TOWN OF WESTERLY
RHODE ISLAND

Comprehensive Annual Finance Report

For the Fiscal Year Ended June 30, 2019

TOWN OF WESTERLY, RHODE ISLAND

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INTRODUCTORY SECTION

Westerly Rhode Island

Finance Department

45 Broad Street Westerly, RI 02891
tel: (401) 348-2516 fax: (401) 348-2607

January 19, 2020

To the Citizens of Westerly, Rhode Island

The comprehensive annual financial report of the Town of Westerly, Rhode Island, for the fiscal year ended June 30, 2019, is hereby submitted as mandated by state statute. State laws require that all general-purpose local governments publish a complete set of financial statements, presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of certified public accountants licensed to practice in the State of Rhode Island, within six months of the close of each fiscal year.

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

The Town of Westerly's financial statements have been audited by Marcum LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Westerly for the fiscal year ended June 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion, that the Town of Westerly's financial statement for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE GOVERNMENT

General

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

The Town has a population of about 23,000. In 2018, the Town's median family income was approximately $63,500, and the median value of owner-occupied housing was $294,200. Not reflected in the Census statistics is the above average income of the more than 20,000 summer inhabitants of the Town that contribute to the local economy, nor the value of vacation homes located along the Town's coastal areas.

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

Revaluations are completed every three years in conformity with Rhode Island General Statutes. The December 31, 2018 three-year evaluation was completed with a net assessed property value of $6,499,753,939.

Government

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

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

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

The annual budget serves as the foundation for the Town of Westerly's financial planning and control. Town departments submit requests for appropriation and revenue estimates to the Town Manager on or before December 31st. The Town Manager uses these requests as the starting point for developing a proposed budget. On the third Monday in February of each year[1] the Town Manager submits to the Finance Board, with copies to the Town Council, the proposed budget of the Town of Westerly. The Board of Finance holds several budget work sessions with the Town Manager to discuss the proposed budget document and make recommended edits to the Town Council. After the recommended Board of Finance budget is delivered to the Town Council, the Town Manager and Town Council hold several budget work sessions to revise and, eventually, adopt a preliminary budget not later than the fourth Wednesday in April of each year.

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

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

Budget-to-actual comparisons are provided in this report for the General Fund and the School Unrestricted Fund on pages 90-94.

[1] Town Charter amendment effective October 2019 changes to third Monday in March

Education

The general administration of the Westerly Public Schools is directed by a seven-member School Committee that is elected at large at the regular biennial elections for staggered four-year terms. The School Committee determines and controls all policies affecting the administration, maintenance, and operation of the public schools in the Town. The School Committee appoints a Superintendent as its chief administrative agent; submits a detailed budget of expenditures and revenue to the Town Council and, once the school budget has been approved, determines the allocation of the amount appropriated. The cost of operating the School District for the fiscal year ended June 30, 2019 was $56,307,985. The Town currently has three elementary schools, (Bradford Elementary was closed at the end of the 2017 school year) one middle school, one high school and the Tower Street Community Center. At the beginning of each school year, the student enrollment in the Westerly School System has been and is projected to be as follows:

Enrollment PK-12 - Projected Enrollment **

FY 2015	3,022
FY 2016	2,908
FY 2017	2,843
FY 2018	2,799
FY 2019	2,744
FY 2020	2,656
FY 2021	2,606
FY 2022	2,558
FY 2023	2,490
FY 2024	2,439

***Source: State of Rhode Island School Building Authority at the Department of Education – Demographics Summary Report*

Municipal Services

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

Water Facilities

Westerly's water system is owned by the Town and operated by the Public Works Utilities Department. This system serves portions of Westerly and the Pawcatuck section of Stonington, Connecticut. A small portion of town (approximately 6%) depends on private wells. Most properties that are not served by the Town water system are residences remote from the Town water system. A study titled, "Town of Westerly, Rhode Island - Water Supply System Management Plan", prepared by C&E Engineering Partners, Inc. May 2013, describes existing conditions and includes a long-range program to improve the quality and quantity of water. Water studies are conducted on five-year cycles and results are submitted to both Rhode Island and Connecticut state agencies (Departments of Health) for evaluation.

Sanitary Sewer System

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

Public Works

The Town's Public Works Department provides a full range of services including vehicle, roads, grounds, and building maintenance and snow removal. The Public Works Department expended $4,621,807 for fiscal year ended June 30, 2019 and budgeted $4,757,522. In prior years, the Transfer Station was consolidated into the Public Works Department, however beginning in FY 2018, the Transfer Station is now reported as an Enterprise Funds. As a result, $2,600,000 of expenditures are no longer reflected under Public Works.

Public Safety

Services include police patrol, investigations, community education, dispatching, harbor patrol and animal control functions. The Westerly Police Department has a force that consists of 53 full-time police officers and 13 support personnel. The Police Department expended $7,198,207 for fiscal year ended June 30, 2019 and budgeted $6,773,311 respectively; however, results are related to a reporting change. Beginning with FY2018, the Town elected to report revenue from public safety services as Other Revenue as opposed to netting the revenue against expenditures. Therefore $644,000 of the expense increase is offset by those revenues.

Financing

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

In 2018, the Town issued a Sewer Improvement bond totaling $1,664,000 to address sewer system infrastructure improvements and groundwater infiltration. This project is expected to be completed by the end of the next fiscal year.

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

Employee Relations

As of June 30, 2019, the Town employs 192 full-time equivalent employees exclusive of those employed by the School District. The School District employs 564 full-time equivalent employees.

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

- Police Department: Three-year contract expires June 30, 2022
- Public Works & Municipal Clerical: Three-year contract expires June 30, 2020
- Teachers: Two-year contract expires August 31, 2021
- Transportation: Three-year contract expires June 30, 2019
- Local 808 Clerical-Custodial-Mechanical-Secretarial: Three-year contract expired June 30, 2017.

Factors Affecting Financial Condition

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

Local Economy

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

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

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

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

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

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

To address the Town roads, a referendum was passed in November of 2018 approving the issuance of $15,000,000 in Rhode Island Infrastructure Bank bonds. This project, and funding, is anticipated to span three fiscal years.

In December 2017, the Town entered into an agreement to purchase real estate for a solar land development program to provide the Town's electricity. The Town estimates the financial impact of the project to benefit the fiscal year 2020-2021.

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

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

Pension and other postemployment benefits

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

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

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

The police pension is currently funded at 73.79%. The Town continues to fund the Annual Required Contribution (ARC) at 100%.

Westerly has a net OPEB obligation of $12.5 million, related to retired and active employees. The OPEB is 30.13% funded.

Other

Westerly believes in transparency and the accountability it inspires. This is the seventh year that the Town's annual audit is presented in the form of a Comprehensive Annual Financial Report.

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

Respectfully submitted,

J. Mark Rooney
Town Manager

Mark Garceau, Ed.D.
Superintendent of Schools

Dyann J. Baker, CPA, MBA
Town Finance Director

Peter Roche, MBA
School Director of Finance and Operations

Town of Westerly, Rhode Island

List of Principal Officials

Fiscal Year Ended June 2019

Town Council:

Christopher A. Duhamel, President
Suzanne K. Giorno, Vice President
Sharon E. Ahern
Caswell Cooke, Jr.
Karen A. Cioffi
William J. Aiello
Brian H. McCuin

School Committee:

Diane C. Bowdy, Chair
Marianne A. Nardone
Mary Adams
Christine M. Cooke
Rebecca Greene
Timothy C. Killam
Christine A. Piezzo

Town Manager: J. Mark Rooney

School Superintendent: Mark Garceau, Ed.D.

Director of Finance: Dyann J. Baker, CPA, MBA

School Director of Finance and Operations: Barbara J. Perino, CPA

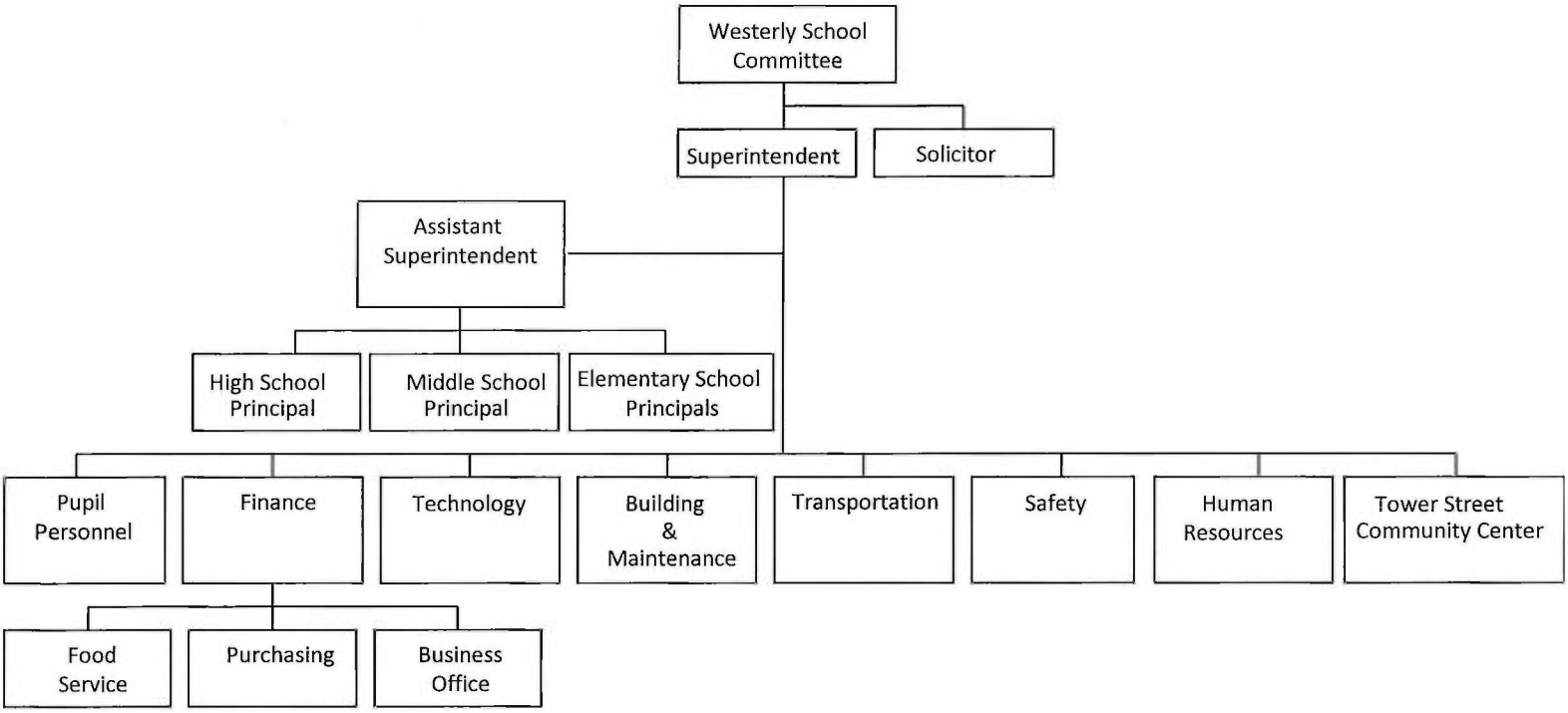
Police Chief: Shawn Lacey

Town Clerk: Donna L. Giordano, MMC

NOTE: Red Lettered Departments are ENTERPRISE FUNDS. Animal Shelter, Sanitation (*Transfer Station*) & Utilities (*Water & Sewer*)

* The majority of appointments are by the Town Council, however some Board members are appointed by the Town Manager.

Westerly Public Schools
Organizational Chart
June 2019



School Committee
Diane C. Bowdy, Chair
Marianne Nardone
Mary Adams
Christine Cooke
Rebecca Greene
Tim Killam
Christine Piezzo

Solicitors
William Nardone, Esq.
Jon Lallo, Esq.

Superintendent
Mark C. Garceau, Ed.D.

Assistant Superintendent
Alicia Storey

Director of Pupil Personnel
Melissa Denton

Director of Finance & Operations
Barbara Perino, CPA

Director of Technology
Michael Sujka

Director of Buildings & Maintenance
John Pagano

Safety Officer
Michael Turano

Tower Street Community Center
Joan Serra, Director

Director of Transportation
Susan Guarino

High School Principal
Michael Hobin

Middle School Principal
Paula Fusco

Elementary School Principals
Steven Morrone, Dunn's Corners
Susan Martin, Springbrook
Audrey Faubert, State Street

FINANCIAL SECTION

This Section Contains the Following Subsections

REPORT OF INDEPENDENT AUDITORS
MANAGEMENT'S DISCUSSION AND ANALYSIS
BASIC FINANCIAL STATEMENTS
NOTES TO BASIC FINANCIAL STATEMENTS
REQUIRED SUPPLEMENTARY INFORMATION
SUPPLEMENTARY INFORMATION

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westerly, Rhode Island (the Town) as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town'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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westerly, Rhode Island, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussions and analysis on pages 4 through 12, the budgetary comparison information on pages 90 through 94 and the pension and OPEB schedules on pages 95 through 109 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Westerly, Rhode Island's basic financial statements. The introductory section, annual supplemental transparency report, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The annual supplemental transparency report, and the combining and individual nonmajor fund financial statements 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 annual supplemental transparency report, and the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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 January 19, 2020 on our consideration of the Town of Westerly, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Westerly, 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 Town of Westerly, Rhode Island's internal control over financial reporting and compliance.

