <u>\$ 476,146</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ - | \$ 66,340 | \$ (76,347) | \$ (10,007) |
| Deposits Held in Custody for Others | 522,380 | 647,013 | (683,240) | 486,153 |
| Total Liabilities | <u>\$ 522,380</u> | <u>\$ 713,353</u> | <u>\$ (759,587)</u> | <u>\$ 476,146</u> |
| TOTAL ALL AGENCY FUNDS | | | | |
| ASSETS | | | | |
| Cash | \$ 1,714,449 | \$ 3,093,418 | \$ (3,415,920) | \$ 1,391,947 |
| Accounts Receivable | 12,702 | - | (12,702) | - |
| Total Assets | <u>\$ 1,727,151</u> | <u>\$ 3,093,418</u> | <u>\$ (3,428,622)</u> | <u>\$ 1,391,947</u> |
| LIABILITIES | | | | |
| Accounts Payable | \$ 236,671 | \$ 1,648,004 | \$ (1,729,030) | \$ 155,645 |
| Due to Federal and State Government | 204,215 | 1,267,026 | (1,351,681) | 119,560 |
| Deposits Held in Custody for Others | 1,286,265 | 1,085,526 | (1,255,049) | 1,116,742 |
| Total Liabilities | <u>\$ 1,727,151</u> | <u>\$ 4,000,556</u> | <u>\$ (4,335,760)</u> | <u>\$ 1,391,947</u> |

COMBINING SCHEDULES

**CITY OF WARWICK, RHODE ISLAND
COMBINING BALANCE SHEET
FUNDS WHICH COMPRISE THE CITY'S GENERAL FUND
JUNE 30, 2020**

| | <u>General Fund</u> | <u>Rescue Service Fees Fund</u> | <u>Total General Fund</u> |
|--|----------------------|---|-------------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 36,276,505 | \$ 147,955 | \$ 36,424,460 |
| Property Taxes Receivables | 8,728,639 | - | 8,728,639 |
| Due from Federal and State Governments | 4,097,813 | - | 4,097,813 |
| Other Receivables | 275,731 | 1,363,402 | 1,639,133 |
| Due from Other Funds | 14,373,443 | (631,574) | 13,741,869 |
| Prepaid Items | 94,227 | - | 94,227 |
| Total Assets | <u>\$ 63,846,358</u> | <u>\$ 879,783</u> | <u>\$ 64,726,141</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable and Accrued Expenditures | \$ 3,867,328 | \$ 6,381 | \$ 3,873,709 |
| Accrued Payroll and Related Liabilities | 1,467,306 | - | 1,467,306 |
| Due to Federal and State Governments | 6,761 | - | 6,761 |
| Due to Other Funds | 20,363,264 | - | 20,363,264 |
| Other Liabilities | 63,836 | - | 63,836 |
| Total Liabilities | <u>25,768,495</u> | <u>6,381</u> | <u>25,774,876</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable Revenues | 7,734,021 | 873,402 | 8,607,423 |
| Advance Collections | 57,235 | - | 57,235 |
| Total Deferred Inflows of Resources | <u>7,791,256</u> | <u>873,402</u> | <u>8,664,658</u> |
| FUND BALANCES | | | |
| Nonspendable | 94,227 | - | 94,227 |
| Assigned | 3,389,233 | - | 3,389,233 |
| Unassigned | 26,803,147 | - | 26,803,147 |
| Total Fund Balances | <u>30,286,607</u> | <u>-</u> | <u>30,286,607</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 63,846,358</u> | <u>\$ 879,783</u> | <u>\$ 64,726,141</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FUNDS WHICH COMPRISE THE CITY'S GENERAL FUND
YEAR ENDED JUNE 30, 2020**

| | <u>General Fund</u> | <u>Rescue Service Fees Fund</u> | <u>Total General Fund</u> |
|--|----------------------|---|-------------------------------|
| REVENUES | | | |
| General Property Taxes | \$ 238,276,906 | \$ - | \$ 238,276,906 |
| Interest on Taxes | 2,125,411 | - | 2,125,411 |
| Intergovernmental Revenues | 11,509,460 | - | 11,509,460 |
| Airport Revenues | 3,291,426 | - | 3,291,426 |
| Real Estate Transfer Tax | 1,163,390 | - | 1,163,390 |
| Hotel and Meals Tax | 4,351,453 | - | 4,351,453 |
| Charges for Services | 4,370,479 | 3,370,813 | 7,741,292 |
| Investment Income | 577,709 | 623 | 578,332 |
| Other Revenue | 560,675 | 2,764 | 563,439 |
| Total Revenues | <u>266,226,909</u> | <u>3,374,200</u> | <u>269,601,109</u> |
| EXPENDITURES | | | |
| Executive and Administration | 5,447,961 | - | 5,447,961 |
| Public Safety | 46,897,448 | 99,050 | 46,996,498 |
| Recreation | 2,860,219 | - | 2,860,219 |
| Public Libraries | 2,811,057 | - | 2,811,057 |
| Social Services | 1,116,955 | - | 1,116,955 |
| Planning and Economic Development | 1,395,178 | - | 1,395,178 |
| Public Works | 12,080,463 | - | 12,080,463 |
| Employee Benefits, Fixed Costs and Capital | 61,532,791 | - | 61,532,791 |
| Debt Service: | | | |
| Principal | 5,371,118 | - | 5,371,118 |
| Interest | 1,829,367 | - | 1,829,367 |
| Total Expenditures | <u>141,342,557</u> | <u>99,050</u> | <u>141,441,607</u> |
| EXCESS OF REVENUES OVER EXPENSES | 124,884,352 | 3,275,150 | 128,159,502 |
| OTHER FINANCING SOURCES (USES) | | | |
| Insurance Proceeds | 400,701 | - | 400,701 |
| Transfers In | 3,773,301 | (3,275,150) | 498,151 |
| Transfer Out | (130,377,039) | - | (130,377,039) |
| Total Other Financing Sources (Uses) | <u>(126,203,037)</u> | <u>(3,275,150)</u> | <u>(129,478,187)</u> |
| NET CHANGE IN FUND BALANCES | (1,318,685) | - | (1,318,685) |
| Fund Balances - Beginning of Year | <u>31,605,292</u> | <u>-</u> | <u>31,605,292</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 30,286,607</u> | <u>\$ -</u> | <u>\$ 30,286,607</u> |

**CITY OF WARWICK, RHODE ISLAND
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2020**

| | Workers' Compensation Fund | Healthcare Management School Department | Healthcare Management City | Total |
|---------------------------|----------------------------------|--|----------------------------------|---------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | \$ 643,836 | \$ - | \$ - | \$ 643,836 |
| Due from Other Funds | - | - | 1,670,344 | 1,670,344 |
| Deposit with Agent | 70,000 | 3,556,851 | 419,100 | 4,045,951 |
| Total Current Assets | <u>713,836</u> | <u>3,556,851</u> | <u>2,089,444</u> | <u>6,360,131</u> |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Claims Payable | 321,332 | 1,073,731 | 1,042,438 | 2,437,501 |
| Total Liabilities | <u>321,332</u> | <u>1,073,731</u> | <u>1,042,438</u> | <u>2,437,501</u> |
| NET POSITION | | | | |
| Unrestricted | <u>392,504</u> | <u>2,483,120</u> | <u>1,047,006</u> | <u>3,922,630</u> |
| Total Net Position | <u>\$ 392,504</u> | <u>\$ 2,483,120</u> | <u>\$ 1,047,006</u> | <u>\$ 3,922,630</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

| | Workers' Compensation Fund | Healthcare Management School Department | Healthcare Management City | Total |
|---|----------------------------------|--|----------------------------------|---------------------|
| OPERATING REVENUES | | | | |
| Employer/Employee Contributions | \$ - | \$ 25,517,573 | \$ 23,394,727 | \$ 48,912,300 |
| Workers' Compensation | 423,515 | - | - | 423,515 |
| Total Operating Revenues | <u>423,515</u> | <u>25,517,573</u> | <u>23,394,727</u> | <u>49,335,815</u> |
| OPERATING EXPENSES | | | | |
| Benefit Claims | 651,034 | 22,220,877 | 23,426,332 | 46,298,243 |
| Total Operating Expenses | <u>651,034</u> | <u>22,220,877</u> | <u>23,426,332</u> | <u>46,298,243</u> |
| OPERATING INCOME (LOSS) | (227,519) | 3,296,696 | (31,605) | 3,037,572 |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest Income | 1,124 | - | - | 1,124 |
| CHANGE IN FUND NET POSITION | (226,395) | 3,296,696 | (31,605) | 3,038,696 |
| Fund Net Position - Beginning of Year | <u>618,899</u> | <u>(813,576)</u> | <u>1,078,611</u> | <u>883,934</u> |
| FUND NET POSITION - END OF YEAR | <u>\$ 392,504</u> | <u>\$ 2,483,120</u> | <u>\$ 1,047,006</u> | <u>\$ 3,922,630</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020**

| | Workers' Compensation Fund | Healthcare Management School Department | Healthcare Management City | Total |
|---|----------------------------------|--|----------------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from Employer/Employee Contributions | \$ - | \$ 25,517,573 | \$ 23,394,727 | \$ 48,912,300 |
| Receipts from Other Operating Services | 423,515 | - | - | 423,515 |
| Payments for Claims | (383,515) | (23,374,922) | (23,103,777) | (46,862,214) |
| Net Cash Provided by Operating Activities | <u>40,000</u> | <u>2,142,651</u> | <u>290,950</u> | <u>2,473,601</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Deposits with Agent | (40,000) | (2,142,651) | - | (2,182,651) |
| Interfund Borrowings (Payments), Net | - | - | (290,950) | (290,950) |
| Net Cash Used by Noncapital Financing Activities | <u>(40,000)</u> | <u>(2,142,651)</u> | <u>(290,950)</u> | <u>(2,473,601)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest on Investments | 1,124 | - | - | 1,124 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 1,124 | - | - | 1,124 |
| Cash and Cash Equivalents - Beginning of Year | 642,712 | - | - | 642,712 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 643,836</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 643,836</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | |
| Operating Income (Loss) | \$ (227,519) | \$ 3,296,696 | \$ (31,605) | \$ 3,037,572 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | |
| Changes in Assets and Liabilities: | | | | |
| Increase (Decrease) in Claims Payable | 267,519 | (1,154,045) | 322,555 | (563,971) |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 40,000</u> | <u>\$ 2,142,651</u> | <u>\$ 290,950</u> | <u>\$ 2,473,601</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS SEWER
JUNE 30, 2020**

| | Sewer Funds | | | | | | | |
|---|-----------------------|-----------------------------|-------------------------|------------------------|-----------------------------------|---|--|--------------------|
| | Sewer Revenue Fund | Sewer Assessment Fund | 1994 Sewer Bond Fund | Sewer SRF Bond Fund | On-Site Revolving Loan Fund | Sewer Renewal and Replacement Fund | Sewer Infrastructure Replacement Fund | Total |
| ASSETS | | | | | | | | |
| Current Assets: | | | | | | | | |
| Cash and Cash Equivalents | \$ 20,590,267 | \$ 4,508,115 | \$ - | \$ - | \$ - | \$ 2,002,444 | \$ 54,090 | \$ 27,154,916 |
| Restricted Cash and Cash Equivalents | - | - | 36,117 | 5,635,678 | - | - | - | 5,671,795 |
| Accounts Receivable, Net: | | | | | | | | |
| Sewer Use Fees | 7,811,004 | - | - | - | - | - | - | 7,811,004 |
| Sewer Assessments | - | 3,476,541 | - | - | - | - | - | 3,476,541 |
| Intergovernmental | - | - | - | 3,803,806 | - | - | - | 3,803,806 |
| Other Receivables | - | - | - | - | 6,455 | - | - | 6,455 |
| Total Current Assets | <u>28,401,271</u> | <u>7,984,656</u> | <u>36,117</u> | <u>9,439,484</u> | <u>6,455</u> | <u>2,002,444</u> | <u>54,090</u> | <u>47,924,517</u> |
| Noncurrent Assets: | | | | | | | | |
| Sewer Assessments | - | 16,189,959 | - | - | - | - | - | 16,189,959 |
| Construction in Progress | - | - | - | 2,666,345 | - | - | 48,501 | 2,714,846 |
| Depreciable Capital Assets, Net | <u>30,877,454</u> | <u>-</u> | <u>7,794,307</u> | <u>131,106,439</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>169,778,200</u> |
| Total Noncurrent Assets | <u>30,877,454</u> | <u>16,189,959</u> | <u>7,794,307</u> | <u>133,772,784</u> | <u>-</u> | <u>-</u> | <u>48,501</u> | <u>188,683,005</u> |
| Total Assets | 59,278,725 | 24,174,615 | 7,830,424 | 143,212,268 | 6,455 | 2,002,444 | 102,591 | 236,607,522 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | |
| Deferred Charge on Refunding | 65,604 | - | - | - | - | - | - | 65,604 |
| Deferred Outflows - OPEB | 281,849 | - | - | - | - | - | - | 281,849 |
| Deferred Outflows - Related to Pensions | <u>657,165</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>657,165</u> |
| Total Deferred Outflows of Resources | <u>1,004,618</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,004,618</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS SEWER
JUNE 30, 2020**