Marcum LLP

Providence, RI
January 19, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF WESTERLY, RHODE ISLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019

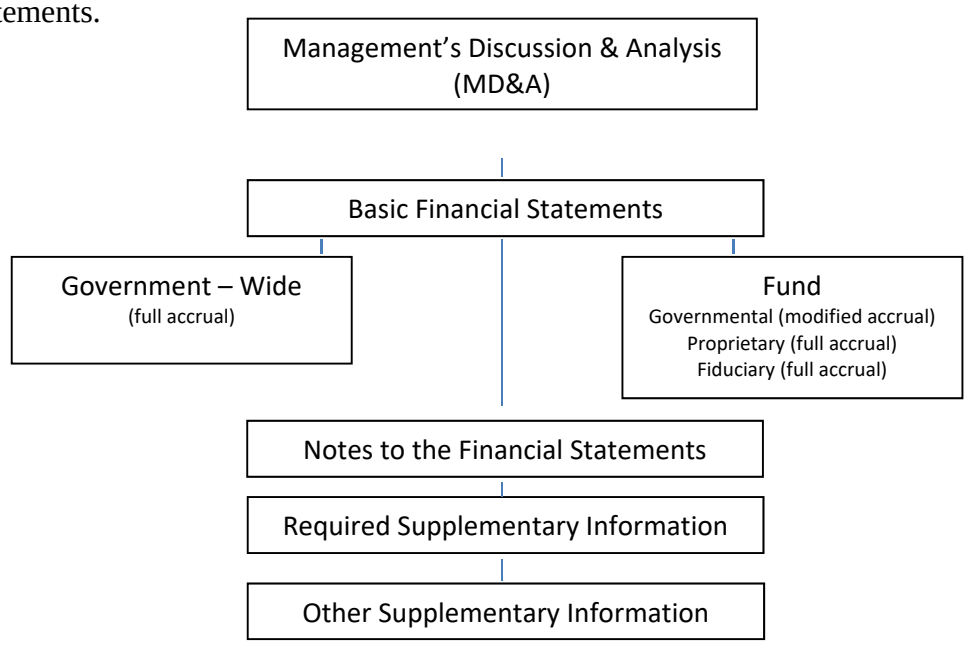
As management of the Town of Westerly, we offer readers of the Town's financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2019. We encourage the readers to consider the information presented here in conjunction with the letter of transmittal on pages i-viii of this report as well as the Town's basic financial statements that follow this section.

Overview of the Financial Statements

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

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

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



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

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

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

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

The government-wide financial statements are reported on pages 13 through 14.

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

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

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

The Town of Westerly maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, School Restricted Fund, and $15.0 Million Bond Fund, which are major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements included in the other supplementary information.

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

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

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

The basic propriety fund financial statements are present on pages 19-22.

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 resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 23-24.

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statement are presented on page 25-89.

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

Required supplementary information is presented on pages 90-109.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 117-138.

Government-Wide Financial Analysis

As noted earlier, net position may serve as a useful indicator over time of a government's financial position. In the case of the Town of Westerly, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $93,493,723 as of June 30, 2019.

TOWN OF WESTERLY, RHODE ISLAND
NET POSITION

	Government Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 51,420,210	$ 35,411,851	$ 11,214,960	$ 11,810,975	$ 62,635,170	$ 47,222,826
Capital assets, net of accumulated depreciation	165,022,600	162,204,227	42,421,103	38,345,983	207,443,703	200,550,210
Total assets	$ 216,442,810	$ 197,616,078	$ 53,636,063	$ 50,156,958	$ 270,078,873	$ 247,773,036
Deferred outflows of resources	15,651,382	19,160,136			15,651,382	19,160,136
					-	-
Current liabilities	$ 13,975,666	$ 14,038,660	$ 3,075,050	$ 1,758,932	$ 17,050,716	$ 15,797,592
Long-term liabilities	146,175,161	148,347,060	6,822,650	5,777,066	152,997,811	154,124,126
Total liabilities	$ 160,150,827	$ 162,385,720	$ 9,897,700	$ 7,535,998	$ 170,048,527	$ 169,921,718
Deferred inflows of resources	$ 22,188,005	$ 17,105,641			$ 22,188,005	$ 17,105,641
Net position					-	-
Net investment in capital assets	85,256,075	91,523,267	34,632,105	31,789,291	119,888,180	123,312,558
Restricted	19,168,409	6,744,578			19,168,409	6,744,578
Unrestricted	(54,669,124)	(60,982,992)	9,106,258	10,831,669	(45,562,866)	(50,151,323)
Total Net Position	$ 49,755,360	$ 37,284,853	$ 43,738,363	$ 42,620,960	$ 93,493,723	$ 79,905,813

The largest portion of the Town's net position $119,888,180 is its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital asset cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, $19,168,409, represents resources that are subject to external restriction on how they may be used. The remaining balance of the unrestricted net position is $45,562,866. The Town's negative unrestricted net position is primarily attributable to the legacy costs related to unfunded OPEB liabilities.

The Town's net position increased by $13,587,910 during the current fiscal year. Of this amount, governmental activities accounted for $12,470,507 of the increase, while business-type activities increased by $1,117,403.

Governmental Activities

Governmental activities increased the Town's net position by $12,470,507.

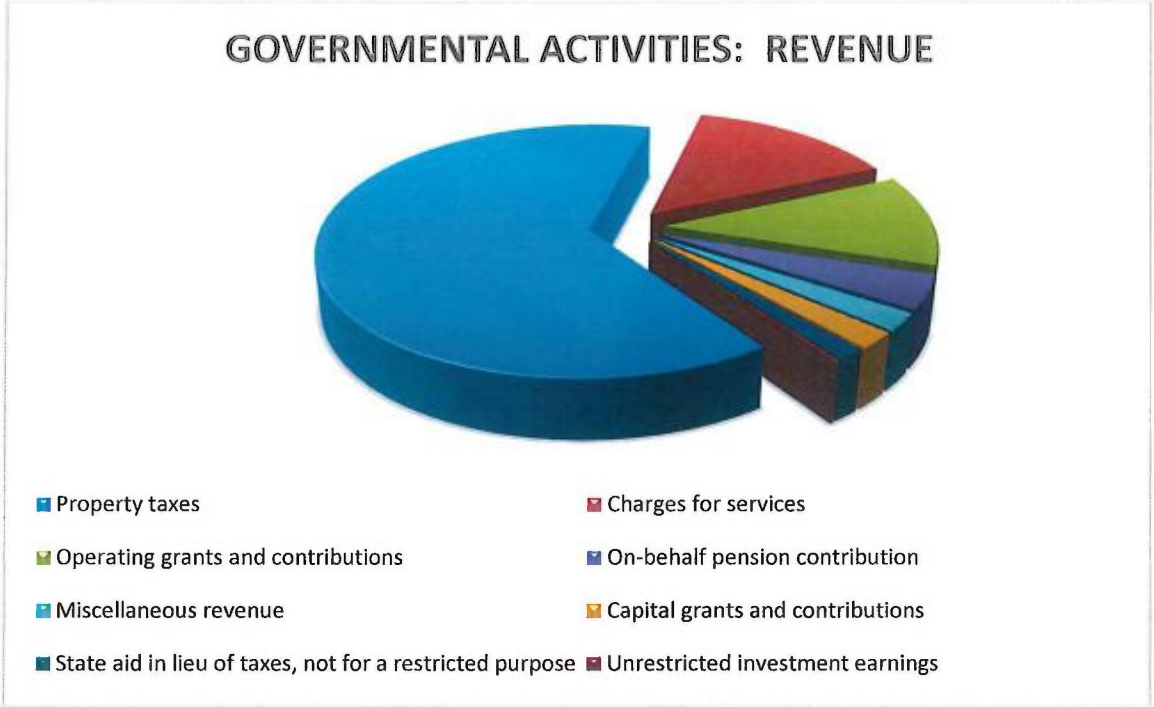
TOWN OF WESTERLY, RHODE ISLAND
CHANGES IN NET POSITION
For the Fiscal Years Ended June 30, 2019 and 2018

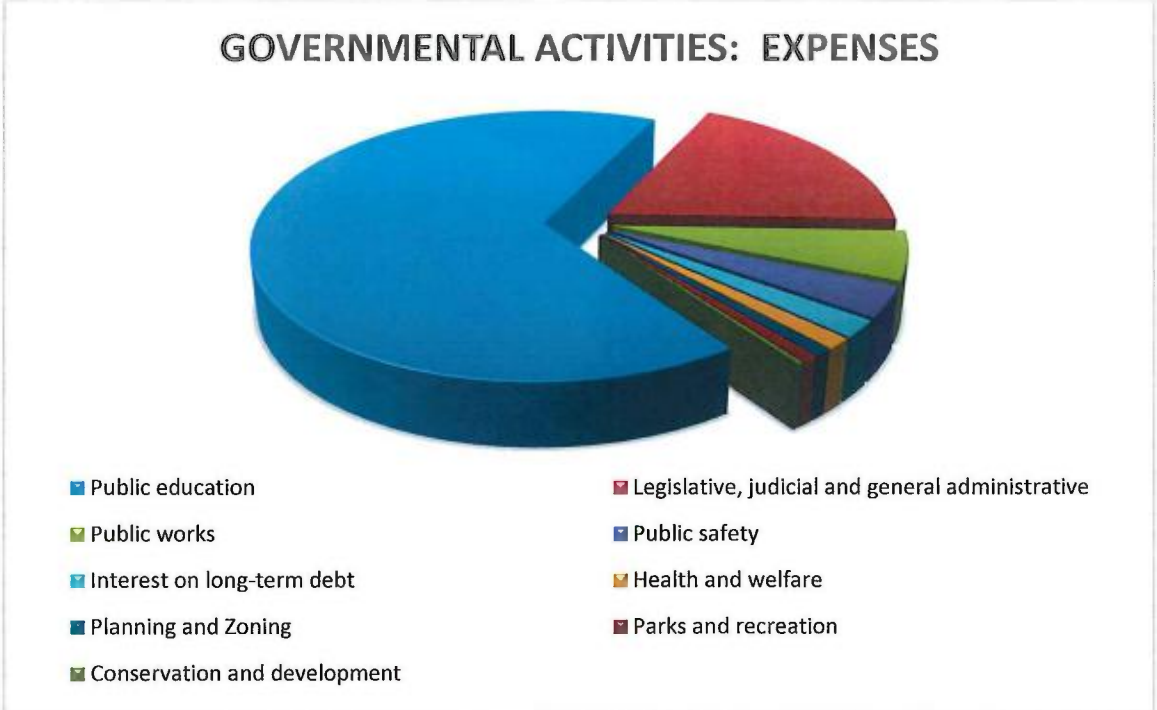
	Government Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues						
Charges for services	$ 16,921,207	$ 16,229,766	$ 10,505,866	$ 9,579,966	$ 27,427,073	$ 25,809,732
Operating grants and contributions	13,700,087	14,577,457			13,700,087	14,577,457
Capital grants and contributions	2,431,095	2,845,247			2,431,095	2,845,247
General revenues:					-	-
Property taxes	74,137,027	71,442,426			74,137,027	71,442,426
State aid and lieu of taxes, not for a restricted purpose	1,747,784	1,393,019			1,747,784	1,393,019
Unrestricted investment earnings	257,337	165,931	3,471	3,457	260,808	169,388
On-behalf pension contribution	4,960,954	5,141,470			4,960,954	5,141,470
Residual equity on transfer		(2,125,451)		2,125,451	-	-
Miscellaneous revenue	2,629,567	2,494,828	858,361	734,277	3,487,928	3,229,105
Total revenues	$ 116,785,058	$ 112,164,693	$ 11,367,698	$ 12,443,151	$ 128,152,756	$ 124,607,844
Expenses:						
Legislative, judicial and general administrative	$ 19,339,909	$ 20,376,569			$ 19,339,909	$ 20,376,569
Public works	5,994,189	5,313,151			5,994,189	5,313,151
Public safety	3,739,044	6,300,762			3,739,044	6,300,762
Health and welfare	1,304,095	1,598,964			1,304,095	1,598,964
Conservation and development	287,270	948,771			287,270	948,771
Parks and recreation	846,809	1,266,933			846,809	1,266,933
Planning and Zoning	851,445	800,231			851,445	800,231
Public education	69,042,392	68,507,646			69,042,392	68,507,646
Interest on long-term debt	2,117,781	1,857,957			2,117,781	1,857,957
Water fund			4,419,105	4,185,008	4,419,105	4,185,008
Sewer fund			3,570,498	3,508,531	3,570,498	3,508,531
Transfer station			2,601,240	1,953,345	2,601,240	1,953,345
Animal shelter			451,069	368,562	451,069	368,562
	$ 103,522,934	$ 106,970,984	$ 11,041,912	$ 10,015,446	$ 114,564,846	$ 116,986,430
Change in net position before transfers	$ 13,262,124	$ 5,193,709	$ 325,786	$ 2,427,705	$ 13,587,910	$ 7,621,414
Transfers	(791,617)	(817,699)	791,617	817,699	-	-
Change in net position	$ 12,470,507	$ 4,376,010	$ 1,117,403	$ 3,245,404	$ 13,587,910	$ 7,621,414
Net Position at Beginning of Year, as Restated	37,284,853	32,908,843	42,620,960	39,375,556	79,905,813	72,284,399
Net Position at End of Year	$ 49,755,360	$ 37,284,853	$ 43,738,363	$ 42,620,960	$ 93,493,723	$ 79,905,813

Business-Type Activities - Net position in business type activities increased by $1,117,403 resulting in a 3% increase in business-type assets.

Charges for services for business-type activities accounted for 9% of the total revenue sources. The balance of revenues for business-type activities was from investment income.

The total expenses within the business-type activities of the Town include the following: Water Fund 40%, Sewer Fund 32%, Transfer Station 24% and Other non-major funds which includes Animal Shelter 4%.





Financial Analysis of the Town of Westerly's Funds

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

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

At of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of $31,675,906. Approximately 30%, or $9,421,232, is available for spending at the government's discretion within the Town's total Fund Balance. The remaining fund balance of $22,254,674 includes $3,781,891 of Committed Fund Balance for Capital Projects, $1,160,288 non-spendable for prepaid items, and $17,312,495 restricted to specific programs.

The General Fund is the chief operating fund of the Town of Westerly. At the end of the current fiscal year, unassigned fund balance of the General Fund was $9,421,232 while total fund balance was $14,710,668. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund budgeted expenditures. Unassigned fund balance represents 10% of the 2019 FY Adopted General Fund Expenditure Budget, while total fund balance represents 16% of that same amount.

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

The School Unrestricted Fund reported ending fund balance of $3,354,508. $32,054 of this amount is considered non-spendable as it relates to prepaid expenditures.

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

Unrestricted net position in the Water Fund at the end of the fiscal year amounted to $3,922,600; unrestricted net position in the Sewer Fund was $5,120,548; Transfer Station was ($61,657) and Animal Shelter was combined into the Non-Major Funds which totaled $124,767.

General Fund Budgetary Highlights

The Town of Westerly, Rhode Island finished the 2018-2019 fiscal year with a budgetary surplus of $449,106.

Major General Fund Revenue Factors:

Property taxes are the largest single revenue source for the General Fund and account for 81% of total budgetary revenues. The tax collection rate for both current and prior year assessments was approximately 99%.

Major Expenditure Factors:

Education Expense accounts for approximately 62% of the total budgetary expenditures within the General Fund of the Town of Westerly, followed by Debt Service representing 11%, Public Safety representing 7%, Public Works representing 5%, and General Government representing 8%.

Capital Assets and Debt Administration

Capital Assets - The Town of Westerly's capital assets for its governmental and business-type activities amounted to $207,443,703 (net of accumulated depreciation) as of June 30, 2019. This investment in capital assets includes land, buildings, improvements, machinery and equipment, motor vehicles, infrastructure, and construction in progress.

TOWN OF WESTERLY'S CAPITAL ASSETS AT YEAR END NET OF ACCUMULATED DEPRECIATION

	Government Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 15,853,590	$ 15,146,109	$ 5,931,635	$ 5,931,635	$ 21,785,225	$ 21,077,744
Construction in progress	4,314,291	2,278,492	2,709,198	400,000	7,023,489	2,678,492
Buildings and improvements	74,570,421	77,804,399	12,443,168	10,859,813	87,013,589	88,664,212
Mains, wells, pumps and hydrants			11,005,990	11,254,968	11,005,990	11,254,968
Tanks and structures			8,403,553	8,593,915	8,403,553	8,593,915
Motor vehicles	1,260,041	2,187,940			1,260,041	2,187,940
Machinery, equipment and furniture	3,955,186	2,514,984	1,927,559	1,305,652	5,882,745	3,820,636
Infrastructure	65,069,071	62,272,303	-		65,069,071	62,272,303
Total	$ 165,022,600	$ 162,204,227	$ 42,421,103	$ 38,345,983	$ 207,443,703	$ 200,550,210

Debt Administration - At the end of the current fiscal year, the Town of Westerly had total bonded debt outstanding of $54,323,000, capital leases of $1,957,708 and $22,371,000 of loans payable.

TOWN OF WESTERLY'S OUTSTANDING DEBT AT YEAR END BONDS, LOANS AND CAPITALIZED LEASES PAYABLE

For the Fiscal Years Ended June 30, 2019 and 2018

	Government Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds	$ 54,323,000	$ 43,840,000		$ -	$ 54,323,000	$ 43,840,000
Capital lease	1,957,708	2,121,462	2,714,859	2,692,776	4,672,567	4,814,238
Loans	22,371,000	23,456,000	3,289,610	3,863,915	25,660,610	27,319,915
Total	$ 78,651,708	$ 69,417,462	$ 6,004,469	$ 6,556,691	$ 84,656,177	$ 75,974,153

State statutes limit the amount of general obligation bonded debt a town can issue to 3% of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from this limit. As of June 30, 2019, the Town had a debt limit of $194,992,618.

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

Economic Factors and Next Year's Budget and Rates

The Town of Westerly's total proposed General Fund budget for fiscal year 2019-2020 amounted to $96,394,391 which reflects an increase of $5,688,536 (6.27%) over the fiscal 2018-19 budget however $3,066,000 represents a capital project is funded by corresponding revenue of $3,000,000, therefore the increase net of that expenditures is $2,688,586 or 2.96%. Of the total Town budget, $57,176,596 or 61.3% is budgeted for Westerly Public Schools. The Town is budgeted to receive $10,451,206 from the State of Rhode Island for Aid to Education. The Town's mill rate declined 5.79% for fiscal year 2019-20 to 11.20, versus 11.88 for fiscal year 2018-19.

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

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

BASIC FINANCIAL STATEMENTS

TOWN OF WESTERLY, RHODE ISLAND

I

STATEMENT OF NET POSITION

JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	$ 16,217,359	$ 6,561,985	$ 22,779,344
Real estate and personal property taxes receivable	3,179,135	--	3,179,135
Water user fees receivable	--	3,029,216	3,029,216
Due from federal and state government	2,854,305	--	2,854,305
Internal balances	285,351	(285,351)	--
Other receivables	868,989	--	868,989
Prepaid items	4,196,461	41,999	4,238,460
Net pension asset	4,233,992		4,233,992
Inventories	--	229,942	229,942
Total Current Assets	31,835,592	9,577,791	41,413,383
Noncurrent Assets			
Restricted assets:			
Cash and cash equivalents	4,673,560	1,637,169	6,310,729
Due from Rhode Island Infrastructure Bank	14,911,058	--	14,911,058
Capital assets:			
Capital assets not being depreciated	20,167,881	8,640,833	28,808,714
Capital assets being depreciated	144,854,719	33,780,270	178,634,989
Total Noncurrent Assets	184,607,218	44,058,272	228,665,490
Total Assets	216,442,810	53,636,063	270,078,873
Deferred Outflows of Resources			
Deferred loss on refunding bonds	1,844,564	--	1,844,564
Pension - related	13,806,818	--	13,806,818
Total Deferred Outflows of Resources	15,651,382	--	15,651,382
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	5,410,883	1,734,656	7,145,539
Accrued interest payable	968,591	85,607	1,054,198
Unearned revenue	50,683	61,666	112,349
Claims payable	399,163	--	399,163
Long-term liabilities due within one year	7,146,346	1,193,121	8,339,467
Total Current Liabilities	13,975,666	3,075,050	17,050,716
Noncurrent Liabilities			
Other noncurrent liabilities	--	1,784,530	1,784,530
Long-term liabilities	146,175,161	5,038,120	151,213,281
Total Noncurrent Liabilities	146,175,161	6,822,650	152,997,811
Total Liabilities	160,150,827	9,897,700	170,048,527
Deferred Inflows of Resources			
Unavailable revenues	794,088	--	794,088
Pension - related	21,393,917	--	21,393,917
Total Deferred Inflows of Resources	22,188,005	--	22,188,005
Net Position			
Net investment in capital assets	85,256,075	34,632,105	119,888,180
Restricted for:			
Capital projects	19,168,409	--	19,168,409
Unrestricted	(54,669,124)	9,106,258	(45,562,866)
Total Net Position	$ 49,755,360	$ 43,738,363	$ 93,493,723

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

TOWN OF WESTERLY, RHODE ISLAND

II

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Legislative, judicial and general administrative	$ 19,339,909	$ 12,677,812	$ 9,270	$ 92,225	$ (6,560,602)	$ --	$ (6,560,602)
Public works	5,994,189	32,563	--	154,424	(5,807,202)	--	(5,807,202)
Public safety	3,739,044	945,592	26,689	--	(2,766,763)	--	(2,766,763)
Health and welfare	1,304,095	5,167	173,515	--	(1,125,413)	--	(1,125,413)
Conservation and development	287,270	--	259,447	134,077	106,254	--	106,254
Parks and recreation	846,809	311,411	--	2,050,369	1,514,971	--	1,514,971
Planning and zoning	851,445	605,677	--	--	(245,768)	--	(245,768)
Education	69,042,392	1,866,086	13,231,166	--	(53,945,140)	--	(53,945,140)
Interest on long-term debt	2,117,781	476,899	--	--	(1,640,882)	--	(1,640,882)
Total Governmental Activities	103,522,934	16,921,207	13,700,087	2,431,095	(70,470,545)	--	(70,470,545)
Business-Type Activity:							
Water fund	4,419,105	4,297,693	--	--	--	(121,412)	(121,412)
Sewer fund	3,570,498	3,633,827	--	--	--	63,329	63,329
Transfer station fund	2,601,240	2,450,499	--	--	--	(150,741)	(150,741)
Other non-major funds	451,069	123,847	--	--	--	(327,222)	(327,222)
Total Business-Type Activity	11,041,912	10,505,866	--	--	--	(536,046)	(536,046)
Total Primary Government	$ 114,564,846	$ 27,427,073	$ 13,700,087	$ 2,431,095	(70,470,545)	(536,046)	(71,006,591)
General Revenues:							
Taxes:							
Property taxes levied for general purposes					74,137,027	--	74,137,027
On-behalf pension contribution					4,960,954	--	4,960,954
State aid and lieu of taxes, not for a restricted purpose					1,747,784	--	1,747,784
Investment and interest income					257,337	3,471	260,808
Other revenues					2,629,567	858,361	3,487,928
Transfer (in) out					(791,617)	791,617	--
Total General Revenues					82,941,052	1,653,449	84,594,501
Change in Net Position					12,470,507	1,117,403	13,587,910
Net Position - Beginning of Year					37,284,853	42,620,960	79,905,813
Net Position - End of Year					$ 49,755,360	$ 43,738,363	$ 93,493,723

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

FUND FINANCIAL STATEMENTS

TOWN OF WESTERLY, RHODE ISLAND

III

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	School Restricted Fund	$15,000,000 Bond Fund	Other Non-Major Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 8,774,368	$ 208,221	$ --	$ 5,031,670	$ 14,014,259
Real estate and personal property tax receivable	446,137	--	--	--	446,137
Due from federal and state governments	999,760	809,652	--	1,044,893	2,854,305
Due from RIIB	--	--	14,832,867	78,191	14,911,058
Due from other funds	13,349,004	19,796	--	836,328	14,205,128
Other receivables	418,922	3,458	--	240,885	663,265
Prepaid items	1,160,288	--	--	--	1,160,288
Total Assets	$ 25,148,479	$ 1,041,127	$ 14,832,867	$ 7,231,967	$ 48,254,440
Liabilities, Deferred Inflows and Fund Balances					
Liabilities					
Accounts payable and accrued liabilities	$ 3,563,642	$ 35,423	$ 476,571	$ 1,335,247	$ 5,410,883
Due to other funds	6,487,058	782,080	720,421	2,740,298	10,729,857
Unearned revenue	--	--	--	50,683	50,683
Total Liabilities	10,050,700	817,503	1,196,992	4,126,228	16,191,423
Deferred Inflows of Resources					
Unavailable revenue - property taxes	387,111	--	--	--	387,111
Total Deferred Inflows of Resources	387,111	--	--	--	387,111
Fund Balances					
Non-spendable	1,160,288	--	--	--	1,160,288
Restricted	2,934,327	223,624	13,635,875	518,669	17,312,495
Committed	1,194,821	--	--	2,587,070	3,781,891
Unassigned	9,421,232	--	--	--	9,421,232
Total Fund Balances	14,710,668	223,624	13,635,875	3,105,739	31,675,906
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 25,148,479	$ 1,041,127	$ 14,832,867	$ 7,231,967	$ 48,254,440

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

TOWN OF WESTERLY, RHODE ISLAND

III

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS (III) TO THE STATEMENT OF NET POSITION (I) JUNE 30, 2019

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

Total Fund Balance (III)	$ 31,675,906
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	165,022,600
Net Pension Asset	4,233,992
Penalties and interest on tax receivables	845,529
Sinking bond fund investments	4,673,560
Deferred outflows relating to deferred loss on refunding	1,844,564
Deferred outflows relating to pensions and OPEB are recorded in the statement of net position	13,806,818
Deferred inflows relating to unavailable tax revenues	(794,088)
Deferred inflows relating to pensions and OPEB are recorded in the statement of net position	(19,506,448)
Long-term liabilities and related items are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities (net of premiums) at year-end consist of:	
Bonds and loans payable	(76,694,000)
Bond premium	(3,072,525)
Capital leases	(1,957,708)
Compensated absences	(1,276,380)
Accrual for net OPEB liability	(12,519,002)
Accrual for net pension liability	(57,801,892)
Accrued interest payable is recorded in government activities, but is not recorded in the funds.	(968,591)
Internal service funds are recorded as proprietary funds in the fund financial statements but are recorded as governmental activities on the government-wide statement of net position	1,855,914
Unavailable tax revenues (net of an allowance for uncollectible) are recorded in the funds, but are not deferred under the measurement focus employed in the statement of net position.	387,111
Total Net Position (I)	$ 49,755,360