| | Sewer Funds | | | | | | | |
|--|-----------------------|-----------------------------|-------------------------|------------------------|-----------------------------------|---|--|-----------------------|
| | Sewer Revenue Fund | Sewer Assessment Fund | 1994 Sewer Bond Fund | Sewer SRF Bond Fund | On-Site Revolving Loan Fund | Sewer Renewal and Replacement Fund | Sewer Infrastructure Replacement Fund | Total |
| LIABILITIES | | | | | | | | |
| Current Liabilities: | | | | | | | | |
| Accounts Payable and Accrued Expenses | \$ 304,406 | \$ 2,941 | \$ - | \$ 383,420 | \$ - | \$ - | \$ - | \$ 690,767 |
| Accrued Payroll | 18,444 | - | - | - | - | - | - | 18,444 |
| Accrued Interest Payable | 569,685 | - | - | - | - | - | - | 569,685 |
| Due to Other Funds | 13,687,020 | 3,856,704 | - | (247,705) | (3,713) | (2,125,192) | 14,968 | 15,182,082 |
| Total OPEB Liability, Due Within One Year | 256,804 | - | - | - | - | - | - | 256,804 |
| Current Portion of Long-Term Bonds and Loans | 1,351,166 | - | - | 8,608,862 | - | - | - | 9,960,028 |
| Total Current Liabilities | <u>16,187,525</u> | <u>3,859,645</u> | <u>-</u> | <u>8,744,577</u> | <u>(3,713)</u> | <u>(2,125,192)</u> | <u>14,968</u> | <u>26,677,810</u> |
| Noncurrent Liabilities: | | | | | | | | |
| Unearned Revenue | - | - | - | 107,565 | - | - | - | 107,565 |
| Accrued Compensated Absences | 173,328 | - | - | - | - | - | - | 173,328 |
| Total OPEB Liability | 6,885,894 | - | - | - | - | - | - | 6,885,894 |
| Net Pension Liability | 3,538,958 | - | - | - | - | - | - | 3,538,958 |
| Long-Term Bonds and Loans | 4,786,054 | - | - | 51,152,306 | - | - | - | 55,938,360 |
| Total Noncurrent Liabilities | <u>15,384,234</u> | <u>-</u> | <u>-</u> | <u>51,259,871</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>66,644,105</u> |
| Total Liabilities | 31,571,759 | 3,859,645 | - | 60,004,448 | (3,713) | (2,125,192) | 14,968 | 93,321,915 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Deferred Inflows - Related to OPEB | 217,900 | - | - | - | - | - | - | 217,900 |
| Total Deferred Inflows of Resources | <u>217,900</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>217,900</u> |
| NET POSITION | | | | | | | | |
| Net Investment in Capital Assets | 24,805,838 | - | 7,794,307 | 77,432,002 | - | - | 48,501 | 110,080,648 |
| Restricted for Debt Service | - | - | 36,117 | 5,635,678 | - | - | - | 5,671,795 |
| Unrestricted | 3,687,846 | 20,314,970 | - | 140,140 | 10,168 | 4,127,636 | 39,122 | 28,319,882 |
| Total Net Position | <u>\$ 28,493,684</u> | <u>\$ 20,314,970</u> | <u>\$ 7,830,424</u> | <u>\$ 83,207,820</u> | <u>\$ 10,168</u> | <u>\$ 4,127,636</u> | <u>\$ 87,623</u> | <u>\$ 144,072,325</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS SEWER
YEAR ENDED JUNE 30, 2020

| Sewer Funds | | | | | | | | |
|--|-----------------------|-----------------------------|-------------------------|------------------------|-----------------------------------|---|--|-----------------------|
| | Sewer Revenue Fund | Sewer Assessment Fund | 1994 Sewer Bond Fund | Sewer SRF Bond Fund | On-Site Revolving Loan Fund | Sewer Renewal and Replacement Fund | Sewer Infrastructure Replacement Fund | Total |
| OPERATING REVENUES | | | | | | | | |
| User Fees | \$ 15,840,388 | \$ - | \$ - | \$ - | \$ - | \$ 1,400,974 | \$ - | \$ 17,241,362 |
| Special Assessments | - | 7,329,604 | - | - | - | - | - | 7,329,604 |
| Other Revenues | 195,115 | 87,342 | 378 | - | - | - | - | 282,835 |
| Total Operating Revenues | <u>16,035,503</u> | <u>7,416,946</u> | <u>378</u> | <u>-</u> | <u>-</u> | <u>1,400,974</u> | <u>-</u> | <u>24,853,801</u> |
| OPERATING EXPENSES | | | | | | | | |
| Contract Services | 174,554 | - | - | - | - | - | - | 174,554 |
| Salaries and Benefits | 3,054,290 | - | - | - | - | - | - | 3,054,290 |
| Materials and Supplies | 790,669 | - | - | - | - | - | - | 790,669 |
| Depreciation and Amortization | 1,794,789 | - | 345,631 | 4,424,346 | - | - | - | 6,564,766 |
| Operations | 2,821,872 | - | - | (257,472) | - | 303 | - | 2,564,703 |
| Total Operating Expenses | <u>8,636,174</u> | <u>-</u> | <u>345,631</u> | <u>4,166,874</u> | <u>-</u> | <u>303</u> | <u>-</u> | <u>13,148,982</u> |
| OPERATING INCOME (LOSS) | 7,399,329 | 7,416,946 | (345,253) | (4,166,874) | - | 1,400,671 | - | 11,704,819 |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | | |
| Interest Income | 253,928 | 12,643 | 63 | 59,325 | - | 2,897 | 94 | 328,950 |
| Interest Expense | (1,596,352) | - | - | - | - | - | - | (1,596,352) |
| Loss on Disposal of Assets | (1,421) | - | - | - | - | - | - | (1,421) |
| Total Nonoperating Revenues (Expenses) | <u>(1,343,845)</u> | <u>12,643</u> | <u>63</u> | <u>59,325</u> | <u>-</u> | <u>2,897</u> | <u>94</u> | <u>(1,268,823)</u> |
| INCOME (LOSS) BEFORE TRANSFERS | 6,055,484 | 7,429,589 | (345,190) | (4,107,549) | - | 1,403,568 | 94 | 10,435,996 |
| TRANSFERS | | | | | | | | |
| Transfers In | (6,091,678) | (3,493,285) | (461,148) | 10,046,111 | - | - | - | - |
| Transfers Out | 90,557 | - | - | - | - | (90,557) | - | - |
| Total Transfers | <u>(6,001,121)</u> | <u>(3,493,285)</u> | <u>(461,148)</u> | <u>10,046,111</u> | <u>-</u> | <u>(90,557)</u> | <u>-</u> | <u>-</u> |
| CHANGE IN NET POSITION | 54,363 | 3,936,304 | (806,338) | 5,938,562 | - | 1,313,011 | 94 | 10,435,996 |
| Net Position - Beginning of Year (As Restated) | <u>28,439,321</u> | <u>16,378,666</u> | <u>8,636,762</u> | <u>77,269,258</u> | <u>10,168</u> | <u>2,814,625</u> | <u>87,529</u> | <u>133,636,329</u> |
| NET POSITION - END OF YEAR | <u>\$ 28,493,684</u> | <u>\$ 20,314,970</u> | <u>\$ 7,830,424</u> | <u>\$ 83,207,820</u> | <u>\$ 10,168</u> | <u>\$ 4,127,636</u> | <u>\$ 87,623</u> | <u>\$ 144,072,325</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS SEWER
YEAR ENDED JUNE 30, 2020**

| Sewer Funds | | | | | | | | |
|--|-----------------------|-----------------------------|-------------------------|------------------------|-----------------------------------|---|--|----------------------|
| | Sewer Revenue Fund | Sewer Assessment Fund | 1994 Sewer Bond Fund | Sewer SRF Bond Fund | On-Site Revolving Loan Fund | Sewer Renewal and Replacement Fund | Sewer Infrastructure Replacement Fund | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| Receipts from Customers and Users | \$ 15,819,365 | \$ 3,391,807 | \$ - | \$ - | \$ - | \$ 1,400,974 | \$ - | \$ 20,612,146 |
| Payments to Suppliers | (3,778,994) | 2,941 | (378) | - | - | (303) | - | (3,776,734) |
| Payments to Employees | (3,245,024) | - | - | - | - | - | - | (3,245,024) |
| Receipts from Other Operating Services | 195,115 | 87,342 | 378 | - | - | - | - | 282,835 |
| Net Cash Provided (Used) by Operating Activities | 8,990,462 | 3,482,090 | - | - | - | 1,400,671 | - | 13,873,223 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | | |
| Interfund Borrowings (Payments), Net | (1,683,990) | (4,406,000) | 461,148 | (177,369) | - | 689,118 | - | (5,117,093) |
| Transfers In from Other Funds | 90,557 | - | - | 10,046,111 | - | - | - | 10,136,668 |
| Transfers To Other Funds | (6,091,678) | (3,493,285) | (461,148) | - | - | (90,557) | - | (10,136,668) |
| Net Cash Provided (Used) by Noncapital Financing Activities | (7,685,111) | (7,899,285) | - | 9,868,742 | - | 598,561 | - | (5,117,093) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | | |
| Additions to Property, Plant, and Equipment | (214,977) | - | - | (3,575,686) | - | - | - | (3,790,663) |
| Proceeds from Bonds, Loans and Leases | - | - | - | 3,509,396 | - | - | - | 3,509,396 |
| Principal Paid on Bonds and Loans | (1,300,980) | - | - | (10,065,511) | - | - | - | (11,366,491) |
| Interest Paid on Bonds and Loans | (1,740,513) | - | - | - | - | - | - | (1,740,513) |
| Proceeds from Premiums on Bonds and Loans | - | - | - | 263,061 | - | - | - | 263,061 |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (3,256,470) | - | - | (9,868,740) | - | - | - | (13,125,210) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | |
| Interest on Investments | 253,928 | 12,643 | 63 | 59,325 | - | 2,897 | 94 | 328,950 |
| Net Cash Provided by Investing Activities | 253,928 | 12,643 | 63 | 59,325 | - | 2,897 | 94 | 328,950 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (1,697,191) | (4,404,552) | 63 | 59,327 | - | 2,002,129 | 94 | (4,040,130) |
| Cash and Cash Equivalents - Beginning of Year | 22,287,458 | 8,912,667 | 36,054 | 5,576,351 | - | 315 | 53,996 | 36,866,841 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 20,590,267</u> | <u>\$ 4,508,115</u> | <u>\$ 36,117</u> | <u>\$ 5,635,678</u> | <u>\$ -</u> | <u>\$ 2,002,444</u> | <u>\$ 54,090</u> | <u>\$ 32,826,711</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS SEWER
YEAR ENDED JUNE 30, 2020**

| | Sewer Funds | | | | | | | |
|---|-----------------------|-----------------------------|-------------------------|------------------------|-----------------------------------|---|--|----------------------|
| | Sewer Revenue Fund | Sewer Assessment Fund | 1994 Sewer Bond Fund | Sewer SRF Bond Fund | On-Site Revolving Loan Fund | Sewer Renewal and Replacement Fund | Sewer Infrastructure Replacement Fund | Total |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | | | | | | |
| Operating Income (Loss) | \$ 7,399,329 | \$ 7,416,946 | \$ (345,253) | \$ (4,166,874) | \$ - | \$ 1,400,671 | \$ - | \$ 11,704,819 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | | | | | | |
| Depreciation and Amortization | 1,794,789 | - | 345,631 | 4,424,346 | - | - | - | 6,564,766 |
| Change in Total OPEB Liability | (50,355) | - | - | - | - | - | - | (50,355) |
| Change in Net Pension Liability | 363,085 | - | - | - | - | - | - | 363,085 |
| Change in Deferred Outflows - Pension and OPEB | (404,789) | - | - | - | - | - | - | (404,789) |
| Change in Deferred Inflows - Pension and OPEB | (53,165) | - | - | - | - | - | - | (53,165) |
| Changes in Assets and Liabilities: | | | | | | | | |
| (Increase) Decrease in Accounts Receivable | (21,023) | - | - | - | - | - | - | (21,023) |
| (Increase) Decrease in Sewer Assessments | - | (3,937,797) | - | - | - | - | - | (3,937,797) |
| Increase (Decrease) in Accounts Payable and Accrued Expenses | 8,101 | 2,941 | (378) | (257,472) | - | - | - | (246,808) |
| Increase (Decrease) in Accrued Payroll | (16,614) | - | - | - | - | - | - | (16,614) |
| Increase (Decrease) in Compensated Absences | (28,896) | - | - | - | - | - | - | (28,896) |
| Net Cash Provided by Operating Activities | <u>\$ 8,990,462</u> | <u>\$ 3,482,090</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,400,671</u> | <u>\$ -</u> | <u>\$ 13,873,223</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS WATER
JUNE 30, 2020**

| | Water Funds | | | | | | Total |
|---|-----------------------|-------------------------|-------------------------|---|--|--|-------------------|
| | Water Revenue Fund | 2000 Water Bond Fund | 1994 Water Bond Fund | Water Renewal and Replacement Fund | Water Restricted Emergency Fund | Water Infrastructure Replacement Fund | |
| ASSETS | | | | | | | |
| Current Assets: | | | | | | | |
| Cash and Cash Equivalents | \$ 6,126,552 | \$ 4 | \$ - | \$ 116 | \$ 198 | \$ 31,465 | \$ 6,158,335 |
| Accounts Receivable, Net: | | | | | | | |
| Water Use Fees | 4,663,494 | - | - | - | - | - | 4,663,494 |
| Due from Other Funds | 1,237,481 | 116,720 | - | 750,000 | 250,000 | 2,000,000 | 4,354,201 |
| Inventory | 92,864 | - | - | - | - | - | 92,864 |
| Total Current Assets | <u>12,120,391</u> | <u>116,724</u> | <u>-</u> | <u>750,116</u> | <u>250,198</u> | <u>2,031,465</u> | <u>15,268,894</u> |
| Noncurrent Assets: | | | | | | | |
| Construction in Progress | 164,150 | - | - | - | - | - | 164,150 |
| Depreciable Capital Assets, Net | 8,066,528 | 753,800 | 1,024,472 | - | - | - | 9,844,800 |
| Total Noncurrent Assets | <u>8,230,678</u> | <u>753,800</u> | <u>1,024,472</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>10,008,950</u> |
| Total Assets | 20,351,069 | 870,524 | 1,024,472 | 750,116 | 250,198 | 2,031,465 | 25,277,844 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | |
| Deferred Charge on Refunding | - | 1,249 | - | - | - | - | 1,249 |
| Deferred Outflows - OPEB | 281,849 | - | - | - | - | - | 281,849 |
| Deferred Outflows - Related to Pensions | 657,165 | - | - | - | - | - | 657,165 |
| Total Deferred Outflows of Resources | <u>939,014</u> | <u>1,249</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>940,263</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS WATER
JUNE 30, 2020

| | Water Funds | | | | | | Total |
|--|-----------------------|-------------------------|-------------------------|---|--|--|----------------------|
| | Water Revenue Fund | 2000 Water Bond Fund | 1994 Water Bond Fund | Water Renewal and Replacement Fund | Water Restricted Emergency Fund | Water Infrastructure Replacement Fund | |
| LIABILITIES | | | | | | | |
| Current Liabilities: | | | | | | | |
| Accounts Payable and Accrued Expenses | \$ 1,074,389 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,074,389 |
| Accrued Payroll and Related Liabilities | 14,461 | | | | | | 14,461 |
| Accrued Interest Payable | 1,404 | - | - | - | - | - | 1,404 |
| Total OPEB Liability, Due Within One Year | 256,804 | | | | | | 256,804 |
| Current Portion of Long-Term Bonds and Notes Payable | - | 43,029 | - | - | - | - | 43,029 |
| Total Current Liabilities | <u>1,347,058</u> | <u>43,029</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,390,087</u> |
| Noncurrent Liabilities: | | | | | | | |
| Accrued Compensated Absences | 175,112 | - | - | - | - | - | 175,112 |
| Total OPEB Liability | 6,885,894 | - | - | - | - | - | 6,885,894 |
| Net Pension Liability | 3,538,958 | - | - | - | - | - | 3,538,958 |
| Long-Term Bonds and Notes Payable | - | 43,638 | - | - | - | - | 43,638 |
| Total Noncurrent Liabilities | <u>10,599,964</u> | <u>43,638</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>10,643,602</u> |
| Total Liabilities | 11,947,022 | 86,667 | - | - | - | - | 12,033,689 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Deferred Inflows - Related to OPEB | 217,900 | - | - | - | - | - | 217,900 |
| Total Deferred Inflows of Resources | <u>217,900</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>217,900</u> |
| NET POSITION | | | | | | | |
| Net Investment in Capital Assets | 8,230,678 | 668,382 | 1,024,472 | - | - | - | 9,923,532 |
| Unrestricted | 894,483 | 116,724 | - | 750,116 | 250,198 | 2,031,465 | 4,042,986 |
| Total Net Position | <u>\$ 9,125,161</u> | <u>\$ 785,106</u> | <u>\$ 1,024,472</u> | <u>\$ 750,116</u> | <u>\$ 250,198</u> | <u>\$ 2,031,465</u> | <u>\$ 13,966,518</u> |

CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS WATER
YEAR ENDED JUNE 30, 2020

| | Water Funds | | | | | | Total |
|--|-----------------------|-------------------------|-------------------------|---|--|--|----------------------|
| | Water Revenue Fund | 2000 Water Bond Fund | 1994 Water Bond Fund | Water Renewal and Replacement Fund | Water Restricted Emergency Fund | Water Infrastructure Replacement Fund | |
| OPERATING REVENUES | | | | | | | |
| User Fees | \$ 10,429,742 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 10,429,742 |
| Other Revenues | 281,976 | - | - | - | - | - | 281,976 |
| Total Operating Revenues | <u>10,711,718</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>10,711,718</u> |
| OPERATING EXPENSES | | | | | | | |
| Contract Services | 105,472 | - | - | - | - | - | 105,472 |
| Salaries and Benefits | 2,810,165 | - | - | - | - | - | 2,810,165 |
| Materials and Supplies | 11,125 | - | - | - | - | - | 11,125 |
| Depreciation and Amortization | 495,624 | 26,589 | 19,888 | - | - | - | 542,101 |
| Operations | 5,181,912 | - | - | - | - | - | 5,181,912 |
| Total Operating Expenses | <u>8,604,298</u> | <u>26,589</u> | <u>19,888</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,650,775</u> |
| OPERATING INCOME (LOSS) | 2,107,420 | (26,589) | (19,888) | - | - | - | 2,060,943 |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | |
| Interest Income | 123,253 | - | - | - | - | 55 | 123,308 |
| Interest Expense | (3,089) | 1,092 | - | - | - | - | (1,997) |
| Total Nonoperating Revenues (Expenses) | <u>120,164</u> | <u>1,092</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>55</u> | <u>121,311</u> |
| INCOME (LOSS) BEFORE TRANSFERS | 2,227,584 | (25,497) | (19,888) | - | - | 55 | 2,182,254 |
| TRANSFERS | | | | | | | |
| Transfers Out | (39,531) | 39,531 | - | - | - | - | - |
| Total Transfers | <u>(39,531)</u> | <u>39,531</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| CHANGE IN NET POSITION | 2,188,053 | 14,034 | (19,888) | - | - | 55 | 2,182,254 |
| Net Position - Beginning of Year (As Restated) | <u>6,937,108</u> | <u>771,072</u> | <u>1,044,360</u> | <u>750,116</u> | <u>250,198</u> | <u>2,031,410</u> | <u>11,784,264</u> |
| NET POSITION - END OF YEAR | <u>\$ 9,125,161</u> | <u>\$ 785,106</u> | <u>\$ 1,024,472</u> | <u>\$ 750,116</u> | <u>\$ 250,198</u> | <u>\$ 2,031,465</u> | <u>\$ 13,966,518</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS WATER
YEAR ENDED JUNE 30, 2020**

| | Water Funds | | | | | | Total |
|--|-----------------------|-------------------------|-------------------------|---|--|--|---------------------|
| | Water Revenue Fund | 2000 Water Bond Fund | 1994 Water Bond Fund | Water Renewal and Replacement Fund | Water Restricted Emergency Fund | Water Infrastructure Replacement Fund | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Receipts from Customers and Users | \$ 10,373,798 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 10,373,798 |
| Payments to Suppliers | (5,152,456) | - | - | - | - | - | (5,152,456) |
| Payments to Employees | (3,021,531) | - | - | - | - | - | (3,021,531) |
| Receipts from Other Operating Services | 281,976 | - | - | - | - | - | 281,976 |
| Net Cash Provided by Operating Activities | <u>2,481,787</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,481,787</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | |
| Interfund Borrowings | (9,928,399) | (23,342) | - | - | - | - | (9,951,741) |
| Transfers In from Other Funds | - | 39,531 | - | - | - | - | 39,531 |
| Transfers To Other Funds | (39,531) | - | - | - | - | - | (39,531) |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>(9,967,930)</u> | <u>16,189</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(9,951,741)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | |
| Additions to Property, Plant, and Equipment | (164,151) | - | - | - | - | - | (164,151) |
| Principal Paid on Bonds, Loans, and Leases | - | (39,531) | - | - | - | - | (39,531) |
| Interest Paid on Bonds, Loans, and Leases | (7,286) | - | - | - | - | - | (7,286) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(171,437)</u> | <u>(39,531)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(210,968)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Interest on Investments | 123,253 | - | - | - | - | 55 | 123,308 |
| Net Cash Provided by Investing Activities | <u>123,253</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>55</u> | <u>123,308</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (7,534,327) | (23,342) | - | - | - | 55 | (7,557,614) |
| Cash and Cash Equivalents - Beginning of Year | 13,660,879 | 23,346 | - | 116 | 198 | 31,410 | 13,715,949 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 6,126,552</u> | <u>\$ 4</u> | <u>\$ -</u> | <u>\$ 116</u> | <u>\$ 198</u> | <u>\$ 31,465</u> | <u>\$ 6,158,335</u> |

**CITY OF WARWICK, RHODE ISLAND
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS WATER
YEAR ENDED JUNE 30, 2020**

| | Water Funds | | | | | | Total |
|---|-----------------------|-------------------------|-------------------------|---|--|--|---------------------|
| | Water Revenue Fund | 2000 Water Bond Fund | 1994 Water Bond Fund | Water Renewal and Replacement Fund | Water Restricted Emergency Fund | Water Infrastructure Replacement Fund | |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | | | | | |
| Operating Income (Loss) | \$ 2,107,420 | \$ (26,589) | \$ (19,888) | \$ - | \$ - | \$ - | \$ 2,060,943 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | | | | | |
| Depreciation and Amortization | 495,624 | 26,589 | 19,888 | - | - | - | 542,101 |
| Change in Total OPEB Liability | (50,355) | - | - | - | - | - | (50,355) |
| Change in Net Pension Liability | 363,085 | - | - | - | - | - | 363,085 |
| Change in Deferred Outflows - Pension and OPEB | (404,789) | - | - | - | - | - | (404,789) |
| Change in Deferred Inflows - Pension and OPEB | (53,165) | - | - | - | - | - | (53,165) |
| Changes in Assets and Liabilities: | | | | | | | |
| (Increase) Decrease in Accounts Receivable | (55,944) | - | - | - | - | - | (55,944) |
| Increase (Decrease) in Accounts Payable and Accrued Expenses | 146,053 | - | - | - | - | - | 146,053 |
| Increase (Decrease) in Accrued Payroll | (17,804) | - | - | - | - | - | (17,804) |
| Increase (Decrease) in Compensated Absences | (48,338) | - | - | - | - | - | (48,338) |
| Net Cash Provided by Operating Activities | <u>\$ 2,481,787</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,481,787</u> |

OTHER SCHEDULES

**CITY OF WARWICK, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT
YEAR ENDED JUNE 30, 2020**

| Assessment of | Balance - June 30, 2019 | Current Year Assessment | Additions | Abatements | Refunds/ Adjustments | Amount to be Collected | Current Year Collections | Balance - June 30, 2020 |
|---------------------------------|----------------------------|----------------------------|-----------|--------------|-------------------------|---------------------------|-----------------------------|----------------------------|
| 2019 | \$ - | \$ 241,374,910 | \$ 19,745 | \$ (651) | \$ (20,006) | \$ 241,373,998 | \$ 233,734,730 | \$ 7,639,268 |
| 2018 | 5,578,267 | - | 5,501 | (280,117) | (17,583) | 5,286,068 | 3,611,814 | 1,674,254 |
| 2017 | 1,966,254 | - | - | (4,879) | (8,907) | 1,952,468 | 533,592 | 1,418,876 |
| 2016 | 1,224,379 | - | 27 | (37,612) | 5 | 1,186,799 | 141,300 | 1,045,499 |
| 2015 | 1,126,500 | - | - | (56,422) | (414) | 1,069,664 | 44,447 | 1,025,217 |
| 2014 | 742,951 | - | 372 | (33,426) | (155) | 709,742 | 48,597 | 661,145 |
| 2013 | 518,587 | - | 419 | (37,264) | 600 | 482,342 | 20,274 | 462,068 |
| 2012 | 781,776 | - | - | (32,083) | 290 | 749,983 | 26,895 | 723,088 |
| 2011 | 787,124 | - | - | (36,292) | 18 | 750,850 | 11,316 | 739,534 |
| 2010 | 383,743 | - | - | (32,457) | (847) | 350,439 | 8,425 | 342,014 |
| 2009 | 218,070 | - | - | (40,278) | (266) | 177,526 | 4,301 | 173,225 |
| 2008 | 266,429 | - | - | (35,713) | (15) | 230,701 | 4,674 | 226,027 |
| 2007 | 373,903 | - | - | (13,327) | (16) | 360,560 | 2,469 | 358,091 |
| 2006 | 325,005 | - | - | (6,271) | - | 318,734 | (197) | 318,931 |
| 2005 | 307,807 | - | - | (3,585) | - | 304,222 | (337) | 304,559 |
| 2004 | 300,330 | - | - | (3,331) | - | 296,999 | 730 | 296,269 |
| 2003 | 242,883 | - | - | (3,942) | - | 238,941 | 850 | 238,091 |
| 2002 | 242,435 | - | - | (1,337) | - | 241,098 | 548 | 240,550 |
| 2001 | 275,744 | - | - | (890) | (233) | 274,621 | 186 | 274,435 |
| 2000 | 332,196 | - | - | (1,396) | - | 330,800 | 330 | 330,470 |
| 1999 | 1,388,737 | - | - | - | - | 1,388,737 | - | 1,388,737 |
| 1998 | 1,395,178 | - | - | - | - | 1,395,178 | - | 1,395,178 |
| 1997 | 395,948 | - | - | - | - | 395,948 | - | 395,948 |
| 1996 | 433,608 | - | - | - | - | 433,608 | - | 433,608 |
| Total | 19,607,854 | \$ 241,374,910 | \$ 26,064 | \$ (661,273) | \$ (47,529) | \$ 260,300,026 | \$ 238,194,944 | 22,105,082 |
| Allowance for Doubtful Accounts | (13,419,160) | | | | | | | (13,376,443) |
| Net Property Tax Receivable | \$ 6,188,694 | | | | | | | \$ 8,728,639 |

Schedule of Most Recent Net Assessed Property Value by Category

| Description of Property | Valuation | Levy | Current Year Collections |
|----------------------------|-------------------|----------------|--------------------------|
| Real Property | \$ 9,791,577,300 | \$ 201,469,700 | \$ 238,194,944 |
| Motor Vehicles | 758,002,820 | 19,001,469 | |
| Tangible Personal Property | 558,028,331 | 20,903,741 | |
| Total | 11,107,608,451 | 241,374,910 | 2,275,167 |
| Exemptions | 435,784,398 | - | 240,470,111 |
| Net Assessed Value | \$ 10,671,824,053 | \$ 241,374,910 | (2,193,205) |
| | | | \$ 238,276,906 |

**CITY OF WARWICK, RHODE ISLAND
TAX COLLECTOR'S ANNUAL REPORT (CONTINUED)
YEAR ENDED JUNE 30, 2020**

| Tax Years | Collections Subject to 60-day FY 2019 Accrual | September - June 2020 Collections | Total FY 2020 Cash Collections | Collections Subject to 60-day FY 2020 Accrual |
|-----------|---|---|--------------------------------------|---|
| 2019 | \$ - | \$ 233,734,730 | \$ 233,734,730 | \$ 2,291,453 |
| 2018 | 1,892,003 | 1,719,811 | 3,611,814 | (95,673) |
| 2017 | 217,135 | 316,457 | 533,592 | 36,611 |
| 2016 | 41,603 | 99,697 | 141,300 | 19,513 |
| 2015 | (11,836) | 56,283 | 44,447 | 11,090 |
| 2014 | 14,184 | 34,413 | 48,597 | 916 |
| 2013 | 7,647 | 12,627 | 20,274 | 5,011 |
| 2012 | 12,766 | 14,129 | 26,895 | 2,042 |
| 2011 | 4,267 | 7,049 | 11,316 | 1,073 |
| 2010 | 13,643 | (5,218) | 8,425 | 463 |
| 2009 | 524 | 3,777 | 4,301 | 684 |
| 2008 | 130 | 4,544 | 4,674 | 773 |
| 2007 | (283) | 2,752 | 2,469 | 411 |
| 2006 | (37) | (160) | (197) | 390 |
| 2005 | (51) | (286) | (337) | 125 |
| 2004 | 32 | 698 | 730 | 285 |
| 2003 | 98 | 752 | 850 | - |
| 2002 | 102 | 446 | 548 | - |
| 2001 | 442 | (256) | 186 | - |
| 2000 | 836 | (506) | 330 | - |
| Total | <u>\$ 2,193,205</u> | <u>\$ 236,001,739</u> | <u>\$ 238,194,944</u> | <u>\$ 2,275,167</u> |

ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT

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

| <u>REVENUE</u> | <u>Municipal</u> | <u>Education Department</u> |
|--|------------------------------|---------------------------------|
| Current Year Levy Tax Collection | \$ 227,497,124 | \$ - |
| Last Year's Levy Tax Collection | 9,948,963 | - |
| Prior Years Property Tax Collection | 830,819 | - |
| Interest & Penalty | 2,125,411 | - |
| PILOT & Tax Treaty (excluded from levy) Collection | - | - |
| Other Local Property Taxes | - | - |
| Licenses and Permits | 1,367,457 | - |
| Fines and Forfeitures | 111,470 | - |
| Investment Income | 696,004 | - |
| Departmental | 4,114,221 | - |
| Rescue Run Revenue | 3,373,577 | - |
| Police & Fire Detail | 2,835,883 | - |
| Other Local Non-Property Tax Revenues | - | - |
| Tuition | - | 1,078,538 |
| Impact Aid | - | - |
| Medicaid | - | 1,554,404 |
| Federal Stabilization Funds | - | - |
| Federal Food Service Reimbursement | - | 1,017,947 |
| CDBG | 190,257 | - |
| COPS Grants | 53,054 | - |
| SAFER Grants | - | - |
| Other Federal Aid Funds | 1,217,040 | 5,370,561 |
| COVID - ESSER | - | - |
| COVID - CRF | - | - |
| COVID - CDBG | - | - |
| COVID - FEMA | - | - |
| COVID - Other | - | - |
| MV Excise Tax Reimbursement | 5,231,074 | - |
| State PILOT Program | 256,115 | - |
| Distressed Community Relief Fund | - | - |
| Library Resource Aid | 750,621 | - |
| Library Construction Aid | - | - |
| Public Service Corporation Tax | 1,009,817 | - |
| Meals & Beverage Tax / Hotel Tax | 4,351,453 | - |
| LEA Aid | - | 37,246,367 |
| Group Home | - | - |
| Housing Aid Capital Projects | - | - |
| Housing Aid Bonded Debt | 1,198,442 | 251,380 |
| State Food Service Revenue | - | 35,355 |
| Incentive Aid | - | - |
| Property Revaluation Reimbursement | - | - |
| Other State Revenue | 589,329 | 161,492 |
| Motor Vehicle Phase Out | 1,013,712 | - |
| Other Revenue | 4,125,158 | 1,591,241 |
| Local Appropriation for Education | - | 127,967,938 |
| Regional Appropriation for Education | - | - |
| Supplemental Appropriation for Education | - | - |
| Regional Supplemental Appropriation for Education | - | - |
| Other Education Appropriation | - | 1,901,601 |
| Rounding | - | - |
| Total Revenue | <u><u>\$ 272,887,000</u></u> | <u><u>\$ 178,176,824</u></u> |
| Financing Sources: Transfer from Capital Funds | \$ - | \$ - |
| Financing Sources: Transfer from Other Funds | 507,500 | - |
| Financing Sources: Debt Proceeds | - | - |
| Financing Sources: Other | - | - |
| Rounding | - | - |
| Total Other Financing Sources | <u><u>\$ 507,500</u></u> | <u><u>\$ -</u></u> |

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

| EXPENDITURES | General | | Social | Centralized | | | Public | Parks and | Police |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|
| | Government | Finance | Services | IT | Planning | Libraries | Works | Rec | Department |
| Compensation- Group A | \$ 1,084,166 | \$ 1,986,208 | \$ 741,594 | \$ 206,787 | \$ 1,587,645 | \$ 2,026,701 | \$ 5,806,938 | \$ 1,713,084 | \$ 15,059,368 |
| Compensation - Group B | - | - | - | - | - | - | - | - | 2,486,063 |
| Compensation - Group C | - | - | - | - | - | - | - | - | - |
| Compensation -Volunteer | - | - | - | - | - | - | - | - | - |
| Overtime- Group A | 4,061 | 10,645 | 13 | 768 | 4,852 | 4,642 | 474,575 | 81,586 | 1,228,500 |
| Overtime - Group B | - | - | - | - | - | - | - | - | 413,628 |
| Overtime - Group C | - | - | - | - | - | - | - | - | - |
| Police & Fire Detail | - | - | - | - | - | - | - | - | 2,083,626 |
| Active Medical Insurance - Group A | 258,893 | 337,999 | 122,255 | 50,340 | 226,531 | 208,552 | 848,593 | 258,893 | 2,673,361 |
| Active Medical Insurance- Group B | - | - | - | - | - | - | - | - | 572,711 |
| Active Medical Insurance- Group C | - | - | - | - | - | - | - | - | - |
| Active Dental insurance- Group A | 31,049 | 40,536 | 14,662 | 6,037 | 27,168 | 25,012 | 101,772 | 31,049 | 165,517 |
| Active Dental Insurance- Group B | - | - | - | - | - | - | - | - | 63,823 |
| Active Dental Insurance- Group C | - | - | - | - | - | - | - | - | - |
| Payroll Taxes | 177,476 | 231,705 | 83,808 | 34,509 | 155,292 | 142,967 | 581,728 | 177,476 | 1,227,545 |
| Life Insurance | 2,030 | 2,651 | 959 | 395 | 1,777 | 1,636 | 6,655 | 2,030 | 18,310 |
| State Defined Contribution- Group A | - | - | - | - | - | - | - | - | - |
| State Defined Contribution - Group B | - | - | - | - | - | - | - | - | - |
| State Defined Contribution - Group C | - | - | - | - | - | - | - | - | - |
| Other Benefits- Group A | - | - | - | - | - | - | - | - | - |
| Other Benefits- Group B | - | - | - | - | - | - | - | - | - |
| Other Benefits- Group C | - | - | - | - | - | - | - | - | - |
| Local Defined Benefit Pension- Group A | 650,865 | 849,741 | 307,353 | 126,557 | 569,507 | 524,308 | 2,133,391 | 650,865 | 7,172,547 |
| Local Defined Benefit Pension - Group B | - | - | - | - | - | - | - | - | 1,337,889 |
| Local Defined Benefit Pension - Group C | - | - | - | - | - | - | - | - | - |
| State Defined Benefit Pension- Group A | - | - | - | - | - | - | - | - | - |
| State Defined Benefit Pension - Group B | - | - | - | - | - | - | - | - | - |
| State Defined Benefit Pension - Group C | - | - | - | - | - | - | - | - | - |
| Other Defined Benefit / Contribution | - | - | - | - | - | - | - | - | - |
| Purchased Services | 458,467 | 272,428 | 144,942 | 85,870 | 548,055 | 253,385 | 217,618 | 44,292 | 157,275 |
| Materials/Supplies | 21,983 | 47,289 | 10,314 | 90,193 | 16,129 | 311,424 | 1,143,369 | 50,691 | 248,167 |
| Software Licenses | - | - | - | 430,197 | - | - | - | - | - |
| Capital Outlays | - | - | - | - | - | - | - | - | - |
| Insurance | 2,288,466 | - | - | - | - | - | - | - | - |
| Maintenance | - | - | - | - | - | 61,839 | 63,446 | 122,383 | - |
| Vehicle Operations | - | 877 | 16,221 | 835 | 5,302 | - | 1,231,799 | 19,928 | 371,565 |
| Utilities | - | - | 57,234 | 361,870 | 4,831 | 156,886 | 393,266 | 835,116 | 253,840 |
| Contingency | - | - | - | - | - | - | - | - | - |
| Street Lighting | - | - | - | - | - | - | 1,241,453 | - | - |
| Revaluation | - | 27,500 | - | - | - | - | - | - | - |
| Snow Removal-Raw Material & External Contracts | - | - | - | - | - | - | 132,041 | - | - |
| Trash Removal & Recycling | - | - | - | - | - | - | 989,893 | - | - |
| Claims & Settlements | 412,825 | - | - | - | - | - | - | - | - |
| Community Support | 153,500 | - | - | - | - | - | - | - | - |
| Other Operation Expenditures | 515 | 179,452 | - | 795 | 2,464 | 3,041 | 15,905 | - | 128,368 |
| Tipping Fees | - | - | - | - | - | - | 329,964 | - | - |
| Local Appropriation for Education | - | - | - | - | - | - | - | - | - |
| Regional Appropriation for Education | - | - | - | - | - | - | - | - | - |
| Supplemental Appropriation for Education | - | - | - | - | - | - | - | - | - |
| Regional Supplemental Appropriation for Education | - | - | - | - | - | - | - | - | - |
| Other Education Appropriation | - | - | - | - | - | - | - | - | - |
| Municipal Debt- Principal | - | - | - | - | - | - | - | - | - |
| Municipal Debt- Interest | - | - | - | - | - | - | - | - | - |
| School Debt- Principal | - | - | - | - | - | - | - | - | - |
| School Debt- Interest | - | - | - | - | - | - | - | - | - |
| Retiree Medical Insurance- Total | - | - | - | - | - | - | - | - | - |
| Retiree Dental Insurance- Total | - | - | - | - | - | - | - | - | - |
| OPEB Contribution- Total | - | - | - | - | - | - | - | - | - |
| Rounding | - | - | - | - | - | - | - | - | - |
| Total Expenditures | \$ 5,544,297 | \$ 3,987,032 | \$ 1,499,354 | \$ 1,395,153 | \$ 3,149,553 | \$ 3,720,394 | \$ 15,712,406 | \$ 3,987,395 | \$ 35,662,103 |

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

| EXPENDITURES | Fire Department | Centralized Dispatch | Public Safety Other | Education Appropriation | Debt | OPEB | Total Municipal | Education Department |
|---|----------------------|-------------------------|------------------------|----------------------------|---------------------|----------------------|-----------------------|-------------------------|
| Compensation- Group A | \$ 17,142,176 | \$ - | \$ 174,572 | \$ - | \$ - | \$ - | \$ 47,529,237 | \$ 77,239,067 |
| Compensation - Group B | 983,873 | - | - | - | - | - | 3,469,935 | 7,429,032 |
| Compensation - Group C | - | - | - | - | - | - | - | 17,538,971 |
| Compensation -Volunteer | - | - | - | - | - | - | - | - |
| Overtime- Group A | 4,861,062 | - | 2,265 | - | - | - | 6,672,969 | 1,777 |
| Overtime - Group B | 170,297 | - | - | - | - | - | 583,924 | - |
| Overtime - Group C | - | - | - | - | - | - | - | 166,118 |
| Police & Fire Detail | 177,341 | - | - | - | - | - | 2,260,967 | - |
| Active Medical Insurance - Group A | 3,386,165 | - | 35,957 | - | - | - | 8,407,539 | 13,194,788 |
| Active Medical Insurance- Group B | 86,298 | - | - | - | - | - | 659,009 | 1,054,093 |
| Active Medical Insurance- Group C | - | - | - | - | - | - | - | 4,618,566 |
| Active Dental insurance- Group A | 187,175 | - | 4,312 | - | - | - | 634,292 | 530,647 |
| Active Dental Insurance- Group B | 10,350 | - | - | - | - | - | 74,173 | 46,978 |
| Active Dental Insurance- Group C | - | - | - | - | - | - | - | 213,847 |
| Payroll Taxes | 1,010,629 | - | 24,649 | - | - | - | 3,847,785 | 7,665,277 |
| Life Insurance | 14,237 | - | 282 | - | - | - | 50,961 | - |
| State Defined Contribution- Group A | - | - | - | - | - | - | - | 469,569 |
| State Defined Contribution - Group B | - | - | - | - | - | - | - | 33,457 |
| State Defined Contribution - Group C | - | - | - | - | - | - | - | - |
| Other Benefits- Group A | - | - | - | - | - | - | - | 1,382,036 |
| Other Benefits- Group B | - | - | - | - | - | - | - | - |
| Other Benefits- Group C | - | - | - | - | - | - | - | 23,936 |
| Local Defined Benefit Pension- Group A | 20,629,611 | - | 90,398 | - | - | - | 33,705,143 | - |
| Local Defined Benefit Pension - Group B | 216,955 | - | - | - | - | - | 1,554,844 | 2,509 |
| Local Defined Benefit Pension - Group C | - | - | - | - | - | - | - | 3,289 |
| State Defined Benefit Pension- Group A | - | - | - | - | - | - | - | 10,897,576 |
| State Defined Benefit Pension - Group B | - | - | - | - | - | - | - | 903,306 |
| State Defined Benefit Pension - Group C | - | - | - | - | - | - | - | - |
| Other Defined Benefit / Contribution | - | - | - | - | - | - | - | - |
| Purchased Services | 540,940 | - | 51,852 | - | - | - | 2,775,124 | 22,820,358 |
| Materials/Supplies | 178,726 | - | 10,013 | - | - | - | 2,128,300 | 1,700,552 |
| Software Licenses | - | - | - | - | - | - | 430,197 | 790,452 |
| Capital Outlays | - | - | 4,411 | - | - | - | 4,411 | 941,908 |
| Insurance | - | - | - | - | - | - | 2,288,466 | 584,621 |
| Maintenance | 32,322 | - | - | - | - | - | 279,990 | 273,142 |
| Vehicle Operations | 387,000 | - | - | - | - | - | 2,033,527 | 614,275 |
| Utilities | 314,200 | - | 22,907 | - | - | - | 2,400,150 | 3,189,246 |
| Contingency | - | - | - | - | - | - | - | - |
| Street Lighting | - | - | - | - | - | - | 1,241,453 | - |
| Revaluation | - | - | - | - | - | - | 27,500 | - |
| Snow Removal-Raw Material & External Contracts | - | - | - | - | - | - | 132,041 | - |
| Trash Removal & Recycling | - | - | - | - | - | - | 989,893 | - |
| Claims & Settlements | - | - | - | - | - | - | 412,825 | 4,053 |
| Community Support | - | - | - | - | - | - | 153,500 | - |
| Other Operation Expenditures | 1,034,846 | - | - | - | - | - | 1,365,386 | 200,422 |
| Tippling Fees | - | - | - | - | - | - | 329,964 | - |
| Local Appropriation for Education | - | - | - | 127,967,938 | - | - | 127,967,938 | - |
| Regional Appropriation for Education | - | - | - | - | - | - | - | - |
| Supplemental Appropriation for Education | - | - | - | - | - | - | - | - |
| Regional Supplemental Appropriation for Education | - | - | - | - | - | - | - | - |
| Other Education Appropriation | - | - | - | 1,901,601 | - | - | 1,901,601 | - |
| Municipal Debt- Principal | - | - | - | - | 2,816,415 | - | 2,816,415 | - |
| Municipal Debt- Interest | - | - | - | - | 362,902 | - | 362,902 | - |
| School Debt- Principal | - | - | - | - | 2,536,742 | - | 2,536,742 | - |
| School Debt- Interest | - | - | - | - | 1,484,427 | - | 1,484,427 | - |
| Retiree Medical Insurance- Total | - | - | - | - | - | 9,908,962 | 9,908,962 | 506,517 |
| Retiree Dental Insurance- Total | - | - | - | - | - | 149,620 | 149,620 | (6,144) |
| OPEB Contribution- Total | - | - | - | - | - | - | - | - |
| Rounding | - | - | - | - | - | - | - | - |
| Total Expenditures | \$ 51,364,202 | \$ - | \$ 421,619 | \$ 129,869,539 | \$ 7,200,485 | \$ 10,058,582 | \$ 273,572,113 | \$ 175,034,240 |

| | | |
|--|----------------------|---------------------|
| Financing Uses: Transfer to Capital Funds | \$ - | \$ - |
| Financing Uses: Transfer to Other Funds | 507,500 | - |
| Financing Uses: Payment to Bond Escrow Agent | - | - |
| Financing Uses: Other | - | - |
| Total Other Financing Uses | \$ 507,500 | \$ - |
| Net Change in Fund Balance¹ | (685,113) | 3,142,584 |
| Fund Balance1- beginning of year | \$35,507,845 | \$ (436,888) |
| Funds removed from Reportable Government Services (RGS) | - | - |
| Funds added to Reportable Government Services (RGS) | - | - |
| Prior period adjustments | - | - |
| Misc. Adjustment | 157,447 | (209,031) |
| Fund Balance¹ - beginning of year adjusted | 35,665,292 | (645,919) |
| Rounding | - | - |
| Fund Balance¹ - end of year | \$ 34,980,179 | \$ 2,496,665 |