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

TOWN OF WESTERLY, RHODE ISLAND

IV

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	School Restricted Fund	$15,000,000 Bond Fund	Other Non-Major Governmental Funds	Total Governmental Funds
Revenues					
General property taxes and payments in lieu of taxes	$ 73,698,475	$ --	$ --	$ --	$ 73,698,475
Intergovernmental and departmental	16,505,620	2,152,120	--	3,117,679	21,775,419
Licenses and permits	654,952	--	--	--	654,952
Fines and penalties	170,452	--	--	--	170,452
Charges for service	1,864,260	--	--	338,832	2,203,092
Operating grants and contributions	--	--	--	3,802	3,802
Capital grants and contributions	--	--	--	333,300	333,300
Investment income	251,608	--	--	5,729	257,337
On behalf pension contribution	2,452,730	--	--	--	2,452,730
Other revenues	562,332	83,079	--	--	645,411
Total Revenues	96,160,429	2,235,199	--	3,799,342	102,194,970
Expenditures					
Legislative, executive and administrative	8,174,712	--	--	18,647	8,193,359
Public works	4,611,714	--	--	31,417	4,643,131
Public safety	7,199,836	--	--	--	7,199,836
Health and welfare	1,135,133	--	--	168,962	1,304,095
Conservation and development	19,151	--	--	268,119	287,270
Parks and recreation	615,498	--	--	--	615,498
Planning	836,315	--	--	--	836,315
Education	57,586,126	1,971,162	--	948,018	60,505,306
Debt service principal	9,897,806	--	--	--	9,897,806
Capital outlay	2,777,282	133,533	1,364,125	5,015,398	9,290,338
On behalf pension contribution	2,452,730	--	--	--	2,452,730
Total Expenditures	95,306,303	2,104,695	1,364,125	6,450,561	105,225,684
Excess of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	854,126	130,504	(1,364,125)	(2,651,219)	(3,030,714)
Other Financing Sources (Uses)					
Transfers from other funds	289,816	1,685	--	953,122	1,244,623
Transfers to other funds	(1,746,423)	--	--	(289,817)	(2,036,240)
Bond proceeds	--	--	15,000,000	--	15,000,000
Capital lease proceeds	1,117,398	--	--	--	1,117,398
Total Other Financing Sources (Uses)	(339,209)	1,685	15,000,000	663,305	15,325,781
Net Change in Fund Balances	514,917	132,189	13,635,875	(1,987,914)	12,295,067
Fund Balances - Beginning of Year	14,195,751	91,435	--	5,093,653	19,380,839
Fund Balances - End of Year	$ 14,710,668	$ 223,624	$ 13,635,875	$ 3,105,739	$ 31,675,906

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

TOWN OF WESTERLY, RHODE ISLAND

IV

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (GOVERNMENTAL FUNDS)
JUNE 30, 2019

Net Change in Fund Balances - Total Governmental Funds (IV)	$	12,295,067
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. The capital outlays are as follows:		
Capital asset additions		8,829,471
Net book value of disposals		(137,849)
Net capital outlays reported as expenditures		8,691,622
Depreciation expense		(5,873,249)
Proceeds from issuance of long-term debt		(16,117,398)
Change in accrued interest		13,260
Change in liability for compensated absences		13,705
Change in unearned tax revenues that are recorded in the funds, but are not deferred under the measurement focus employed		438,552
Principal payments made on long-term obligations		7,780,025
Excess of internal service funds' revenues over expenses, reported as governmental activities in the government-wide statement of activities		1,753,080
Change in net OPEB liability		10,195,555
Change in net pension asset		268,623
Change in net pension liability		808,695
Change in deferred inflows of resources		(4,288,276)
Change in deferred outflows of resources		(3,508,754)
Change in Net Position of Governmental Activities (II)	$	12,470,507

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

TOWN OF WESTERLY, RHODE ISLAND

V

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water Fund	Sewer Fund	Transfer Station Fund	Other Non-Major Enterprise Fund	Total Enterprise Funds	Internal Service Fund
Assets						
Current Assets						
Cash and cash equivalents	$ 3,464,873	$ 3,041,669	$ 25,601	$ 29,842	$ 6,561,985	$ 2,203,100
Fee receivables	1,579,472	1,187,872	261,872	--	3,029,216	--
Due from federal and state government	--	--	--	--	--	--
Inventories	222,722	7,220	--	--	229,942	--
Prepaid items	1,013	--	40,891	95	41,999	3,036,172
Due from other funds	1,311,135	466,432	--	119,488	1,897,055	330,879
Total Current Assets	6,579,215	4,703,193	328,364	149,425	11,760,197	5,570,151
Noncurrent Assets						
Restricted cash - due from RIIB	--	1,637,169	--	--	1,637,169	--
Capital assets not being depreciated	6,448,444	2,119,470	72,919	--	8,640,833	--
Capital assets, net of accumulated depreciation	14,754,548	16,306,367	1,189,232	1,530,123	33,780,270	--
Total Noncurrent Assets	21,202,992	20,063,006	1,262,151	1,530,123	44,058,272	--
Total Assets	27,782,207	24,766,199	1,590,515	1,679,548	55,818,469	5,570,151
Liabilities						
Current Liabilities						
Accounts payable and accrued expenses	967,748	531,289	214,996	20,623	1,734,656	--
Accrued interest payable	59,269	21,259	5,079	--	85,607	--
Due to other funds	1,459,615	578,835	143,956	--	2,182,406	3,315,073
Unearned revenue	--	60,608	--	1,058	61,666	--
Claims payable	--	--	--	--	--	399,163
Current portion of long-term liabilities	200,440	765,967	226,119	595	1,193,121	--
Total Current Liabilities	2,687,072	1,957,958	590,150	22,276	5,257,456	3,714,236
Noncurrent Liabilities						
Capital leases	2,088,946	--	238,549	--	2,327,495	--
Other liabilities	--	1,784,530	--	--	1,784,530	
Compensated absences	135,986	22,258	20,792	2,382	181,418	--
Bonds, loans and notes payable	--	2,529,207	--	--	2,529,207	--
Total Noncurrent Liabilities	2,224,932	4,335,995	259,341	2,382	6,822,650	--
Total Liabilities	4,912,004	6,293,953	849,491	24,658	12,080,106	3,714,236
Net Position						
Net investment in capital assets	18,947,603	13,351,698	802,681	1,530,123	34,632,105	--
Restricted for:						
Other purposes	--	--	--	--	--	1,855,915
Unrestricted	3,922,600	5,120,548	(61,657)	124,767	9,106,258	--
Total Net Position	$ 22,870,203	$ 18,472,246	$ 741,024	$ 1,654,890	$ 43,738,363	$ 1,855,915

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

TOWN OF WESTERLY, RHODE ISLAND

VI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water Fund	Sewer Fund	Transfer Station Fund	Other Non-Major Enterprise Fund	Total Enterprise Funds	Internal Service Fund
Operating Revenues						
User fees and rental income	$ 4,297,693	$ 2,828,874	$ 2,450,499	$ 123,847	$ 9,700,913	$ --
Sewer and water assessments and taxes	--	804,953	--	--	804,953	--
Charges for insurance	--	--	--	--	--	11,615,834
Other income	468,364	342,620	12,500	34,877	858,361	27,479
Total Operating Revenues	4,766,057	3,976,447	2,462,999	158,724	11,364,227	11,643,313
Operating Expenses						
Salaries and benefits	2,143,263	551,421	684,471	190,106	3,569,261	--
Materials and supplies	443,757	24,577	249,837	101,349	819,520	--
Repairs and maintenance	254,410	2,255,210	24,025	9,882	2,543,527	--
Depreciation and amortization	420,677	566,938	119,904	46,386	1,153,905	--
Utilities	398,142	--	20,754	49,782	468,678	--
Administrative expense	284,550	56,765	71,677	1,888	414,880	16,629
Insurance	82,013	21,792	--	--	103,805	--
Claims and benefits	--	--	--	--	--	9,873,603
Contracted services	241,512	30,677	1,415,529	51,676	1,739,394	--
Total Operating Expenses	4,268,324	3,507,380	2,586,197	451,069	10,812,970	9,890,232
Income (Loss) from Operations	497,733	469,067	(123,198)	(292,345)	551,257	1,753,081
Non-Operating Revenues (Expenses)						
Interest income	3,471	--	--	--	3,471	--
Interest expense	(151,602)	(63,118)	(15,043)	--	(229,763)	--
Gain (loss) on disposal of capital assets	821	--	--	--	821	--
Total Non-Operating Revenues (Expenses)	(147,310)	(63,118)	(15,043)	--	(225,471)	--
Transfers						
Transfers from other funds	390,638	592,756	131,613	245,860	1,360,867	--
Transfers out	(390,638)	(178,612)	--	--	(569,250)	--
Total Transfers	--	414,144	131,613	245,860	791,617	--
Change in Net Position	350,423	820,093	(6,628)	(46,485)	1,117,403	1,753,081
Net Position - Beginning of Year	22,519,780	17,652,153	747,652	1,701,375	42,620,960	102,834
Net position - End of Year	$ 22,870,203	$ 18,472,246	$ 741,024	$ 1,654,890	$ 43,738,363	$ 1,855,915

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water Fund	Sewer Fund	Transfer Station Fund	Other Non-Major Enterprise Fund	Total	Internal Service Fund
Cash Flows from Operating Activities						
Cash received from customers	$ 4,292,476	$ 3,632,266	$ 2,680,844	$ 119,175	$ 10,724,761	$ 10,185,930
Cash received from other operating services	555,984	342,620	12,500	34,877	945,981	--
Cash payments to suppliers for goods and services	(956,356)	(2,111,528)	(1,781,379)	(214,509)	(5,063,772)	(10,580,962)
Cash payments to employees for services	(2,143,263)	(551,421)	(684,471)	(190,106)	(3,569,261)	--
Cash payments of administrative expenses	--	--	--	--	--	(16,629)
Net Cash Provided by (Used in) Operating Activities	1,748,841	1,311,937	227,494	(250,563)	3,037,709	(411,661)
Cash Flows from Non-Capital Financing Activities						
Transfers from other funds	--	414,144	131,613	125,940	671,697	--
Net Cash Provided by Non-Capital Financing Activities	--	414,144	131,613	125,940	671,697	--
Cash Flows from Capital and Related Financing Activities						
Principal paid on bonds, notes and loans	(199,168)	(102,237)	--	--	(301,405)	--
Proceeds from bond issuance	146,207	--	--	--	146,207	--
Additions to capital assets	(1,310,946)	(2,071,599)	(407,037)	--	(3,789,582)	--
Disposition cost of assets	821	--	--	--	821	--
Interest paid on bonds, notes and loans	(151,602)	(63,118)	(15,043)	--	(229,763)	--
Net Cash (Used in) Capital and Related Financing Activities	(1,514,688)	(2,236,954)	(422,080)	--	(4,173,722)	--
Cash Flows from Investing Activities						
Investment income	3,471	--	--	--	3,471	--
Net Cash Provided by Investing Activities	3,471	--	--	--	3,471	--
Net Increase in Cash and Cash Equivalents	237,624	(510,873)	(62,973)	(124,623)	(460,845)	(411,661)
Cash and Cash Equivalents - Beginning of Year	3,227,249	5,189,711	88,574	154,465	8,659,999	2,614,761
Cash and Cash Equivalents - End of Year	$ 3,464,873	$ 4,678,838	$ 25,601	$ 29,842	$ 8,199,154	$ 2,203,100
Unrestricted cash and cash equivalents, per statement of net position	$ 3,464,873	$ 3,041,669	$ 25,601	$ 29,842	$ 6,561,985	$ 2,203,100
Restricted cash and cash equivalents, per statement of net position	--	1,637,169	--	--	1,637,169	--
Total Cash and Cash Equivalents, Per Statement of Net Position	$ 3,464,873	$ 4,678,838	$ 25,601	$ 29,842	$ 8,199,154	$ 2,203,100

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUIED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water Fund	Sewer Fund	Transfer Station Fund	Other Non-Major Enterprise Fund	Total Enterprise Funds	Internal Service Fund
Reconciliation of Operating Income to Net Cash Provided by Operating Activities						
Operating income (loss)	$ 497,733	$ 469,067	$ (123,198)	$ (292,345)	$ 551,257	$ 1,753,081
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities						
Depreciation and amortization	420,677	566,938	119,904	46,386	1,153,905	--
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable and accrued revenue	(5,217)	16,770	230,345	980	242,878	186,530
(Increase) decrease in inventories	(28,224)	(104)	--	--	(28,328)	--
(Increase) decrease in prepaid items	(1,013)		(40,891)	(95)	(41,999)	(1,243,374)
Increase (decrease) in accounts payable and accrued expenses	777,265	277,597	41,334	163	1,096,359	--
Increase (decrease) in claims payable	--	--	--	--	--	(681,273)
Increase (decrease) in interfund balances	87,620	--	--	--	87,620	(426,625)
Increase (decrease) in unearned revenues	--	(18,331)	--	(5,652)	(23,983)	--
Increase (decrease) in deposits	--	--	--	--	--	--
Total Adjustments	1,251,108	842,870	350,692	41,782	2,486,452	(2,164,742)
Net Cash Provided by (Used in) Operating Activities	$ 1,748,841	$ 1,311,937	$ 227,494	$ (250,563)	$ 3,037,709	$ (411,661)

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

TOWN OF WESTERLY, RHODE ISLAND

VIII

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2019

	Pension Benefit Trust Fund	Other Employee Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
Assets				
Cash equivalents	$ 334,061	$ 236,196	$ 2,623	$ 312,411
Investments, at fair value	37,845,460	5,279,710	183,004	3,648
Receivables:				
Other	124,743	73,273	800	--
Total Receivables	124,743	73,273	800	--
Total Assets	$ 38,304,264	$ 5,589,179	$ 186,427	$ 316,059
Liabilities				
Amounts held for the benefit of others	$ --	$ --	$ --	$ 316,059
Other payable	57,225	189,605	16,921	--
Total Liabilities	57,225	189,605	16,921	316,059
Net Position				
Net position held in trust	38,247,039	5,399,574	169,506	--
Total Liabilities and Net Position	$ 38,304,264	$ 5,589,179	$ 186,427	$ 316,059

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

TOWN OF WESTERLY, RHODE ISLAND

IX

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Pension Benefit Trust Fund	Other Employee Benefit Trust Fund	Private Purpose Trust Funds
Additions			
Contributions:			
Employer	$ 1,795,200	$ 1,535,800	$ --
Plan members	475,362	--	--
Total Contributions	2,270,562	1,535,800	--
Investment Income			
Net increase in fair value of investments	1,938,892	308,441	--
Interest and dividends	901,950	139,646	9,863
Net Investment Earnings	2,840,842	448,087	9,863
Less: investment expenses	--	--	--
Total Investment Income (Loss)	2,840,842	448,087	9,863
Total Additions	5,111,404	1,983,887	9,863
Deductions			
Benefits paid	2,373,153	--	--
Police health	--	738,632	
Administrative and other expenses	59,821	35,574	1,559
Total Deductions	2,432,974	774,206	1,559
Change in Net Position	2,678,430	1,209,681	8,304
Net Position - Beginning of Year	35,568,609	4,189,893	161,202
Net Position - End of Year	$ 38,247,039	$ 5,399,574	$ 169,506

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

REPORTING ENTITY

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

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

BASIS OF PRESENTATION - GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS

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

The Town reports the following major governmental funds:

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

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

The $15,000,000 Bond Fund is used to account for projects funded by the RIIB Municipal Road and Bridge Program. This project will span three years and address the reconditioning and resurfacing of 21 miles of roads and the construction of a bridge. The plan is anticipated to span three years and includes a partnership project with Rhode Island Department of Transportation and Connecticut Department of Transportation to repair the Boombridge Road Bridge.