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

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

| Per Audited Fund Financial Statements Fund Description | Total Revenue | Total Other Financing Sources | Total Expenditures | Total Other Financing Uses | Net Change in Fund Balance ¹ | Beginning Fund Fund Balance ¹ (Deficit) | Prior Period Adjustment | Restated Beginning Fund Balance ¹ (Deficit) | Ending Fund Balance ¹ (Deficit) |
|---|-----------------------|-------------------------------------|-----------------------|----------------------------------|---|--|----------------------------|--|--|
| Fund Balance¹ - per MTP-2 at June 30, 2019 | | | | | | \$ 35,507,845 | | \$ 35,507,845 | |
| <i>No funds removed from RGS for fiscal 2020</i> | | | | | | - | - | - | |
| <i>No funds added to RGS for Fiscal 2020</i> | | | | | | - | - | - | |
| <i>Adjustment for Municipal Appropriation to Education from FY19</i> | | | | | | 157,447 | | 157,447 | |
| Fund Balance¹ - per MTP-2 at June 30, 2019 adjusted | | | | | | <u>\$ 35,665,292</u> | <u>-</u> | <u>\$ 35,665,292</u> | |
| General Fund | \$ 269,601,109 | \$ 898,852 | \$ 141,441,607 | \$ 130,377,039 | \$ (1,318,685) | \$ 31,605,292 | \$ - | \$ 31,605,292 | \$ 30,286,607 |
| Debt Service Fund | 126,072 | 507,500 | - | - | 633,572 | 4,060,000 | - | 4,060,000 | 4,693,572 |
| Totals per audited financial statements | <u>\$ 269,727,181</u> | <u>\$ 1,406,352</u> | <u>\$ 141,441,607</u> | <u>\$ 130,377,039</u> | <u>\$ (685,113)</u> | <u>\$ 35,665,292</u> | <u>\$ -</u> | <u>\$ 35,665,292</u> | <u>\$ 34,980,179</u> |
| <u>Reconciliation from financial statements to MTP2</u> | | | | | | | | | |
| Reclassify portion transfer of municipal appropriation to Education Department as expenditure on MTP2 | \$ - | \$ - | \$ 129,869,539 | \$ (129,869,539) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Insurance recoveries recorded as other revenue, reported as other financing source in audit | 400,701 | (400,701) | - | - | - | - | - | - | - |
| special detail cruiser fee recorded as other revenue, reported as other financing source in audit | 498,151 | (498,151) | - | - | - | - | - | - | - |
| police and fire details are not shown on the general fund, but are included in MTP reporting Rounding | 2,260,967 | - | 2,260,967 | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - |
| Totals Per MTP2 | <u>\$ 272,887,000</u> | <u>\$ 507,500</u> | <u>\$ 273,572,113</u> | <u>\$ 507,500</u> | <u>\$ (685,113)</u> | <u>\$ 35,665,292</u> | <u>\$ -</u> | <u>\$ 35,665,292</u> | <u>\$ 34,980,179</u> |

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

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

| Per Audited Fund Financial Statements Fund Description | Total Revenue | Total Other Financing Sources | Total Expenditures | Total Other Financing Uses | Net Change in Fund Balance ¹ | Beginning Fund Fund Balance ¹ (Deficit) | Prior Period Adjustment | Restated Beginning Fund Balance ¹ (Deficit) | Ending Fund Balance ¹ (Deficit) |
|--|-----------------------|-------------------------------------|-----------------------|----------------------------------|---|--|----------------------------|--|--|
| Fund Balance¹ - per MTP-2 at June 30, 2019 | | | | | | \$ (436,888) | - | \$ (436,888) | |
| <i>Adjustment for indirect costs from FY19</i> | | | | | | (209,031) | - | (209,031) | |
| Fund Balance¹ - per MTP-2 at June 30, 2019 adjusted | | | | | | <u>\$ (645,919)</u> | - | <u>\$ (645,919)</u> | |
| School Unrestricted Fund | \$ 51,979,649 | \$ 129,869,539 | \$ 177,981,323 | \$ 554,213 | \$ 3,313,652 | \$ (1,901,601) | \$ - | \$ (1,901,601) | \$ 1,412,051 |
| School Special Revenue Funds | 7,809,249 | 554,213 | 8,712,170 | - | (348,708) | 1,255,682 | - | 1,255,682 | 906,974 |
| Totals per audited financial statements | <u>\$ 59,788,898</u> | <u>\$ 130,423,752</u> | <u>\$ 186,693,493</u> | <u>\$ 554,213</u> | <u>\$ 2,964,944</u> | <u>\$ (645,919)</u> | <u>\$ -</u> | <u>\$ (645,919)</u> | <u>\$ 2,319,025</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 | 129,869,539 | \$ (129,869,539) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only | (11,481,613) | - | (11,481,613) | - | - | - | - | - | - |
| (Transfer of \$554K from the school unrestricted to the lunch fund) is reported as another financing sources and use for GAAP while it is not reported in UCOA | - | (554,213) | - | (554,213) | - | - | - | - | - |
| For Financial Statements, Indirect cost charges and recovery are reported in federal grant funds and also actual expenditures & Reimbursements reported in school unrestricted fund Rounding | - | - | (177,640) | - | 177,640 | - | - | - | 177,640 |
| | - | - | - | - | - | - | - | - | - |
| Totals Per MTP2 | <u>\$ 178,176,824</u> | <u>\$ -</u> | <u>\$ 175,034,240</u> | <u>\$ -</u> | <u>\$ 3,142,584</u> | <u>\$ (645,919)</u> | <u>\$ -</u> | <u>\$ (645,919)</u> | <u>\$ 2,496,665</u> |
| <u>Reconciliation from MTP2 to UCOA</u> | | | | | | | | | |
| Miscellaneous adjustment between MTP and UCOA | (42,970) | | 16 | | | | | | |
| Totals per UCOA Validated Totals Report | <u>\$ 178,133,854</u> | | <u>\$ 175,034,256</u> | | | | | | |

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

CITY OF WARWICK, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2020

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

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)

**CITY OF WARWICK, RHODE ISLAND
ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2020**

NOTE 4 EMPLOYEE GROUPS – COMPENSATION AND BENEFIT COSTS (CONTINUED)

- 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/>

STATISTICAL SECTION

**CITY OF WARWICK, RHODE ISLAND
STATISTICAL SECTION INFORMATION
JUNE 30, 2020**

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

Statistical section information is presented in the following categories:

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

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

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

**CITY OF WARWICK, RHODE ISLAND
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|----------------------|----------------------|----------------------|----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| GOVERNMENTAL ACTIVITIES | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 62,802,492 | \$ 61,079,076 | \$ 61,133,149 | \$ 65,104,705 | \$ 69,871,522 | \$ 71,704,906 | \$ 71,704,906 | \$ 75,011,932 | \$ 77,509,445 | \$ 79,579,698 |
| Restricted | 1,331,626 | 2,159,153 | 2,736,581 | 3,382,875 | 4,120,308 | 6,278,740 | 6,278,740 | 3,552,500 | 4,060,000 | 11,518,857 |
| Unrestricted | <u>(82,266,981)</u> | <u>(96,854,156)</u> | <u>(110,905,795)</u> | <u>(133,284,704)</u> | <u>(475,399,557)</u> | <u>(523,284,812)</u> | <u>(523,284,812)</u> | <u>(808,951,853)</u> | <u>(798,002,523)</u> | <u>(824,429,803)</u> |
| Total Governmental Activities Net Position | (18,132,863) | (33,615,927) | (47,036,065) | (64,797,124) | (401,407,727) | (445,301,166) | (445,301,166) | (730,387,421) | (716,433,078) | (733,331,248) |
| BUSINESS-TYPE ACTIVITIES | | | | | | | | | | |
| Net Investment in Capital Assets | 72,213,574 | 79,287,133 | 81,963,905 | 85,294,240 | 90,353,683 | 95,748,013 | 95,748,013 | 109,768,380 | 116,200,229 | 120,004,180 |
| Restricted | 3,094,452 | 3,194,281 | 3,194,302 | 3,672,082 | 3,910,099 | 5,204,470 | 5,204,470 | 5,516,046 | 5,612,405 | 5,671,795 |
| Unrestricted | <u>4,268,908</u> | <u>4,415,400</u> | <u>8,790,829</u> | <u>10,773,438</u> | <u>880,173</u> | <u>10,450,451</u> | <u>10,450,451</u> | <u>5,803,608</u> | <u>7,847,293</u> | <u>32,362,868</u> |
| Total Business-Type Activities Net Position | 79,576,934 | 86,896,814 | 93,949,036 | 99,739,760 | 95,143,955 | 111,402,934 | 111,402,934 | 121,088,034 | 129,659,927 | 158,038,843 |
| TOTAL | | | | | | | | | | |
| Net Investment in Capital Assets | 135,016,066 | 140,366,209 | 143,097,054 | 150,398,945 | 160,225,205 | 167,452,919 | 167,452,919 | 184,780,312 | 193,709,674 | 199,583,878 |
| Restricted | 4,426,078 | 5,353,434 | 5,930,883 | 7,054,957 | 8,030,407 | 11,483,210 | 11,483,210 | 9,068,546 | 9,672,405 | 17,190,652 |
| Unrestricted | <u>(77,998,073)</u> | <u>(92,438,756)</u> | <u>(102,114,966)</u> | <u>(122,511,266)</u> | <u>(474,519,384)</u> | <u>(512,834,361)</u> | <u>(512,834,361)</u> | <u>(803,148,245)</u> | <u>(790,155,230)</u> | <u>(792,066,935)</u> |
| Total Net Position | <u>\$ 61,444,071</u> | <u>\$ 53,280,887</u> | <u>\$ 46,912,971</u> | <u>\$ 34,942,636</u> | <u>\$ (306,263,772)</u> | <u>\$ (333,898,232)</u> | <u>\$ (333,898,232)</u> | <u>\$ (609,299,387)</u> | <u>\$ (586,773,151)</u> | <u>\$ (575,292,405)</u> |

Source: City of Warwick Comprehensive Annual Financial Report

**CITY OF WARWICK, RHODE ISLAND
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| EXPENSES | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Executive and Administration | \$ 8,068,528 | \$ 7,189,863 | \$ 8,163,964 | \$ 7,898,442 | \$ 8,389,533 | \$ 10,576,119 | \$ 9,171,861 | \$ 9,940,222 | \$ 11,283,129 | \$ 9,558,771 |
| Public Safety | 94,727,477 | 96,094,909 | 99,913,493 | 104,020,192 | 101,268,696 | 131,390,376 | 116,575,178 | 115,089,539 | 107,634,928 | 115,468,675 |
| Recreation | 3,593,994 | 3,627,775 | 3,185,691 | 2,549,088 | 3,044,788 | 3,188,917 | 3,402,704 | 3,041,448 | 3,698,957 | 4,842,545 |
| Public Libraries | 4,906,998 | 4,958,759 | 4,843,416 | 5,116,596 | 4,829,752 | 5,692,619 | 5,872,625 | 5,948,080 | 6,284,737 | 5,406,443 |
| Social Services | 2,290,428 | 2,254,293 | 2,103,904 | 2,160,896 | 2,021,311 | 2,399,689 | 2,189,915 | 2,406,427 | 2,529,170 | 2,196,225 |
| Planning and E/D | 2,790,778 | 2,777,531 | 3,139,802 | 3,114,804 | 2,880,454 | 2,843,733 | 3,152,144 | 3,746,698 | 3,543,447 | 2,869,072 |
| Public Works | 20,766,889 | 22,147,778 | 21,788,643 | 21,842,422 | 21,946,560 | 21,396,595 | 22,454,206 | 21,010,874 | 22,186,512 | 17,725,422 |
| Education | 175,633,555 | 170,207,856 | 170,690,028 | 173,500,902 | 173,887,234 | 185,531,670 | 183,235,365 | 179,337,008 | 150,995,574 | 188,882,475 |
| Employee Benefits | - | - | - | - | - | - | - | - | - | - |
| Interest on Long-Term Debt | 1,906,529 | 2,296,097 | 1,800,222 | 1,586,055 | 1,706,620 | 1,439,426 | 1,305,527 | 1,393,616 | 1,193,812 | 1,546,293 |
| Total Government Activities Expenses | 314,685,176 | 311,554,861 | 315,629,163 | 321,789,397 | 319,974,948 | 364,459,144 | 347,359,525 | 341,913,912 | 309,350,266 | 348,495,921 |
| Business-Type Activities: | | | | | | | | | | |
| Sewer | 24,390,931 | 14,704,964 | 14,824,243 | 14,807,198 | 15,082,034 | 14,654,521 | 15,723,730 | 16,179,771 | 16,415,412 | 14,746,755 |
| Water | 10,522,632 | 10,118,651 | 10,153,770 | 10,096,249 | 10,905,708 | 11,353,471 | 10,273,789 | 9,866,107 | 9,744,671 | 8,652,772 |
| Total Business-Type Activities Expenses | 34,913,563 | 24,823,615 | 24,978,013 | 24,903,447 | 25,987,742 | 26,007,992 | 25,997,519 | 26,045,878 | 26,160,083 | 23,399,527 |
| Total Primary Government Expenses | \$ 349,598,739 | \$ 336,378,476 | \$ 340,607,176 | \$ 346,692,844 | \$ 345,962,690 | \$ 390,467,136 | \$ 373,357,044 | \$ 367,959,790 | \$ 335,510,349 | \$ 371,895,448 |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Executive and Administration | \$ 2,123,034 | \$ 2,110,147 | \$ 2,316,005 | \$ 2,221,129 | \$ 2,309,876 | \$ 2,587,832 | \$ 2,510,646 | \$ 2,675,160 | \$ 2,659,458 | \$ 2,561,055 |
| Public Safety | 6,906,078 | 7,122,121 | 6,482,419 | 7,193,150 | 7,676,780 | 8,911,292 | 8,089,932 | 8,190,826 | 5,741,192 | 4,408,473 |
| Recreation | 957,604 | 962,086 | 932,052 | 960,133 | 979,791 | 1,022,252 | 947,484 | 959,641 | 904,283 | 725,715 |
| Public Libraries | 32,495 | 33,369 | 33,597 | 30,420 | 39,297 | 41,583 | 46,608 | 40,720 | 30,253 | - |
| Social Services | 135,116 | 137,727 | 113,106 | 117,136 | 105,514 | 113,126 | 99,415 | 92,073 | 88,008 | 38,364 |
| Planning and E/D | 1,573,526 | 1,995,266 | 1,727,813 | 1,918,114 | 1,837,993 | 2,003,280 | 2,046,514 | 2,057,016 | 2,205,749 | 43,415 |
| Public Works | 356,417 | 325,721 | 211,458 | 223,442 | 252,276 | 188,936 | 218,387 | 241,015 | 244,763 | 38,641 |
| Education | 4,522,161 | 1,970,205 | 1,860,301 | 1,186,216 | 2,093,869 | 2,337,922 | 2,337,585 | 2,421,502 | 2,535,349 | 1,961,951 |
| Operating Grants and Contributions | 51,863,051 | 53,699,759 | 55,546,646 | 59,427,759 | 57,836,909 | 62,997,136 | 57,561,506 | 51,833,022 | 50,919,487 | 61,464,346 |
| Capital Grants and Contributions | 1,066,557 | 152,292 | 1,409,223 | 524,461 | 125,710 | 209,781 | 198,900 | - | - | 633,789 |
| Total Government Activities Program Revenues | 69,536,039 | 68,508,693 | 70,632,620 | 73,801,960 | 73,258,015 | 80,413,140 | 74,056,977 | 68,510,975 | 65,328,542 | 71,875,749 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Sewer | \$ 14,058,609 | \$ 13,320,223 | \$ 16,314,418 | \$ 16,099,887 | \$ 17,903,575 | \$ 17,204,995 | \$ 17,669,726 | \$ 17,045,091 | \$ 17,273,252 | \$ 17,436,855 |
| Sewer Assessment | 5,193,582 | 5,962,350 | 6,660,728 | 5,222,858 | 5,316,633 | 5,188,394 | 5,005,799 | 4,818,049 | 4,786,499 | 7,416,946 |
| Water | 10,482,771 | 9,771,177 | 10,138,836 | 9,067,023 | 10,746,621 | 11,026,490 | 12,455,351 | 11,091,109 | 11,153,504 | 10,711,718 |
| Operating Grants and Contributions | - | - | 42,183 | - | - | - | - | - | - | - |
| Capital Grants and Contributions | 2,694,761 | 3,073,848 | 349,939 | - | - | 841,929 | 2,775,948 | 8,880 | 892,949 | - |
| Total Business-Type Activities Program Revenues | 32,429,723 | 32,127,598 | 33,506,104 | 30,389,768 | 33,966,829 | 34,261,808 | 37,906,824 | 32,963,129 | 34,106,204 | 35,565,519 |
| Total Primary Government Program Revenues | \$ 101,965,762 | \$ 100,636,291 | \$ 104,138,724 | \$ 104,191,728 | \$ 107,224,844 | \$ 114,674,948 | \$ 111,963,801 | \$ 101,474,104 | \$ 99,434,746 | \$ 107,441,268 |

**CITY OF WARWICK, RHODE ISLAND
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| NET (EXPENSE) REVENUE | | | | | | | | | | |
| Governmental Activities | \$ (245,149,137) | \$ (243,046,168) | \$ (244,996,543) | \$ (247,987,437) | \$ (246,716,933) | \$ (284,046,004) | \$ (273,302,548) | \$ (273,402,937) | \$ (244,021,724) | \$ (276,620,172) |
| Business-Type Activities | (2,483,840) | 7,303,983 | 8,528,091 | 5,486,321 | 7,979,087 | 8,253,816 | 11,909,305 | 6,917,251 | 7,946,121 | 12,165,992 |
| Total Primary Government Net Expense | <u>\$ (247,632,977)</u> | <u>\$ (235,742,185)</u> | <u>\$ (236,468,452)</u> | <u>\$ (242,501,116)</u> | <u>\$ (238,737,846)</u> | <u>\$ (275,792,188)</u> | <u>\$ (261,393,243)</u> | <u>\$ (266,485,686)</u> | <u>\$ (236,075,603)</u> | <u>\$ (264,454,180)</u> |
| GENERAL REVENUES AND OTHER CHANGES IN NET POSITION | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes | \$ 205,826,048 | \$ 213,334,334 | \$ 216,802,269 | \$ 214,125,691 | \$ 217,134,855 | \$ 223,200,281 | \$ 231,060,821 | \$ 228,372,805 | \$ 234,574,090 | \$ 240,344,377 |
| Interest on Property Taxes | 1,571,198 | 1,737,961 | 1,562,589 | 2,146,222 | 2,206,502 | 2,096,950 | 2,093,896 | 2,087,162 | 2,089,752 | 2,125,411 |
| State Aid & In Lieu of Tax | 6,817,475 | 6,896,729 | 7,120,046 | 7,861,860 | 7,693,925 | 8,187,664 | 7,667,081 | 10,015,034 | 11,576,355 | 9,989,710 |
| Hotels and Meals Tax | - | - | - | - | - | - | - | - | - | 4,351,453 |
| Airport Revenues | - | - | - | - | - | - | - | - | - | 3,291,426 |
| Real Estate Transfer Tax | - | - | - | - | - | - | - | - | - | 1,163,390 |
| Investment Earnings | 2,319 | (21,741) | (32,851) | 5,652 | 5,925 | 18,346 | 73,582 | 335,537 | 445,046 | 833,851 |
| Tax Titles | 97,308 | 78,373 | 258,929 | 217,160 | 55,085 | 25,427 | 15,628 | 35,073 | 17,593 | 8,400 |
| Insurance Proceeds | 496,997 | 39,914 | 96,463 | 133,052 | 427,898 | 170,101 | 169,230 | 157,875 | 255,716 | - |
| Miscellaneous | 5,016,367 | 5,479,807 | 6,449,112 | 6,034,137 | 7,098,886 | 7,001,236 | 6,992,822 | 9,585,432 | 9,478,664 | 678,351 |
| Transfers | - | 17,727 | (42,522) | (297,396) | 15,000 | - | - | - | (461,149) | - |
| Total Governmental Activities | <u>219,827,712</u> | <u>227,563,104</u> | <u>232,214,035</u> | <u>230,226,378</u> | <u>234,638,076</u> | <u>240,700,005</u> | <u>248,073,060</u> | <u>250,588,918</u> | <u>257,976,067</u> | <u>262,786,369</u> |
| Business-Type Activities: | | | | | | | | | | |
| Investment Earnings | 20,424 | 8,917 | 19,175 | 7,007 | 6,547 | 5,459 | 35,800 | 89,016 | 164,623 | 452,258 |
| Insurance Proceeds | 6,104,379 | - | - | - | - | - | - | - | - | - |
| Transfers | - | (17,727) | 42,522 | 297,396 | (15,000) | - | - | - | 461,149 | - |
| Total Business-Type Activities | <u>6,124,803</u> | <u>(8,810)</u> | <u>61,697</u> | <u>304,403</u> | <u>(8,453)</u> | <u>5,459</u> | <u>35,800</u> | <u>89,016</u> | <u>625,772</u> | <u>452,258</u> |
| Total Primary Government | <u>\$ 225,952,515</u> | <u>\$ 227,554,294</u> | <u>\$ 232,275,732</u> | <u>\$ 230,530,781</u> | <u>\$ 234,629,623</u> | <u>\$ 240,705,464</u> | <u>\$ 248,108,860</u> | <u>\$ 250,677,934</u> | <u>\$ 258,601,839</u> | <u>\$ 263,238,627</u> |
| CHANGES IN NET POSITION | | | | | | | | | | |
| Governmental Activities | \$ (25,321,425) | \$ (15,483,064) | \$ (12,782,508) | \$ (17,761,059) | \$ (12,078,857) | \$ (43,345,999) | \$ (25,229,488) | \$ (22,814,019) | \$ 13,954,343 | \$ (13,833,803) |
| Business-Type Activities | 3,640,963 | 7,295,173 | 8,589,788 | 5,790,724 | 7,970,634 | 8,259,275 | 11,945,105 | 7,006,267 | 8,571,893 | 12,618,250 |
| Total Primary Government | <u>\$ (21,680,462)</u> | <u>\$ (8,187,891)</u> | <u>\$ (4,192,720)</u> | <u>\$ (11,970,335)</u> | <u>\$ (4,108,223)</u> | <u>\$ (35,086,724)</u> | <u>\$ (13,284,383)</u> | <u>\$ (15,807,752)</u> | <u>\$ 22,526,236</u> | <u>\$ (1,215,553)</u> |

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Nonspendable | 216,869 | 217,244 | 214,650 | 211,476 | 210,507 | 280,583 | 249,434 | 258,318 | 170,034 | 94,227 |
| Restricted | - | - | - | 3,600,000 | 3,000,000 | - | 1,295,271 | - | - | - |
| Committed | 2,401,774 | 3,322,613 | 4,689,278 | 4,560,680 | 4,339,212 | 3,425,023 | 4,908,957 | 157,447 | - | 2,847,471 |
| Assigned | - | - | - | - | - | - | - | 4,349,465 | 4,342,814 | 541,762 |
| Unreserved/Unassigned | 5,981,718 | 8,253,978 | 11,852,791 | 10,803,865 | 8,151,517 | 18,486,180 | 22,566,957 | 22,671,446 | 27,092,444 | 26,803,147 |
| Total General Fund | \$ 8,600,361 | \$ 11,793,835 | \$ 16,756,719 | \$ 19,176,021 | \$ 15,701,236 | \$ 22,191,786 | \$ 29,020,619 | \$ 27,436,676 | \$ 31,605,292 | \$ 30,286,607 |
| ALL OTHER GOVERNMENTAL FUNDS | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Nonspendable | - | - | - | - | - | - | - | - | - | 176,703 |
| Restricted | 9,587,064 | 7,754,049 | 8,803,655 | 6,858,453 | 10,888,224 | 12,759,365 | 13,741,765 | 9,507,535 | 9,935,889 | 23,873,209 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | 46,950 | 40,656 | 35,685 | - | - | - | - | - | - | - |
| Unreserved/Unassigned in: | | | | | | | | | | |
| School Unrestricted Fund | - | - | - | - | - | (26,136) | - | - | (1,901,601) | 1,262,051 |
| Special Revenue Funds | (13) | - | - | - | - | - | - | (25,336) | (109,056) | (272,945) |
| Capital Project Funds | (888,044) | (628,477) | (1,425,201) | (2,787,894) | (5,676,144) | (852,908) | - | - | (724,150) | (1,409,315) |
| Total All Other Governmental Funds | \$ 8,745,957 | \$ 7,166,228 | \$ 7,414,139 | \$ 4,070,559 | \$ 5,212,080 | \$ 11,880,321 | \$ 13,741,765 | \$ 9,482,199 | \$ 7,201,082 | \$ 23,629,703 |
| Total All Governmental Funds | \$ 17,346,318 | \$ 18,960,063 | \$ 24,170,858 | \$ 23,246,580 | \$ 20,913,316 | \$ 34,072,107 | \$ 42,762,384 | \$ 36,918,875 | \$ 38,806,374 | \$ 53,916,310 |

Source: City of Warwick Comprehensive Annual Financial Report

Note: GASB 54 was implemented in 2011. Fund balance classifications were adjusted accordingly.