The Town reports the following major proprietary funds:

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

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

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

Additionally, the Town reports the following fund types:

The *Internal Service Funds* are used to account for the Town's self-insurance program for medical and dental health insurance coverage for persons covered by the health benefit plan of the Town and for payment of insurance claims and deductibles not covered by the Town's commercial insurance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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

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

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

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

ASSETS, LIABILITIES AND EQUITY

Cash and Cash Equivalents

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Investments

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

Prepaid Items

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

Inventories

Inventory is maintained on a periodic system and is stated at cost (first in, first out method of inventory valuation). Inventory is generally recorded as expenditures/expenses when consumed.

Unbilled Services Receivable

Water and sewer revenue is recorded when earned. Customers are billed semi-annually and some commercial customers are billed quarterly. The estimated value of services provided but unbilled at June 30, 2019 is recorded as an accounts receivable in the water and sewer funds.

Capital Assets

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Capital Assets (Continued)

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

The Town reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. At June 30, 2019, there were no impairment losses recognized for long-lived assets.

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

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

Deferred Outflows/Inflows of Resources

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

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

Equity

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

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

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

Unrestricted Net Position
This component consists of net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND EQUITY (CONTINUED)

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

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

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

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

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

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

Fund Balance Policies

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE AND EXPENDITURES/EXPENSES

Program Revenues

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

Property Taxes

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

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

Compensated Absences

Vacation and Sick Leave

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE AND EXPENDITURES/EXPENSES (CONTINUED)

Net Pension Liability/Asset

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

Net OPEB Liability

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

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

ACCOUNTING ESTIMATES

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENTLY ISSUED ACCOUNTING STANDARDS

During the year ended June 30, 2019, the Town implemented the following new governmental accounting pronouncements:

GASB Statement No. 83 – *Certain Asset Retirement Obligations*, effective for the Town's fiscal year ending June 30, 2019.

GASB Statement No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, effective for Town's fiscal year ending June 30, 2019.

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

GASB Statement No. 84 – *Fiduciary Activities*, effective for Town's fiscal year ending June 30, 2020.

GASB Statement No. 87 – *Leases*, effective for Town's fiscal year ending June 30, 2021.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for Town's fiscal year ending June 30, 2021.

GASB Statement No. 90 – *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*, effective for Town's fiscal year ending June 30, 2020.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

BUDGETARY INFORMATION (CONTINUED)

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

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

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

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

EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

Legal services	$ 257,004
Probate Court	3,900
Municipal Court	985
Town clerk	73
Finance department	8,627
Assessment Administration	7,278
Management information systems	168
Tax Collector	18,991
Street lighting	29,886
Police department	453,354
Health and welfare subsidies	1,667
Recreation and leisure	50,126
Capital improvements	74,502
Town debt service	32,450

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

EXCESS OF EXPENDITURES OVER APPROPRIATIONS (CONTINUED)

The excess of expenditures over appropriations was offset by additional revenues generated.

NOTE 3 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

DEPOSITS

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

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

As of June 30, 2019, the Town's entire bank balance of $24,437,880 was covered by either FDIC insurance or collateral held in the Town's name.

CASH EQUIVALENTS

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. As of June 30, 2019, the Town held $1,540,689 in money market funds that are considered to be cash equivalents.

NOTE 4 - INVESTMENTS

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

NOTE 4 - INVESTMENTS (CONTINUED)

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

		Investment Maturities (Years)			
	Fair Value	Less Than 1	1 - 3	3 - 5	5 or Later
Interest-bearing investments:					
Certificate of Deposit*	$ 3,430,064	$ --	$ 1,204,270	$ 1,882,221	$ 343,573
U.S. Government Agencies	5,234,278	300,000	--	1,283,609	3,650,669
Corporate Bonds	5,571,618	298,920	2,188,720	1,927,860	1,156,118
Total	$ 14,235,960	$ 598,920	$ 3,392,990	$ 5,093,690	$ 5,150,360
Other investments					
Mutual Funds	$ 9,942,981				
Common Stock	19,132,881				
Total Investments	$ 43,311,822				

* Subject to coverage by the FDIC and financial institution collateralization

NOTE 4 - INVESTMENTS (CONTINUED)

Presented below is the credit rating of each investment type:

Average Rating	Corporate Bonds	U.S. Government Agencies	Certificate of Deposit
Aaa	$ 159,605	$ 1,462,028	$ --
Aa	--	--	--
Aa1	382,703	312,231	--
Aa2	450,008	--	--
Aa3	25,666	511,091	--
A	--	--	--
A1	1,118,646	--	--
A2	1,878,761	--	--
A3	379,953	--	--
Ba1	253,664	--	--
Baa1	257,583	--	--
Baa2	464,487	--	--
Unrated	200,542	2,948,928	3,430,064
	$ 5,571,618	$ 5,234,278	$ 3,430,064

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2019:

NOTE 4 - INVESTMENTS (CONTINUED)

		Fair Value Measurements		
	Fair Value	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Agencies	$ 5,234,278	$ --	$ 5,234,278	$ --
Corporate Bonds	5,571,618	--	5,571,618	--
Common Stock	19,132,881	19,132,881	--	--
Mutual Funds	9,942,981	9,942,981	--	--
Total Investments by Fair Value Level	39,881,758	$ 29,075,862	$ 10,805,896	$ --
Investments not included above:				
Certificate of Deposit	3,430,064			
Total Investments	$ 43,311,822			

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

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

Custodial Credit Risk

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

NOTE 5 - RECEIVABLES

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

	General	School Restricted Fund	Water	Sewer	Transfer Station	Nonmajor and Other Funds	Total
Receivables:							
Property taxes	$ 1,421,187	$ --	$ --	$ --	$ --	$ --	$ 1,421,187
Accounts	--	--	1,640,067	1,209,162	307,934	--	3,157,163
Other receivable	418,922	3,458	--	--	--	240,885	663,265
Intergovernmental	999,760	809,652	--	--	--	1,044,893	2,854,305
Gross receivables	2,839,869	813,110	1,640,067	1,209,162	307,934	1,285,778	8,095,920
Less allowance for uncollectables	(975,050)	--	(60,595)	(21,290)	(46,062)	--	(1,102,997)
Net Total Receivables	$ 1,864,819	$ 813,110	$ 1,579,472	$ 1,187,872	$ 261,872	$ 1,285,778	$ 6,992,923

Receivables of $845,529 related to accrued interest on property taxes are included in the Government-wide statement of net position but not included in the table above.

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2019 is as follows:

Payable Fund	Amount
Internal Service Fund	$ 3,315,073
Nonmajor Governmental Funds	2,740,298
School Restricted Fund	782,080
General Fund	6,487,058
$15,000,000 Bond Fund	720,421
Fiduciary Fund	263,751
Enterprise Fund	2,182,406
	$ 16,491,087

Receivable Fund	Amount
General Fund	$ 13,349,004
Nonmajor Governmental Funds	836,328
Enterprise Fund	1,897,055
School Restricted Fund	19,796
Fiduciary Fund	58,025
Internal Service Fund	330,879
	$ 16,491,087

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

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS (CONTINUED)

INTERFUND TRANSFERS

The composition of interfund transfers for the year ended June 30, 2019 is as follows:

Fund	Transfers From Other Funds	Transfers To Other Funds
General Fund	$ 289,816	$ 1,746,423
School Restricted Fund	1,685	--
Non-Major Governmental Funds	953,122	289,817
Enterprise Funds	1,360,867	569,250
	$ 2,605,490	$ 2,605,490

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

NOTE 7 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land	$ 15,146,109	$ --	$ --	$ 707,481	$ 15,853,590
Construction in progress	2,278,492	5,658,174	126,507	(3,495,868)	4,314,291
Total capital assets not being depreciated	17,424,601	5,658,174	126,507	(2,788,387)	20,167,881
Capital assets being depreciated:					
Land improvements	7,723,023	252,569	--	--	7,975,592
Buildings and improvements	114,479,578	269,355	--	124,532	114,873,465
Motor vehicles	8,714,782	406,261	1,315,655	789,114	8,594,502
Machinery, equipment and furniture	7,129,433	231,418	563,715	230,964	7,028,100
Software	130,000	--	--	--	130,000
Infrastructure	92,185,132	2,011,694	--	1,643,777	95,840,603
Total capital assets being depreciated	230,361,948	3,171,297	1,879,370	2,788,387	234,442,262
Less Accumulated Depreciation for:					
Land improvements	2,750,173	313,627	--	--	3,063,800
Buildings and improvements	41,648,029	3,566,807	--	--	45,214,836
Motor vehicles	6,526,842	527,297	1,305,027	--	5,749,112
Machinery, equipment and furniture	4,614,449	606,815	563,001	--	4,658,263
Software	130,000	--	--	--	130,000
Infrastructure	29,912,829	858,703	--	--	30,771,532
Total accumulated depreciation	85,582,322	5,873,249	1,868,028	--	89,587,543
Total capital assets being depreciated, net	144,779,626	(2,701,952)	11,342	2,788,387	144,854,719
Governmental Activities Capital Assets, Net	$ 162,204,227	$ 2,956,222	$ 137,849	$ --	$ 165,022,600

NOTE 7 - CAPITAL ASSETS (CONTINUED)

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

Governmental Activities	
Legislative, judicial and general administrative	$ 209,085
Public Works	1,351,058
Public Safety	435,463
Planning and zoning	15,130
Parks and recreation	231,311
Education	3,631,202
Total	$ 5,873,249

NOTE 7 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	$ 5,931,635	$ --	$ --	$ --	$ 5,931,635
Construction in progress	400,000	2,709,198	34,207	(365,793)	2,709,198
Total capital assets not being depreciated	6,331,635	2,709,198	34,207	(365,793)	8,640,833
Capital assets being depreciated					
Buildings and improvements	24,651,751	2,041,193	--	--	26,692,944
Mains, wells, pumps and hydrants	19,067,394	17,977	--	--	19,085,371
Tanks and structures	14,481,071	--	--	--	14,481,071
Machinery and equipment	6,323,498	494,864	1,228,207	365,793	5,955,948
Odor control plant	1,024,302	--	--	--	1,024,302
Total capital assets being depreciated	65,548,016	2,554,034	1,228,207	365,793	67,239,636
Less accumulated depreciation for:					
Buildings and improvements	13,791,938	457,838	--	--	14,249,776
Mains, wells, pumps anmd hydrants	7,812,426	266,955	--	--	8,079,381
Tanks and structures	5,887,156	190,362	--	--	6,077,518
Machinery and equipment	5,017,846	238,750	1,228,207	--	4,028,389
Odor control plant	1,024,302	--	--	--	1,024,302
Total Accumulated Depreciation	33,533,668	1,153,905	1,228,207	--	33,459,366
Total Capital Assets Being Depreciated, Net	32,014,348	1,400,129	--	365,793	33,780,270
Business-Type Activities Capital Assets, Net	$ 38,345,983	$ 4,109,327	$ 34,207	$ --	$ 42,421,103

NOTE 7 - CAPITAL ASSETS (CONTINUED)

Depreciation was charged to the following business-type activities:

Business-type activies:	$ 420,677
Water	566,938
Sewer	46,386
Transfer Station	119,904
Animal Shelter	$ 1,153,905
Total	

CONSTRUCTION COMMITMENTS

The Town has active construction projects as of June 30, 2019. The projects include renovations to public buildings and various demolition and remediation projects.

Interest costs incurred and charged to expense for projects totaled $3,028,946. No interest costs were capitalized as of June 30, 2019.

The following is a summary of significant capital projects as of June 30, 2019:

Project	Project Authorization	Expenditures to June 30, 2019
Bay Street Streetscape TIP Design	$ 1,734,877	$ 1,892,726
Town Road Paving, Drainage & Reconstruction	$ 15,000,000	$ 1,194,492
Canal Street Water Main Replacement	$ 1,161,912	$ 957,458
Sewer System Improvement Project	$ 1,664,000	$ 1,522,150

NOTE 8 - FUND BALANCE

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

	General Fund	School Restricted Fund	$15.0 Million Bond Fund	Nonmajor Governmental Fund	Total
Fund balances:					
Nonspendable for:	$ --	$ --	$ --	$ --	$ --
Prepaid expenditures - Town	1,128,234	--	--	--	1,128,234
Prepaid expenditures - Schools	32,054	--	--	--	32,054
Restricted for:					
Educational programs	2,934,327	223,624	--	--	3,157,951
Neuter surcharge	--	--	--	2,441	2,441
Historical records preservation grant	--	--	--	63,499	63,499
Public safety grant programs	--	--	--	166,624	166,624
Health and welfare grant programs	--	--	--	159,634	159,634
Conservation programs	--	--	--	--	--
Road improvement projects	--	--	13,635,875	53,273	13,689,148
Other capital projects	--	--	--	73,198	73,198
Committed for:					
Town capital projects	--	--	--	2,582,366	2,582,366
Recycling program	--	--	--	1,934	1,934
Cosmetology program	255,016	--	--	--	255,016
School fire suppression system upgrades	270,000	--	--	--	270,000
School parking lot improvements	18,071	--	--	--	18,071
Adult day center improvements	40,000	--	--	--	40,000
Snow removal	54,227	--	--	--	54,227
Hospital evaluation	17,843	--	--	--	17,843
Dredging Winnapaug pond	227,650	--	--	--	227,650
Canal Street remediation	3,852	--	--	--	3,852
Senior center improvements	6,700	--	--	--	6,700
Legislative, judicial and general and administrative	16,853	--	--	2,770	19,623
Public works	10,165	--	--	--	10,165
Educational programs	133,111	--	--	--	133,111
FSA program	13,725	--	--	--	13,725
Revaluation	9,771	--	--	--	9,771
K-9 donations program	2,551	--	--	--	2,551
Mentor and juvenile program	5,286	--	--	--	5,286
Security cameras	16,000	--	--	--	16,000
Beach equipment	19,000	--	--	--	19,000
Higher Education	75,000	--	--	--	75,000
Unassigned	9,421,232	--	--	--	9,421,232
Total Fund Balances	$ 14,710,668	$ 223,624	$ 13,635,875	$ 3,105,739	$ 31,675,906

NOTE 9 - LONG-TERM LIABILITIES

CHANGES IN LONG-TERM LIABILITIES

Changes in the Town's long-term liabilities for the year ended June 30, 2019 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities					
Bonds and loans payable					
General obligation bonds	$ 43,840,000	$ 15,000,000	$ 4,517,000	$ 54,323,000	$ 4,720,000
Loan payable	23,456,000	--	1,085,000	22,371,000	1,085,000
Premium on bond issuance	3,384,960	--	312,435	3,072,525	312,435
Total bonds and notes payable	70,680,960	15,000,000	5,914,435	79,766,525	6,117,435
Capital lease payable	2,121,462	1,117,398	1,281,152	1,957,708	773,635
Compensated absences	1,290,085	--	13,705	1,276,380	255,276
Net Pension liability	58,610,587	80,023	888,718	57,801,892	--
Net OPEB liability	22,714,557	--	10,195,555	12,519,002	--
Total Governmental Activities Long Term Liabilities	$ 155,417,651	$ 16,197,421	$ 18,293,565	$ 153,321,507	$ 7,146,346
Business Type Activities					
Loans payable	$ 3,863,915	$ --	$ 574,305	$ 3,289,610	$ 760,402
Capital lease payable	2,692,776	533,538	511,455	2,714,859	387,364
Compensated absences	169,754	57,019	--	226,773	45,355
Total Business Type Activities Long-Term Liabilities	$ 6,726,445	$ 590,557	$ 1,085,760	$ 6,231,242	$ 1,193,121

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

GENERAL OBLIGATION BONDS

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. These bonds generally are issued as serial bonds with equal or varying amounts of principal maturing each year with maturities that range from 15 to 20 years. General obligation bonds outstanding at June 30, 2019 are as follows:

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

GENERAL OBLIGATION BONDS (CONTINUED)

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2019
Governmental Activities					
General obligation bonds:					
General obligation bond, 2012 Series A	07/03/12	07/01/25	2.0-4.0%	$ 6,500,000	$ 5,040,000
Refunding bonds - 2012 Series B	07/03/12	08/15/24	4.0-5.0%	20,073,678	11,515,403
Refunding bonds - 2012 Series B	07/03/12	08/15/24	4.0-5.0%	121,322	69,597
Refunding bonds - 2012 Series C	07/03/12	10/15/23	2.07-3.0%	1,290,000	605,000
Refunding bonds - 2012 Series A	06/04/14	07/01/26	3.0-5.0%	15,890,000	11,990,000
General obligation bond, 2015 Series A	04/15/15	04/15/35	2.0-3.25%	6,000,000	5,120,000
SRF Revenue Bonds 2016B	07/08/16	09/01/32	0.77-2.07%	1,350,000	1,268,000
Refunding bonds - 2017 Series A	07/19/17	09/15/27	2.0-4.0%	3,890,000	3,480,000
General obligation efficient building bond	12/28/17	09/01/32	0.77-2.07%	250,000	235,000
2019 RIIB Road and Bridge Bond	05/02/19	09/01/38	1.56-3.62%	15,000,000	15,000,000
Total General Obligation Bonds				70,365,000	54,323,000
Loans:					
High school renovation loans	06/15/10	04/01/27	5.75%	3,855,000	3,855,000
High school renovation loans	12/02/10	04/01/27	6.29%	5,496,000	5,496,000
High school renovation loans	02/03/11	04/01/31	4.0-5.5%	6,000,000	3,780,000
High school renovation loans	07/14/11	04/01/31	3.0-5.0%	14,645,000	9,240,000
Total Loans				29,996,000	22,371,000
Total Governmental activities				100,361,000	76,694,000
Business Type Activities					
Loans Payable:					
Westerly Sewer Fund:					
RICWFA 00 SRF	05/01/00	09/01/20	3.04%	255,000	34,226
RICWFA 01 SRF	12/19/00	09/01/20	2.86%	7,995,000	985,084
RICWFA 04 SRF	12/16/04	09/01/25	1.37-1.55%	1,724,300	606,300
Sewer improvement bonds 2018	04/25/18	09/01/27	1.01-1.83%	1,664,000	1,664,000
Total loans payable				11,638,300	3,289,610
Total Outstanding				$ 111,999,300	$ 79,983,610

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

GENERAL OBLIGATION BONDS (CONTINUED)

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

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

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

	Governmental Activities		
	Bonds		Loans
	Principal	Interest	Principal
2020	$ 4,720,000	$ 1,405,819	$ 1,085,000
2021	4,954,000	1,339,114	1,085,000
2022	5,192,000	1,263,482	1,085,000
2023	5,447,000	1,117,436	1,085,000
2024	5,535,000	917,791	1,085,000
2025-2029	15,310,000	2,497,817	14,776,000
2030-2034	8,047,000	1,132,216	2,170,000
2035-2039	5,118,000	287,198	--
Total	$ 54,323,000	$ 9,960,873	$ 22,371,000

LOANS PAYABLE

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

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

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

CAPITAL LEASES

The Town has entered into various lease agreements as lessee for financing the acquisition of vehicles, machinery, and land valued at $6,059,368. The depreciable assets have a three- to twenty-year useful life. For the year ended June 30, 2019, $564,158 was included in depreciation expense. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 are as follows:

Year Ending June 30,	Governmental Activities	Business Activities
2020	$ 844,792	$ 496,339
2021	475,808	347,247
2022	229,560	290,045
2023	231,656	290,045
2024	67,650	206,000
Thereafter	294,937	1,826,013
Total minimum lease payments	2,144,403	3,455,689
Less amount representing interest	(186,695)	(740,830)
Total	$ 1,957,708	$ 2,714,859

LEGAL DEBT MARGIN

The Town's legal debt margin as set forth by State Statute is limited to 3% of total taxable assessed value, which amounts to $194,992,618. As of June 30, 2019, the Town's debt subject to the legal debt margin is $41,875,272 and the Town is under the debt limit by $153,117,346. The debt subject to the debt limitation is based on the type of debt that is issued.

NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

AUTHORIZED BUT UNISSUED BOND AUTHORITY

The Town has remaining authorized but unissued bond authority of $1,104,000. The unissued bond authority is allocated as follows:

Chapter/Section	Year	Description	Original Authorization	Bonds Issued	BANs Outstanding	Remaining Authority
Public Law 14	1988	Sewer	$ 943,000	$ 940,000	$ --	$ 3,000
RI General Laws 45-12-2	2003	Open Space	4,000,000	2,900,000	--	1,100,000
RI General Laws 15-11-6	2008	High School	30,000,000	29,999,000	--	1,000
		Total	$ 34,943,000	$ 33,839,000	$ --	$ 1,104,000

NOTE 10 - PENSION PLANS

EMPLOYEES' RETIREMENT SYSTEM (ERS) – DEFINED BENEFIT PLAN

General Information about the Pension Plan

Plan Description

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

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

NOTE 10 - PENSION PLANS (CONTINUED)

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

Benefit Provisions

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

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

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

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

Contributions

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2019, the Westerly School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The state and the Westerly School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by the Westerly School Department; the rates were 10.06% and 13.45% of annual covered payroll for the fiscal year ended June 30, 2019 for the State and the Westerly School Department, respectively. The Westerly School Department contributed approximately $3,529,793, $3,506,404 and $3,020,673 for the fiscal years ended June 30, 2019, 2018 and 2017, respectively, equal to 100% of the required contributions for each year. The on-behalf contribution made by the State of Rhode Island for the defined benefit pension plan for the fiscal year ended June 30, 2019 was $2,452,730. This amount has been included in the Fund Statements (School Unrestricted Fund) as revenue and education expenditures.

NOTE 10 - PENSION PLANS (CONTINUED)

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

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

At June 30, 2019, the Westerly School Department reported a liability of $43,780,963 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Westerly School Department as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the School were as follows:

Westerly School Department proportionate share of the net pension liability	$ 43,780,963
State's proportionate share of the net pension liability associated with the Westerly School Department	32,657,454
Total Net Pension Liability	$ 76,438,417

The net pension liability was measured as of June 30, 2018, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. The Westerly School Department proportion of the net pension liability was based on a projection of the Westerly School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2018 the Westerly School Department's proportion was 1.37795227%.

For the year ended June 30, 2019 the Westerly School Department recognized gross pension expense of $6,038,017 and revenue of $2,508,224 for support provided by the State. At June 30, 2019 the Westerly School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 640,364	$ (835,040)
Changes of assumptions	3,180,183	(515,210)
Net difference between projected and actual earnings on pension plan investments	2,058,948	(1,536,003)
Changes in proportion and differences between employer contributions and proportionate share of contributions	--	(3,962,634)
Total	$ 5,879,495	$ (6,848,887)

NOTE 10 - PENSION PLANS (CONTINUED)

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

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

The $3,529,793 reported as deferred outflows of resources related to pensions resulting from the School contributions in fiscal year 2019 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2020	$ 324,736
2021	(209,628)
2022	(971,920)
2023	(282,163)
2024	109,130
Thereafter	60,453
Total	$ (969,392)

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, 2017 valuation rolled forward to June 30, 2018 and the calculation of the total pension liability at June 30, 2018 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

NOTE 10 - PENSION PLANS (CONTINUED)

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

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

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 35 sources. The June 30, 2018 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity:		
U.S. Equity	20.80%	6.43%
International Developed Equity	14.40%	6.72%
Emerging Markets Equity	4.80%	8.90%
Private Growth:		
Private Equity	11.30%	9.08%
Non-Core RE	2.20%	5.03%
OPP Private Credit	1.50%	9.08%
Income:		
High Yield Infrastructure	1.00%	3.81%
REITS	1.00%	5.03%
Liquid Credit	2.80%	3.81%
Private Credit	3.20%	3.81%
Crisis Protection Class:		
Treasury Duration	4.00%	0.61%
Systematic Trend	4.00%	4.00%
Inflation Protection:		
Core Real Estate	3.60%	5.03%
Private Infrastructure	2.40%	5.61%
TIPs	1.00%	1.75%
Natural Resources	1.00%	3.81%
Volatility Protection:		
IG Fixed Income	11.50%	2.14%
Absolute Return	6.50%	4.00%
Cash	3.00%	0.61%
Total	100.00%	

NOTE 10 - PENSION PLANS (CONTINUED)

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

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

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

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following presents the net pension liability calculated using the discount rate of 7.0 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability	$ 55,083,950	$ 43,780,963	$ 35,362,237

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

NOTE 10 - PENSION PLANS (CONTINUED)

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) – DEFINED BENEFIT

General Information about the Pension Plan

Plan Description

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

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

Benefits Provided

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

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

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

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

NOTE 10 - PENSION PLANS (CONTINUED)

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

General Employees

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

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

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

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

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

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

NOTE 10 - PENSION PLANS (CONTINUED)

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

General Employees (Continued)

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

Other Benefit Provisions

Death and disability benefits are also provided to members. A member is eligible for a disability retirement provided he/she has credit for at least five years of service or if the disability is work-related. Members are not eligible for an ordinary disability benefit if they are eligible for unreduced retirement.

Joint and survivor benefit options are available to retirees. For some employees, a Social Security Option is also available where an annuity is paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

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

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

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

NOTE 10 - PENSION PLANS (CONTINUED)

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

Other Benefit Provisions (Continued)

c. The COLA will be limited to the first $25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision described in (a) above will be limited to the first $30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of $25,000 for 2013, $25,000 for 2014, $25,168 for 2015, $25,855 for 2016, and $26,098 for 2017.

Employees Covered by Benefit Terms

At the June 30, 2017 valuation date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	8
Inactive, Nonretired Members	1
Total	9

Contributions

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed $181,261 in the year ended June 30, 2019. There was no covered annual covered payroll as the Town has no active employees in the plan.