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

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-----------------------|---------------------|---------------------|---------------------|-----------------------|----------------------|---------------------|-----------------------|---------------------|----------------------|
| REVENUES | | | | | | | | | | |
| General Property Taxes | \$ 204,577,041 | \$ 212,007,763 | \$ 216,054,096 | \$ 214,148,180 | \$ 213,689,646 | \$ 227,581,622 | \$ 231,148,289 | \$ 227,930,585 | \$ 235,139,528 | \$ 238,276,906 |
| Interest on Taxes | 1,357,578 | 1,392,844 | 1,682,473 | 2,494,254 | 2,221,716 | 2,403,234 | 2,206,364 | 2,087,162 | 2,089,752 | 2,125,411 |
| Real Estate Transfer Tax | - | - | - | - | - | - | - | - | - | 1,163,390 |
| Hotel and Meals Tax | - | - | - | - | - | - | - | - | - | 4,351,453 |
| Intergovernmental Revenues | 53,821,511 | 52,037,242 | 54,946,587 | 57,042,872 | 55,935,932 | 57,470,500 | 55,113,851 | 58,466,324 | 59,099,993 | 56,170,848 |
| Medicaid | - | - | - | - | - | - | - | - | - | 1,554,404 |
| State Contribution to Pension Plan | 5,747,000 | 6,251,800 | 6,223,212 | 6,342,485 | 6,968,124 | 11,053,803 | 7,250,385 | 7,409,776 | 7,946,000 | 11,481,613 |
| Airport Revenues | - | - | - | - | - | - | - | - | - | 3,291,426 |
| Charges for Services | 11,657,310 | 11,606,395 | 11,709,095 | 12,560,899 | 11,751,428 | 14,940,665 | 15,602,935 | 14,328,213 | 11,898,804 | 10,540,887 |
| Investment Income | 2,093 | 1,474 | (35,582) | 4,962 | 5,184 | 17,653 | 72,745 | 334,702 | 444,210 | 842,250 |
| Contributions and Private Grants | 106,860 | 164,652 | 522,410 | 306,079 | 202,245 | 198,878 | 229,191 | 193,364 | 377,582 | 708,555 |
| Other Revenue | 9,909,777 | 10,309,384 | 11,045,445 | 12,074,905 | 12,415,989 | 12,246,157 | 12,228,003 | 15,316,488 | 15,280,491 | 678,350 |
| Total Revenues | 287,179,170 | 293,771,554 | 302,147,736 | 304,974,636 | 303,190,264 | 325,912,512 | 323,851,763 | 326,066,614 | 332,276,360 | 331,185,493 |
| EXPENDITURES | | | | | | | | | | |
| Executive and Administration | 4,957,805 | 4,519,720 | 4,508,874 | 4,645,529 | 5,256,264 | 6,231,635 | 5,631,395 | 5,722,310 | 6,331,256 | 5,736,088 |
| Public Safety | 42,308,559 | 43,062,869 | 44,127,815 | 45,078,068 | 48,443,800 | 51,378,290 | 48,342,109 | 48,603,551 | 46,820,014 | 47,710,945 |
| Recreation | 1,895,427 | 1,576,349 | 1,516,612 | 1,491,348 | 1,609,025 | 1,671,852 | 1,775,404 | 1,872,055 | 1,921,951 | 2,860,219 |
| Public Libraries | 2,631,152 | 2,580,684 | 2,627,093 | 2,664,349 | 2,649,211 | 2,777,726 | 2,973,205 | 3,055,225 | 3,004,479 | 2,906,196 |
| Social Services | 1,393,507 | 1,262,235 | 1,197,505 | 1,188,989 | 1,304,766 | 1,172,435 | 1,201,714 | 1,220,042 | 1,200,509 | 1,134,473 |
| Planning and Economic Development | 2,578,289 | 2,169,881 | 2,593,625 | 2,461,805 | 2,032,789 | 2,069,975 | 2,346,268 | 3,061,573 | 2,648,053 | 2,553,041 |
| Public Works | 14,237,550 | 12,423,819 | 13,694,798 | 14,474,028 | 14,342,186 | 15,775,825 | 13,103,634 | 14,043,138 | 14,137,448 | 12,080,463 |
| Employee Benefits, Fixed Costs | 43,757,666 | 46,057,032 | 50,772,566 | 51,176,951 | 54,065,009 | 55,241,714 | 56,103,500 | 61,737,378 | 62,828,806 | 61,532,791 |
| Education | 169,004,878 | 165,316,678 | 167,622,445 | 169,221,031 | 169,089,102 | 168,197,758 | 174,954,593 | 182,304,434 | 176,120,005 | 180,547,721 |
| State Contribution to Pension Plan | 5,747,000 | 6,251,800 | 6,223,212 | 6,342,485 | 6,968,124 | 11,053,803 | 7,250,385 | 7,409,776 | 7,946,000 | 11,481,613 |
| Debt Service - Principal | 5,965,182 | 5,226,115 | 4,570,722 | 5,082,483 | 5,962,158 | 5,650,593 | 6,679,050 | 6,648,671 | 5,000,000 | 5,353,156 |
| Debt Service - Interest | 2,169,590 | 1,726,854 | 1,761,508 | 1,749,891 | 1,668,544 | 1,072,561 | 1,597,661 | 1,442,950 | 1,969,191 | 1,847,329 |
| Bond Issuance Costs/Paying Agent Fees | 200,420 | 1,500 | 30,659 | 24,561 | 102,828 | 185,506 | - | - | - | - |
| Total Expenditures | 296,847,025 | 292,175,536 | 301,247,434 | 305,601,518 | 313,493,806 | 322,479,673 | 321,958,918 | 337,121,103 | 329,927,712 | 335,744,035 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES) | (9,667,855) | 1,596,018 | 900,302 | (626,882) | (10,303,542) | 3,432,839 | 1,892,845 | (11,054,489) | 2,348,648 | (4,558,542) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers from Other Funds | 129,552,412 | 127,682,960 | 126,600,068 | 127,325,885 | 129,885,749 | 128,876,427 | 131,428,314 | 132,059,433 | 132,657,151 | 131,429,403 |
| Transfers to Other Funds | (129,552,412) | (127,665,233) | (126,642,590) | (127,623,281) | (129,870,749) | (128,876,427) | (131,428,314) | (132,059,433) | (133,118,300) | (131,429,403) |
| Proceeds from Bonds | 6,047,524 | - | 4,353,015 | - | 5,055,278 | 5,500,000 | 5,243,469 | 4,889,773 | - | 15,445,000 |
| Premiums on Bonds | - | - | - | - | - | - | - | - | - | 885,914 |
| Proceeds from Capital Lease | - | - | - | - | 2,900,000 | 4,252,088 | 1,527,826 | 321,207 | - | 2,303,074 |
| Insurance Recoveries | - | - | - | - | - | - | - | - | - | 400,701 |
| Total Other Financing Sources (Uses) | 6,047,524 | 17,727 | 4,310,493 | (297,396) | 7,970,278 | 9,752,088 | 6,771,295 | 5,210,980 | (461,149) | 19,034,689 |
| NET CHANGE IN FUND BALANCES | \$ (3,620,331) | \$ 1,613,745 | \$ 5,210,795 | \$ (924,278) | \$ (2,333,264) | \$ 13,184,927 | \$ 8,664,140 | \$ (5,843,509) | \$ 1,887,499 | \$ 14,476,147 |
| Debt Service as a Percentage of Noncapital Expenditures | <u>2.79%</u> | <u>2.42%</u> | <u>2.16%</u> | <u>2.31%</u> | <u>2.54%</u> | <u>2.14%</u> | <u>2.64%</u> | <u>2.46%</u> | <u>2.16%</u> | <u>2.19%</u> |

Source: City of Warwick Comprehensive Annual Financial Report

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

Real Property

| Fiscal Year | Less | | | Total Taxable Assessed Value | Estimated Actual Value | Tax Rate Res/Comm |
|-------------|------------------|------------------|------------------------|---------------------------------|---------------------------|----------------------|
| | Residential | Commercial | Tax-Exempt Property | | | |
| 2011 | \$ 6,286,650,600 | \$ 2,808,766,770 | \$ 64,485,000 | \$ 9,030,932,370 | \$ 9,030,932,370 | \$17.48/\$26.22 |
| 2012 | 6,261,960,200 | 2,641,178,770 | 53,032,287 | 8,850,106,683 | 8,850,106,683 | \$17.69/\$26.53 |
| 2013 | 6,265,223,524 | 2,553,709,270 | 149,903,604 | 8,669,029,190 | 8,669,029,190 | \$18.14/\$27.21 |
| 2014 | 5,774,315,608 | 2,308,836,275 | 113,410,569 | 7,969,741,314 | 7,969,741,314 | \$19.79/\$29.68 |
| 2015 | 5,690,034,009 | 2,243,081,450 | 177,862,624 | 7,755,252,835 | 7,755,252,835 | \$20.06/\$30.09 |
| 2016 | 5,705,887,951 | 2,203,319,107 | 187,393,314 | 7,721,813,744 | 7,721,813,744 | \$20.75/\$31.13 |
| 2017 | 6,085,854,763 | 2,239,830,661 | 288,575,915 | 8,037,109,509 | 8,137,109,509 | \$20.24/\$30.36 |
| 2018 | 6,099,011,724 | 2,216,165,300 | 193,343,996 | 8,121,833,028 | 8,121,833,028 | \$20.24/\$30.36 |
| 2019 | 6,104,997,750 | 2,217,267,100 | 191,386,229 | 8,130,878,621 | 8,130,878,621 | \$20.80/\$31.19 |
| 2020 | 7,409,041,400 | 2,382,535,900 | 226,956,968 | 9,564,620,332 | 9,564,620,332 | \$18.73/\$28.10 |

Personal Property - Tangible

| Fiscal Year | Less | | Total Tangible Taxable Assessed Value | Estimated Actual Value | Tax Rate Tangible/ Inventory |
|-------------|----------------------------------|------------------------|---|---------------------------|------------------------------------|
| | Tangible Personal Property | Tax-Exempt Property | | | |
| 2011 | \$ 449,384,970 | \$ 12,000 | \$ 449,372,970 | \$ 449,372,970 | \$34.96/\$0.00 |
| 2012 | 462,434,140 | - | 462,434,140 | 462,434,140 | \$35.38/\$0.00 |
| 2013 | 503,931,303 | - | 503,931,303 | 503,931,303 | \$36.28/\$0.00 |
| 2014 | 525,385,537 | - | 525,385,537 | 525,385,537 | \$39.58/\$0.00 |
| 2015 | 533,705,181 | - | 533,705,181 | 533,705,181 | \$40.12/\$0.00 |
| 2016 | 550,124,141 | - | 550,124,141 | 550,124,141 | \$40.12/\$0.00 |
| 2017 | 525,450,291 | - | 525,450,291 | 525,450,291 | \$40.48/\$0.00 |
| 2018 | 519,849,116 | - | 519,849,116 | 519,846,116 | \$40.48/\$0.01 |
| 2019 | 544,128,554 | - | 544,128,554 | 544,128,554 | \$41.59/\$0.00 |
| 2020 | 558,028,331 | - | 558,028,331 | 558,028,331 | \$37.46/\$0.00 |

Notes:

Fiscal 2020 reflects the results of a statistical revaluation

Source: Tax Assessor's Official Tax Certification List

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

Personal Property - Motor Vehicle

| Fiscal Year | Motor Vehicles | Less Tax-Exempt Property | Less M/V Phaseout | Total Motor Vehicle Taxable Assessed Value | Estimated Actual Value | Tax Rate Motor Vehicles |
|-------------|----------------|--------------------------------|----------------------|--|---------------------------|----------------------------|
| 2011 | \$ 742,645,169 | \$ 12,867,015 | \$ 363,655,976 | \$ 366,122,178 | \$ 366,122,178 | \$34.60 |
| 2012 | 680,792,673 | 12,652,167 | 13,342,221 | 654,798,285 | 654,798,285 | \$34.60 |
| 2013 | 839,853,603 | 11,918,651 | 178,494,733 | 649,440,219 | 649,440,219 | \$34.60 |
| 2014 | 854,260,308 | 14,343,446 | 180,950,469 | 658,966,393 | 658,966,393 | \$34.60 |
| 2015 | 862,802,922 | 16,384,579 | 181,107,718 | 665,310,625 | 665,310,435 | \$34.60 |
| 2016 | 873,371,912 | 16,067,882 | 184,942,595 | 672,361,435 | 672,361,435 | \$34.60 |
| 2017 | 916,573,616 | 16,636,180 | 187,835,342 | 712,102,094 | 712,102,094 | \$34.60 |
| 2018 | 812,081,178 | 15,317,856 | 156,520,338 | 640,242,984 | 640,242,984 | \$34.60 |
| 2019 | 771,695,891 | 14,897,412 | 150,351,187 | 606,447,292 | 606,447,292 | \$34.60 |
| 2020 | 758,002,820 | 14,520,779 | 194,306,651 | 549,175,390 | 549,175,390 | \$34.60 |

Total All

| Fiscal Year | Assessed Value | Estimated Actual Value | Ratio |
|-------------|------------------|---------------------------|----------|
| 2011 | \$ 9,846,427,518 | \$ 9,846,427,518 | 100.00 % |
| 2012 | 9,967,339,108 | 9,967,339,108 | 100.00 |
| 2013 | 9,822,400,712 | 9,822,400,712 | 100.00 |
| 2014 | 9,154,093,244 | 9,154,093,244 | 100.00 |
| 2015 | 8,954,268,641 | 8,954,268,641 | 100.00 |
| 2016 | 8,944,299,320 | 8,944,299,320 | 100.00 |
| 2017 | 9,374,661,894 | 9,374,661,894 | 100.00 |
| 2018 | 9,281,925,128 | 9,281,925,128 | 100.00 |
| 2019 | 9,281,454,467 | 9,281,454,467 | 100.00 |
| 2020 | 10,671,824,053 | 10,671,824,053 | 100.00 |

Notes:

Fiscal 2020 reflects the result of a statistical revaluation.