Net Pension Liability

The total pension liability was determined by actuarial valuations performed as of June 30, 2017 and rolled forward to June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

NOTE 10 - PENSION PLANS (CONTINUED)

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

Employees Covered by Benefit Terms (Continued)

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2017 measurement date (June 30, 2016 valuation rolled forward to June 30, 2017)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions	
Investment Rate of Return	7.50%
Projected Salary Increases	General Employees - 3.50% to 7.50% ; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.75%
Mortality	Mortality – variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

The actuarial assumptions used in the June 30, 2017 valuation rolled forward to June 30, 2018 and the calculation of the total pension liability at June 30, 2018 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

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:

NOTE 10 - PENSION PLANS (CONTINUED)

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

Employees Covered by Benefit Terms (Continued)

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity:		
U.S. Equity	20.80%	6.43%
International Developed Equity	14.40%	6.72%
Emerging Markets Equity	4.80%	8.90%
Private Growth:		
Private Equity	11.30%	9.08%
Non-Core RE	2.20%	5.03%
OPP Private Credit	1.50%	9.08%
Income:		
High Yield Infrastructure	1.00%	3.81%
REITS	1.00%	5.03%
Liquid Credit	2.80%	3.81%
Private Credit	3.20%	3.81%
Crisis Protection Class:		
Treasury Duration	4.00%	0.61%
Systematic Trend	4.00%	4.00%
Inflation Protection:		
Core Real Estate	3.60%	5.03%
Private Infrastructure	2.40%	5.61%
TIPs	1.00%	1.75%
Natural Resources	1.00%	3.81%
Volatility Protection:		
IG Fixed Income	11.50%	2.14%
Absolute Return	6.50%	4.00%
Cash	3.00%	0.61%
Total	100.00%	

NOTE 10 - PENSION PLANS (CONTINUED)

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

Employees Covered by Benefit Terms (Continued)

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

Discount Rate

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

Changes in Net Pension Liabilities

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2018	$ 935,076	$ 582,242	$ 352,834
Changes for the Year			
Service cost	--	--	--
Interest on the total pension liability	60,644	--	60,644
Changes in benefits	--	--	--
Difference between expected and actual experience	54,835	--	54,835
Changes in assumptions	--	--	--
Employer contributions	--	--	--
Employee contributions	--	--	--
Net investment income	--	35,934	(35,934)
Benefit payments, including employee refunds	(137,474)	(137,474)	--
Administrative expense	--	(478)	478
Other changes	--	--	--
Net changes	(21,995)	(102,018)	80,023
Balances as of June 30, 2019	$ 913,081	$ 480,224	$ 432,857

NOTE 10 - PENSION PLANS (CONTINUED)

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

Changes in Net Pension Liabilities (Continued)

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability	$ 549,142	$ 432,857	$ 346,162

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

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

For the year ended June 30, 2019 the employer recognized pension expense of $181,261. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments:	$ 10,146	$ (18,550)
Total	$ 10,146	$ (18,550)

NOTE 10 - PENSION PLANS (CONTINUED)

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

Changes in Net Pension Liabilities (Continued)

The $181,261 reported as deferred outflows of resources related to pensions resulting from the School contributions in fiscal year 2019 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2019	$ 82
2020	(2,302)
2021	(6,183)
2022	(1)
2023	--
Total	$ (8,404)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB)

General Information about the Pension Plan

Plan Description

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

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

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

General Information about the Pension Plan (Continued)

Eligibility and Plan Benefits

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

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

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

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

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

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

General Information about the Pension Plan (Continued)

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

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

Contributions

The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of $9,600; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits.

The Town contributed $34,276, $35,305 and $29,664 for the fiscal years ended June 30, 2019, 2018 and 2017, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2019 the Westerly School Department reported an asset of $4,233,992 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2018, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. The Westerly School Department proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2018 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2018 the Westerly School Department) proportion was 4.74506999%.

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

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

For the year ended June 30, 2019, the Westerly School Department recognized pension expense of $34,276, an increase in the net pension asset. At June 30, 2019 the Westerly School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 721,396	$ (710,496)
Changes of assumptions	557,867	--
Net difference between projected and actual earnings on pension plan investments	554,755	(458,667)
Changes in proportion and differences between employer contributions and proportionate share of contributions	330,636	--
Total	$ 2,164,654	$ (1,169,163)

$34,276 reported as deferred outflows of resources related to pensions resulting from the Westerly School Department contributions in fiscal year 2019 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2020	$ 366,189
2021	225,470
2022	18,452
2023	133,124
2024	161,787
Thereafter	90,469
Total	$ 995,491

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

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

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

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

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

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

The actuarial assumptions used in the June 30, 2017 valuation and the calculation of the total pension liability at June 30, 2018 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

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:

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

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

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity:		
U.S. Equity	20.80%	6.43%
International Developed Equity	14.40%	6.72%
Emerging Markets Equity	4.80%	8.90%
Private Growth:		
Private Equity	11.30%	9.08%
Non-Core RE	2.20%	5.03%
OPP Private Credit	1.50%	9.08%
Income:		
High Yield Infrastructure	1.00%	3.81%
REITS	1.00%	5.03%
Liquid Credit	2.80%	3.81%
Private Credit	3.20%	3.81%
Crisis Protection Class:		
Treasury Duration	4.00%	0.61%
Systematic Trend	4.00%	4.00%
Inflation Protection:		
Core Real Estate	3.60%	5.03%
Private Infrastructure	2.40%	5.61%
TIPs	1.00%	1.75%
Natural Resources	1.00%	3.81%
Volatility Protection:		
IG Fixed Income	11.50%	2.14%
Absolute Return	6.50%	4.00%
Cash	3.00%	0.61%
Total	100.00%	

NOTE 10 - PENSION PLANS (CONTINUED)

TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)

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

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

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability	$ (2,938,173)	$ (4,233,992)	$ (5,198,747)

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

POLICE PENSION PLAN

General Information about the Pension Plan

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

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Plan Description and Benefits Provided

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

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

At July 1, 2018, Plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	48
Terminated plan member entitled to but not yet receiving benefits	1
Active Plan Members	48
Total	97

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Summary of Significant Accounting Policies

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

Method Used to Value Investments
Investments are reported at market value. Investment income is recognized as earned.

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

Administrative costs of the plan are financed through investment earnings.

Pension Trust Funds
The Town maintains a police pension trust fund to account for its fiduciary responsibility. The following schedules present the net position held in trust for pension benefits and OPEB Trust at June 30, 2019 and the changes in net position for the year then ended. Included in the Police Pension trust funds are OPEB assets related to a medical subaccount. Those assets are not used to offset the total pension liability.

Schedule of Plan Net Position

	Police Pension Trust	OPEB Trust	Total
Assets:			
Cash and cash equivalents	$ 334,061	$ 236,196	$ 570,257
Investments, at fair value	37,845,460	5,279,710	43,125,170
Other accounts receivables	124,743	73,273	198,016
Total assets	38,304,264	5,589,179	43,893,443
Liabilities:			
Accounts payable and accrued expenses	57,225	189,605	246,830
Net Position:			
Restricted for Pension and OPEB Benefits	$ 38,247,039	$ 5,399,574	$ 43,646,613

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Schedule of Changes in Plan Net Position

	Police Pension Trust	OPEB Trust	Total
Additions:			
Contributions			
Employer	$ 1,795,200	$ 1,535,800	$ 3,331,000
Plan members	475,362	--	475,362
Total Contributions	2,270,562	1,535,800	3,806,362
Net investment income:			
Net appreciation in fair value of investments	1,938,892	308,441	2,247,333
Interest and dividends	901,950	139,646	1,041,596
	2,840,842	448,087	3,288,929
Total Additions	5,111,404	1,983,887	7,095,291
Deductions:			
Benefits	2,373,153	--	2,373,153
Police retiree health care	--	738,632	738,632
Administration expense	59,821	35,574	95,395
Total Deductions	2,432,974	774,206	3,207,180
Changes in Net Position	2,678,430	1,209,681	3,888,111
Net Position at Beginning of Year	35,568,609	4,189,893	39,758,502
Net Position at End of Year	$ 38,247,039	$ 5,399,574	$ 43,646,613

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Schedule of Changes in Plan Net Position (Continued)

Investment Policy

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

The following was the Board's adopted asset allocation policy as of June 30, 2019:

Asset Class	Target Allocation
Equity	62.00%
Fixed Income	34.00%
Real Estate	3.00%
Cash	1.00%
Total	100.00%

Rate of Return

For the year ended June 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.92%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Net Pension Liability

The components of the net pension liability of the Town at June 30, 2019 were as follows:

Total pension liability	$ 51,835,111
Plan fiduciary net position	38,247,039
Total Net Pension Liability	$ 13,588,072
Plan fiduciary net position as a percentage of the total pension liability	73.79%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

Mortality rates were based on the RP 2014 Healthy Mortality Table with generational improvements from 2006 using scale MP-2018 and the RP 2014 Disabled Mortality Table with generational improvements from 2006 using scale MP-2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 (see discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Equity	4.75%
Fixed Income	1.93%
Real Estate	4.75%
Cash	0.25%

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

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

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2007 through June 30, 2017.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2018	$ 49,881,156	$ 35,568,335	$ 14,312,821
Changes for the Year			
Service cost	957,819	--	957,819
Interest on the total pension liability	3,475,720	--	3,475,720
Difference between expected and actual experience	--	--	--
Changes in assumptions	(107,909)	--	(107,909)
Employer contributions	--	1,795,200	(1,795,200)
Employee contributions	--	473,884	(473,884)
Net investment income	--	2,781,295	(2,781,295)
Benefit payments, including employee refunds	(2,371,675)	(2,371,675)	--
Net changes	1,953,955	2,678,704	(724,749)
Balances as of June 30, 2019	$ 51,835,111	$ 38,247,039	$ 13,588,072

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability	$ 20,730,593	$ 13,588,072	$ 7,781,738

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

For the year ended June 30, 2019, the Town recognized pension expense of $1,821,963. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience:	$ 15,795	$ (755,885)
Changes in assumptions:	1,577,987	(364,803)
Net difference between projected and actual earnings on pension plan investments:	410,458	(1,051,222)
Total	$ 2,004,240	$ (2,171,910)

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

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

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

Year Ending June 30,	Outflows (Inflows) of Resources
2020	$ 149,779
2021	(313,396)
2022	76,550
2023	(80,603)
2024	--
Thereafter	--
Total	$ (167,670)

INTERNATIONAL CITY MANAGEMENT ASSOCIATION (ICMA) PENSION PLAN

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

Employees contribute 6% or more of their qualified salary to a maximum of 25% not to exceed $30,000. The Town contributes 10% of the qualified salary. Plan provisions and contribution requirements are established and may be amended by the Town Council. The Town's contribution for the years ended June 30, 2019 and 2018 were $387,842 and $335,464, respectively.

LABORERS' INTERNATIONAL UNION OF NORTH AMERICA NATIONAL PENSION FUND

Plan Description and Benefits Provided

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

NOTE 10 - PENSION PLANS (CONTINUED)

LABORERS' INTERNATIONAL UNION OF NORTH AMERICA NATIONAL PENSION FUND (CONTINUED)

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

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

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

Funding Policy
The contribution requirements of the Town and employees are established by contract and may be amended by union negotiation. Employees are not required to contribute to the plan. The Town was required to contribute the following amounts for fiscal year ended June 30, 2019: bus drivers and aides - $1.69 per hour up to a maximum of 40 hours per week; school maintenance, secretarial and clerical employees - $2.38 per hour; town public works and secretarial employees - $2.05 per hour from 10/2012 to 9/2013 and $2.26 per hour from 10/2013 to 9/2014 for employee's normal work week. The Town was also required to contribute $0.06 per hour to an annuity fund (maximum of $4,000 annually for School employees). The total contribution for fiscal years ended June 30, 2019, 2018 and 2017 was $1,014,494, $1,089,410 and $1,134,521, respectively.

SCHOOL DEPARTMENT PENSION PROGRAM

All School Department unaffiliated, classified, appointed employees participate in an agreed-upon 403(b) pension program, which is funded by the School Department. The School Department's contribution is 10% of the qualified employee's salary per year. The employees do not contribute to the plan. The contributions are made to an eligible plan of the employee's choice. All school employees are eligible by federal law to participate in a payroll deduction tax deferred plan, which must be arranged by a broker or private insurance carrier. Total contributions for the year ended June 30, 2019 were $163,674.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATIONS

POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description

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

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

Employees Covered by Benefit Terms

As of June 30, 2019, the following employees were covered by the benefit terms:

Retirees	44
Active employees	48
Total	92

Contributions

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

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

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

POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Investments

Investment Policy

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

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

The Investment Policy, while not formal, is as follows:

Asset Class	Target Allocation
Cash and equivalents	0 - 10%
Equities	35 - 75%
Fixed Income	25 - 50%

Total OPEB Liability

The Town's total OPEB liability of $17,918,314 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

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

POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	June 30, 2019.
Discount Rate:	4.10% as of June 30, 2018 and 7.00% as of June 30, 2019
Payroll Growth:	3.00% per year for general wage inflation plus merit/productivity increases ranging between 1.25% - 12.00% over 0-15 years of service.
Inflation Rate:	3.00% per year
Cost Method:	Entry Age Normal Level % Salary
Health Care Trend Rates:	8.50% for 2019, decreasing by 0.5% per year to an ultimate rate of 4.5% for 2028 and later years.