Source: Tax Assessor's Official Tax Certification List

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

| <u>Fiscal Year</u> | | <u>General Fund</u> | <u>Fiscal Year</u> | | <u>General Fund</u> |
|--------------------|----------------------------|---------------------|--------------------|----------------------------|---------------------|
| 2011 | Real Estate Residential | 17.48 | 2016 | Real Estate Residential | 20.75 |
| | Real Estate Commercial | 26.22 | | Real Estate Commercial | 31.13 |
| | Tangible Personal Property | 34.96 | | Tangible Personal Property | 41.50 |
| | Motor Vehicles | 34.60 | | Motor Vehicles | 34.60 |
| 2012 | Real Estate Residential | 17.69 | 2017 | Real Estate Residential | 20.24 |
| | Real Estate Commercial | 26.53 | | Real Estate Commercial | 30.36 |
| | Tangible Personal Property | 35.38 | | Tangible Personal Property | 40.48 |
| | Motor Vehicles | 34.60 | | Motor Vehicles | 34.60 |
| 2013 | Real Estate Residential | 18.14 | 2018 | Real Estate Residential | 20.24 |
| | Real Estate Commercial | 27.21 | | Real Estate Commercial | 30.36 |
| | Tangible Personal Property | 36.28 | | Tangible Personal Property | 40.48 |
| | Motor Vehicles | 34.60 | | Motor Vehicles | 34.60 |
| 2014 | Real Estate Residential | 19.79 | 2019 | Real Estate Residential | 20.80 |
| | Real Estate Commercial | 29.68 | | Real Estate Commercial | 31.19 |
| | Tangible Personal Property | 39.58 | | Tangible Personal Property | 41.59 |
| | Motor Vehicles | 34.60 | | Motor Vehicles | 34.60 |
| 2015 | Real Estate Residential | 20.06 | 2020 | Real Estate Residential | 18.73 |
| | Real Estate Commercial | 30.09 | | Real Estate Commercial | 28.10 |
| | Tangible Personal Property | 40.12 | | Tangible Personal Property | 37.46 |
| | Motor Vehicles | 34.60 | | Motor Vehicles | 34.60 |

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

**CITY OF WARWICK, RHODE ISLAND
PRINCIPAL TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)**

| Taxpayer | 2020 | | | 2011 | | |
|--------------------------------|-------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value* | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Narragansett Electric Co. | \$ 176,507,854 | 1 | 1.65% | \$ 76,460,540 | 1 | 0.78% |
| CAR WAR, LLC | 42,111,700 | 2 | 0.39% | 47,353,400 | 3 | 0.48% |
| AIMCO Warwick, LLC | 40,368,900 | 3 | 0.38% | 26,553,000 | 10 | 0.27% |
| Warwick Mall, LLC | 39,246,900 | 4 | 0.37% | 59,746,300 | 2 | 0.61% |
| WIM Core Portfolio Owner LLC | 34,783,200 | 5 | 0.33% | 42,935,500 | 4 | 0.44% |
| Cowesett Hills Apartments, LLC | 33,055,000 | 6 | 0.31% | 31,393,100 | 8 | 0.32% |
| Warwick Associates | 31,323,700 | 7 | 0.29% | 32,284,400 | 7 | 0.33% |
| Target Corporation | 26,681,300 | 8 | 0.25% | 26,702,600 | 9 | 0.27% |
| DDRTC Warwick Center, LLC | 23,285,100 | 9 | 0.22% | 35,742,000 | 5 | 0.36% |
| AMCB RI Mall Owner LLC | 20,231,600 | 10 | 0.19% | 35,003,600 | 6 | 0.36% |
| | <u>\$ 467,595,254</u> | | <u>4.38%</u> | <u>\$ 414,174,440</u> | | <u>4.21%</u> |

Total Assessed Value FY20

| |
|-------------------|
| \$ 10,671,824,053 |
|-------------------|

Total Assessed Value FY11

| |
|------------------|
| \$ 9,846,427,518 |
|------------------|

Source: City of Warwick Tax Assessor

* Based Upon Assessed Values From December 31, 2018

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

| <u>Fiscal Year</u> | <u>Population</u> | <u>Personal Income</u> | <u>Median Family Income</u> | <u>Per Capita Personal Income</u> | <u>School Enrollment</u> | <u>Unemployment Rate</u> |
|--------------------|-------------------|------------------------|-----------------------------|-----------------------------------|--------------------------|--------------------------|
| 2011 | 82,672 | \$ 2,477,762,512 | \$ 72,337 | \$ 29,971 | 10,277 | 10.30 % |
| 2012 | 82,672 | 2,515,047,584 | 73,504 | 30,422 | 9,977 | 10.12 |
| 2013 | 82,698 | 2,662,958,298 | 76,695 | 32,201 | 9,675 | 8.80 |
| 2014 | 81,971 | 2,639,548,171 | 76,695 | 32,201 | 9,409 | 8.00 |
| 2015 | 81,963 | 2,777,644,107 | 78,263 | 33,889 | 9,277 | 5.86 |
| 2016 | 81,699 | 2,872,291,743 | 82,937 | 35,157 | 9,130 | 4.73 |
| 2017 | 81,576 | 2,916,423,576 | 84,937 | 35,751 | 8,897 | 4.02 |
| 2018 | 82,672 | 3,096,975,792 | 87,369 | 37,461 | 9,124 | 4.50 |
| 2019 | 80,847 | 3,028,609,467 | 87,369 | 37,461 | 8,622 | 3.20 |
| 2020 | 81,004 | 3,061,546,180 | 88,435 | 37,795 | 8,611 | 6.06 |

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

**CITY OF WARWICK, RHODE ISLAND
PRINCIPAL EMPLOYERS
JUNE 30, 2020
(UNAUDITED)**

| Employer | Number of Employees | Rank | Percentage of Total City Employment |
|--|------------------------|------|---|
| Kent Hospital Acute Rehab | 1,000-4,999 | 1 | 2.3% - 11.7% |
| J Arthur Trudeau Memorial (Aberdeen Ave) | 1,000-4,999 | 2 | 2.3% - 11.7% |
| Kent Hospital | 1,000-4,999 | 3 | 2.3% - 11.7% |
| Community College of RI | 500-999 | 4 | 1.2% - 2.3% |
| Bentley Providence | 500-999 | 5 | 1.2% - 2.3% |
| Infiniti of Warwick | 500-999 | 6 | 1.2% - 2.3% |
| Kenney Manufacturing Co | 500-999 | 7 | 1.2% - 2.3% |
| J Arthur Trudeau Memorial (Post Road) | 500-999 | 8 | 1.2% - 2.3% |
| Securitas Security Svc USA | 250-499 | 9 | 0.6% - 1.2% |
| Care New England Health System | 250-499 | 10 | 0.6% - 1.2% |

Source: Employ RI
RI Department of Labor and Training - Total Employment Statistics

Note: Historical data for nine years prior was unavailable.

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

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Municipal Administration | 96 | 92 | 93 | 93 | 92 | 90 | 88 | 87 | 86 | 86 |
| Public Safety: | | | | | | | | | | |
| Police Civilians | 74 | 79 | 79 | 79 | 78 | 78 | 78 | 77 | 75 | 75 |
| Officers | 175 | 175 | 175 | 175 | 172 | 172 | 167 | 163 | 164 | 163 |
| Fire Civilians | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 11 | 11 |
| Firefighters/Officers | 193 | 212 | 227 | 227 | 220 | 220 | 221 | 220 | 209 | 209 |
| Municipal | 17 | 17 | 17 | 17 | 16 | 16 | 15 | 16 | 16 | 16 |
| Social Services | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 | 22 |
| Library/Recreation | 87 | 68 | 66 | 66 | 65 | 65 | 67 | 67 | 67 | 67 |
| Developmental Resources | 17 | 16 | 16 | 16 | 15 | 16 | 16 | 16 | 16 | 16 |
| Public Works: | | | | | | | | | | |
| Administration | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Maintenance/Automotive | 28 | 40 | 40 | 40 | 40 | 40 | 39 | 38 | 39 | 39 |
| Engineering | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Sanitation/Recycling | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 24 |
| Highway | 59 | 60 | 61 | 61 | 61 | 61 | 61 | 61 | 62 | 61 |
| Water | 33 | 33 | 33 | 33 | 33 | 33 | 34 | 35 | 35 | 35 |
| Sewer | 33 | 33 | 33 | 33 | 33 | 29 | 30 | 31 | 32 | 32 |

Source: City of Warwick Finance Department - Personnel Supplements

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

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

| Function | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|-------------|------------|-------------|-------------|------------|------------|------------|------------|------------|------------|
| Legislative and Executive: | | | | | | | | | | |
| Number of Resolutions | 102 | 172 | 163 | 161 | 132 | 139 | 124 | 134 | 122 | 158 |
| Number of Ordinances | 13 | 25 | 18 | 32 | 29 | 19 | 30 | 22 | 21 | 32 |
| Number of Meetings | 19 | 26 | 26 | 28 | 26 | 30 | 27 | 27 | 29 | 22 |
| Board of Elections: | | | | | | | | | | |
| Number of Registered Voters | 63,221 | 62,284 | 61,603 | 61,522 | 59,546 | 60,189 | 59,470 | 62,059 | 60,239 | 61,133 |
| Purchasing: | | | | | | | | | | |
| Number of Bid Contracts | 334 | 328 | 353 | 338 | 358 | 323 | 364 | 327 | 301 | 329 |
| Number of Purchase Orders Issued | 3,657 | 3,721 | 3,687 | 3,711 | 3,985 | 4,027 | 3,950 | 3,673 | 3,665 | 3,549 |
| Building Department: | | | | | | | | | | |
| Number of Permits Issued | 5,993 | 6,129 | 5,894 | 5,523 | 5,966 | 4,959 | 4,797 | 4,553 | 4,521 | 4,709 |
| Permit Value | 107,329,058 | 98,398,143 | 106,449,751 | 102,000,006 | 85,372,333 | 57,740,168 | 54,478,286 | 52,690,863 | 63,980,377 | 59,519,775 |
| Public Safety: | | | | | | | | | | |
| Calls for Service | 91,216 | 90,360 | 80,224 | 80,341 | 84,736 | 109,587 | 90,490 | 90,469 | 84,669 | 93,796 |
| Arrests | 2,057 | 1,946 | 2,561 | 2,733 | 2,990 | 3,057 | 3,431 | 3,325 | 3,325 | 3,284 |
| Accidents | 3,087 | 3,602 | 3,844 | 4,449 | 4,851 | 4,795 | 5,180 | 4,374 | 4,374 | 4,607 |
| Parking Violations | 147 | 226 | 141 | 130 | 213 | 6,304 | 215 | 12,085 | 12,085 | 12,477 |
| EMS Responses | 13,686 | 13,686 | 13,972 | 13,031 | 12,888 | 11,774 | 11,833 | 11,084 | 9,637 | 10,932 |
| Highway and Sanitation: | | | | | | | | | | |
| Miles of Streets: | | | | | | | | | | |
| Local Paved | 396 | 396 | 396 | 396 | 396 | 396 | 396 | 400 | 400 | 398 |
| State Paved | 69 | 69 | 69 | 69 | 69 | 69 | 69 | 70 | 70 | 68 |
| Private Paved | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 19 |
| Refuse Collected (Annual Tonnage) | 27,022 | 26,072 | 25,785 | 25,367 | 25,344 | 24,520 | 24,855 | 25,305 | 23,797 | 24,747 |
| Recyclables Collected (Annual Tonnage) | 9,606 | 9,388 | 10,056 | 10,281 | 10,152 | 9,863 | 10,074 | 10,476 | 8,940 | 8,801 |
| Public Skating Admissions - | | | | | | | | | | |
| Thayer Arena | 3,660 | 4,710 | 5,144 | 5,144 | 5,144 | 6,322 | 7,233 | 6,313 | 6,940 | 6,578 |
| McDermott Pool Daily Passes | 4,690 | 6,316 | 4,177 | 4,177 | 4,177 | 6,136 | 6,217 | 944 | 1,119 | 1,225 |
| McDermott Pool Monthly Passes | 718 | 1,188 | 770 | 770 | 770 | 626 | 488 | - | - | - |
| McDermott Pool Seasonal Passes | 285 | 297 | 293 | 293 | 293 | - | - | - | - | - |

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Library: | | | | | | | | | | |
| Registered Borrowers | 29,063 | 29,490 | 30,897 | 34,895 | 35,554 | 35,120 | 36,813 | 38,121 | 39,336 | 40,827 |
| Print Materials | 133,498 | 131,615 | 132,321 | 140,565 | 141,369 | 143,787 | 148,106 | 176,576 | 166,323 | 180,516 |
| Nonprint | 327 | 22,003 | 20,849 | 18,000 | 17,373 | 16,683 | 15,384 | 14,751 | 13,168 | 22,827 |
| Ebooks and AV Materials | 157,194 | 100,129 | 87,743 | 73,156 | 55,799 | 46,024 | - | - | - | - |
| Circulation | 496,138 | 650,124 | 574,553 | 570,575 | 573,079 | 603,897 | 558,313 | 523,382 | 521,543 | 494,773 |
| Programs | 1,020 | 1,141 | 1,196 | 1,022 | 969 | 1,302 | 743 | 709 | 574 | 841 |
| Program Attendance | 26,280 | 26,146 | 28,062 | 32,883 | 18,616 | 13,952 | 12,342 | 11,826 | 11,119 | 14,842 |
| Water: | | | | | | | | | | |
| Total Connections | 26,971 | 26,952 | 26,966 | 26,969 | 26,896 | 26,959 | 26,903 | 26,967 | 26,827 | 26,057 |
| New Connections | 53 | 61 | 71 | 97 | 57 | 146 | 36 | 188 | 42 | 14 |
| Water Main Breaks | 20 | 26 | 34 | 30 | 29 | 34 | 26 | 21 | 21 | 47 |
| Average Daily Consumption (Gallons) | 5.871M | 5.526M | 5.712M | 5.875M | 5.479M | 5.477M | 4.395M | 4.870M | 6.248M | 5.513M |
| Wastewater: | | | | | | | | | | |
| Average Daily Sewer Treatment (Gallons) | 5.3M | 5.1M | 4.9M | 4.8M | 4.5M | 4.6M | 4.8M | 4.8M | 4.71M | 5.41M |
| Accounts Billed | 22,680 | 22,408 | 22,635 | 22,405 | 22,222 | 21,966 | 21,728 | 21,544 | 20,999 | 20,532 |

Source: Various City Departments

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

| Function | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| General Government: | | | | | | | | | | |
| City Hall | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Human Services | 2 | 2 | 2 | 2 | 8 | 8 | 8 | 8 | 8 | 8 |
| Public Works | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public Safety: | | | | | | | | | | |
| Police Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire Stations | 10 | 10 | 10 | 10 | 10 | 10 | 9 | 9 | 9 | 9 |
| Highway: | | | | | | | | | | |
| Streets (Miles) | 490 | 490 | 490 | 490 | 490 | 490 | 490 | 490 | 490 | 490 |
| Streetlights | 8,887 | 8,834 | 8,834 | 8,834 | 8,834 | 8,834 | 8,834 | 8,834 | 8,834 | 8,834 |
| Traffic Lights (City) | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 |
| Library: | | | | | | | | | | |
| Main | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Branches | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Recreation: | | | | | | | | | | |
| Parks | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Bathing Beaches | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Ice Arenas | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Pools | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 |
| Water/Wastewater: | | | | | | | | | | |
| Fire Hydrants | 2,031 | 2,012 | 1,996 | 1,996 | 1,772 | 1,772 | 1,772 | 1,772 | 1,772 | 1,772 |
| Max Daily Capacity (Gallons): | | | | | | | | | | |
| Water | 13.0M | 13.0M | 13.0M | 13.0M | 12.0M | 13.3M | 13.3M | 13.3M | 13.3M | 13.3M |
| Sewer | 7.7M |
| Education: | | | | | | | | | | |
| Elementary Schools | 13 | 13 | 16 | 16 | 16 | 17 | 17 | 17 | 17 | 17 |
| Middle Schools | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 |
| High Schools | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 |
| Career/Technical | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

Source: Various City Departments