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

POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Changes in Total OPEB Liability
Changes in total OPEB liability for the year ended June 30, 2019 consisted of the following:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2018	$ 26,904,189	$ 4,189,894	$ 22,714,295
Changes for the year:			
Service Cost	298,837	--	298,837
Interest	1,100,334	--	1,100,334
Changes of benefit terms	--	--	--
Changes of assumptions	(8,040,490)	--	(8,040,490)
Differences between expected and actual experience	(1,605,924)	--	(1,605,924)
Contributions - employer	--	1,535,800	(1,535,800)
Net investment income	--	448,087	(448,087)
Benefit payments	(738,632)	(738,894)	262
Trust administrative expenses	--	(35,575)	35,575
Net Changes	(8,985,875)	1,209,418	(10,195,293)
Balance at June 30, 2019	$ 17,918,314	$ 5,399,312	$ 12,519,002

Changes in assumptions reflect a change in the discount rate from 4.10% for fiscal year ended June 30, 2018 to 7.00% as of June 30, 2019.

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Total OPEB liability	$ 14,707,348	$ 12,519,002	$ 10,697,281

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

POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

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

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.5% decreasing to 3.5%) or 1-percentage-point higher (9.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (7.5% Decreasing to 3.5%)	Current Health Care Trend Rates (8.5% Decreasing to 4.5%)	1% Increase (9.5% Decreasing to 5.5%)
Total OPEB liability	$ 10,739,409	$ 12,519,002	$ 14,644,148

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

For the year ended June 30, 2019, the Town recognized negative OPEB expense of $774,208 in the Government-wide Statement of Activities. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ --	$ (2,925,390)
Changes in assumptions	--	(8,157,131)
Net difference between projected and actual earnings in OPEB plan investments	2,503	(102,886)
Total	$ 2,503	$ (11,185,407)

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

Year ended June 30:	
2020	$ (2,393,585)
2021	(2,393,585)
2022	(2,393,584)
2023	(2,394,416)
2024	(1,607,734)
	$ (11,182,904)

NOTE 12 - RISK MANAGEMENT

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks did not exceed commercial insurance coverage during the three years ended June 30, 2019.

HEALTH FUND

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

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

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

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

Fiscal Year	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
2018-19	$ 1,080,436	$ 9,442,467	$ 10,294,797	$ 228,106
2017-18	$ 949,838	$ 12,227,595	$ 12,096,997	$ 1,080,436

NOTE 13 - CONTINGENCIES

RISK MANAGEMENT

Liabilities for legal cases and other claims against governmental funds are recorded in the governmental funds when the ultimate liability can be estimated and such cases are expected to be settled with available expendable financial resources. During the ordinary course of its operations, the Town is party to various claims, legal actions and complaints. In the opinion of the Town's management and legal counsel, these matters are not anticipated to have a material financial impact on the Town.

NOTE 14 - TAX ABATEMENTS

The Town of Westerly enters into tax abatement agreements with local businesses under its Economic Development Tax Incentive Program for Commercially Zoned Property. Under the Program, new businesses locating in commercially zoned property with the Town or existing businesses that are expanding may qualify for a tax incentive.

For the fiscal year ended June 30, 2019, the Town abated property taxes totaling $1,911 under this program, including the following tax abatement agreements to new businesses locating in a commercially zoned property or existing businesses that are expanding:

Purpose	Percentage of taxes abated during the Fiscal Year	Amount of Taxes Abated during the Fiscal Year
Retain company in Westerly area	30%	$ 1,911

A twenty year property tax abatement to retain a company within the Town of Westerly. The abatement amounted to $1,911.

NOTE 15 - SUBSEQUENT EVENT

Subsequent events have been evaluated through January 19, 2020, which is the date the financial statements were available for issuance. The Westerly School Committee approved the Local 808 non-certified staff contract on January 15, 2020. No other events have been identified requiring recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WESTERLY, RHODE ISLAND

RSI-1

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Revised Budget	Actual	Variance
Revenues				
General property taxes and payments in lieu of taxes	$ 73,261,806	$ 73,261,806	$ 73,698,475	$ 436,669
Intergovernmental and departmental	14,851,498	14,851,498	14,760,449	(91,049)
Licenses and permits	516,028	516,028	636,051	120,023
Fines and penalties	197,836	197,836	170,452	(27,384)
Use of property and money	522,820	522,820	731,597	208,777
Other revenue	1,355,817	1,355,817	1,878,627	522,810
Total Revenues	90,705,805	90,705,805	91,875,651	1,169,846
Expenditures				
Current:				
Legislative, judicial and general administrative	7,073,194	7,078,456	7,406,657	(328,201)
Public works	4,748,303	4,757,522	4,621,807	135,715
Public safety	6,787,054	6,773,311	7,198,207	(424,896)
Health and welfare	1,133,466	1,133,466	1,135,133	(1,667)
Conservation and development	29,500	29,500	19,151	10,349
Parks and recreation	561,788	563,172	613,097	(49,925)
Planning	851,669	888,210	836,306	51,904
Capital improvements/restricted programs	2,169,268	2,178,168	1,659,784	518,384
Debt services	9,980,323	9,911,805	9,897,804	14,001
Total Expenditures	33,334,565	33,313,610	33,387,947	(74,337)
Excess of Revenues Over Expenditures Before Other Financing Sources (Uses)	57,371,240	57,392,195	58,487,704	1,095,509
Other Financing Sources (Uses)				
Transfers in	92,225	101,125	289,816	188,691
Transfers out - other	(1,122,741)	(1,191,260)	(2,059,093)	(867,833)
Transfers out - School unrestricted fund - appropriati	(56,340,724)	(56,340,724)	(56,307,985)	32,739
Net Other Financing Sources (Uses)	(57,371,240)	(57,430,859)	(58,077,262)	(646,403)
Excess of Revenues Over Expenditures and Other Financing Sources (Uses)	$ --	$ (38,664)	$ 410,442	$ 449,106

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-2

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budgeted Revenues	Revised Budgeted Revenues	Actual Revenues	Variance
Property taxes				
Current property taxes	$ 66,451,792	$ 66,451,792	$ 66,991,211	$ 539,419
Motor vehicle - excise tax	4,288,731	4,288,731	4,330,497	41,766
Personal property taxes	1,355,775	1,355,775	1,458,188	102,413
Prior year property taxes	642,508	642,508	456,842	(185,666)
Pilot - housing authority	15,000	15,000	14,200	(800)
Pro-ration	50,000	50,000	45,029	(4,971)
Tax interest, lien fees and other	458,000	458,000	402,508	(55,492)
Total property taxes	73,261,806	73,261,806	73,698,475	436,669
Intergovernmental and departmental				
State motor vehicle - excise tax phase out	1,255,504	1,255,504	1,215,218	(40,286)
State grant-in-aid - general	2,450,081	2,450,081	2,393,646	(56,435)
State grant-in-aid - library	315,893	315,893	315,893	--
State grant-in-aid - school operation	8,797,406	8,797,406	8,764,667	(32,739)
State grant-in-aid - school housing aid	1,759,614	1,759,614	1,759,614	--
Total intergovernmental and departmental	14,578,498	14,578,498	14,449,038	(129,460)
Licenses and permits	516,028	516,028	636,051	120,023
Fines and penalties	197,836	197,836	170,452	(27,384)
Use of property and money	522,820	522,820	731,597	208,777
Other revenues	1,355,817	1,355,817	1,878,627	522,810
Recreation	273,000	273,000	311,411	38,411
Total revenues	90,705,805	90,705,805	91,875,651	1,169,846
Transfers in	92,225	101,125	289,816	188,691
Total Revenue and Other Financing Sources	$ 90,798,030	$ 90,806,930	$ 92,165,467	$ 1,358,537

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-3

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Legislative, judicial and general administrative:				
Legislative				
Town council	$ 53,493	$ 53,493	$ 50,046	$ 3,447
Finance board	2,500	2,500	1,526	974
Judicial				
Legal Services	234,680	234,680	491,684	(257,004)
Probate Court	81,292	81,292	85,192	(3,900)
Municipal Court	67,781	69,269	70,254	(985)
Administrative				
Board of canvassers	170,980	177,838	133,179	44,659
Town clerk	346,493	350,659	350,732	(73)
Town manager	356,994	300,488	262,072	38,416
Finance department	585,262	577,569	586,196	(8,627)
Assessment Administration	347,438	351,938	359,216	(7,278)
Management information systems	478,895	505,920	506,088	(168)
Human resources	212,759	227,647	223,178	4,469
Tax Collector	193,400	196,259	215,250	(18,991)
Benefits				
Pension and OPEB	3,941,227	3,948,904	4,072,044	(123,140)
Total legislative, judicial and general administrative	7,073,194	7,078,456	7,406,657	(328,201)
Public Works:				
Town buildings	723,469	724,826	716,144	8,682
Public works administration	313,174	317,220	289,974	27,246
Tree warden	1,000	1,000	1,000	--
Highway and drainage	2,240,296	2,216,626	2,175,363	41,263
Snow and ice control	253,350	253,350	219,562	33,788
Street lighting	617,100	617,100	646,986	(29,886)
Equipment maintenance	475,044	500,044	473,183	26,861
Engineering	124,870	127,356	99,595	27,761
Total public works	4,748,303	4,757,522	4,621,807	135,715
Public Safety				
Police department	6,566,873	6,570,115	7,023,469	(453,354)
Technology	205,181	188,196	168,488	19,708
Emergency preparedness	15,000	15,000	6,250	8,750
Total Public Safety	6,787,054	6,773,311	7,198,207	(424,896)
Health and welfare:				
Subsidies	1,133,466	1,133,466	1,135,133	(1,667)
Conservation and development:				
Conservation commission	19,500	19,500	11,033	8,467
Municipal land trust	10,000	10,000	8,118	1,882
Total conservation and development	29,500	29,500	19,151	10,349

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-3

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Parks and recreation:				
Recreation and leisure	550,588	551,972	602,098	(50,126)
Celebration of public events	11,200	11,200	11,000	200
Total parks and recreation	561,788	563,172	613,098	(49,926)
Planning and zoning:				
Planning and zoning/codes/grants	851,669	888,210	836,306	51,904
Capital improvements/restricted programs:				
Restricted programs	1,369,000	1,377,900	785,014	592,886
Capital improvements	800,268	800,268	874,770	(74,502)
Total capital improvements/restricted programs	2,169,268	2,178,168	1,659,784	518,384
Debt Service				
Town debt service	3,704,796	3,636,278	3,668,728	(32,450)
School debt service	6,275,527	6,275,527	6,229,077	46,450
Total Debt Service	9,980,323	9,911,805	9,897,805	14,000
Education	56,340,724	56,340,724	56,307,985	32,739
Total Expenditures	89,675,289	89,654,334	89,695,933	(41,599)
Transfers to Other Funds				
Transfers out	1,122,741	1,191,260	2,059,093	(867,833)
Total Expenditures and Other Financing Uses	$ 90,798,030	$ 90,845,594	$ 91,755,026	$ (909,432)

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-4

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)
BUDGET AND ACTUAL - SCHOOL UNRESTRICTED FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Revised Budget	Actual	Variance
Revenues				
Local appropriation	$ 47,543,318	$ 47,543,318	$ 47,543,318	$ --
Tuition preschool	57,375	57,375	65,273	7,898
Tuition from other districts	81,000	81,000	55,922	(25,078)
Transportation revenue	3,400	3,400	14,100	10,700
Community service revenues	237,220	237,220	240,176	2,956
Rental income	120,164	120,164	123,821	3,657
Miscellaneous	3,396	3,396	8,130	4,734
Insurance proceeds	--	--	4,000	4,000
Unrestricted grant in aid	8,764,667	8,764,667	8,764,667	--
Medicaid reimbursement	1,172,500	1,172,500	1,158,803	(13,697)
Total Revenues	57,983,040	57,983,040	57,978,210	(4,830)
Expenditures				
Salaries & other compensation	33,353,156	33,331,696	32,869,715	461,981
Employee benefits	14,446,733	14,446,733	13,913,503	533,230
Purchased services	7,193,873	7,163,906	7,733,994	(570,088)
Supplies & materials	2,536,469	2,503,942	2,387,462	116,480
Equipment	387,512	471,466	566,693	(95,227)
Miscellaneous	65,297	65,297	58,965	6,332
Total Expenditures	57,983,040	57,983,040	57,530,332	452,708
Excess of Expenditures Over Revenues Before Other Financing Sources	--	--	447,878	447,878
Other Financing Sources				
Transfer out	--	--	(87,644)	(87,644)
Total Other Financing Sources	--	--	(87,644)	(87,644)
Excess Revenues and Other Sources Over (Under) Expenditures and Other Sources	--	--	360,234	360,234
Excess Revenues and Other Sources Over (Under) Expenditure and Other Sources After Consent Order Transfer from General Fund for Deficit Reduction	$ --	$ --	$ 360,234	$ 360,234

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-5

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

	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	1.37796227%	1.39326970%	1.51113%	1.53100236%	1.59668000%
Employer's proportionate share of the net pension liability	$ 43,780,963	$ 43,944,932	$ 45,085,674	$ 42,148,536	$ 38,863,318
State's proportionate share of the net pension liability associated with the school district	32,657,454	33,211,810	30,877,067	28,794,557	26,650,367
Total	$ 76,438,417	$ 77,156,742	$ 75,962,741	$ 70,943,093	$ 65,513,685
Employer's covered employee payroll	$ 21,022,126	$ 21,166,211	$ 20,549,149	$ 19,317,292	$ 24,523,661
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	208.26%	207.62%	45.58%	45.83%	63.10%
Plan fiduciary net position as a percentage of the total pension liability	54.30%	54.00%	61.40%	56.49%	61.40%

Notes:

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

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-6

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
EMPLOYEES RETIREMENT SYSTEM - TEACHERS
LAST FIVE FISCAL YEARS

	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 3,529,793	$ 3,257,862	$ 3,020,763	$ 3,097,654	$ 3,491,094
Contributions in relation to the actuarially determined contribution	3,529,793	3,257,862	3,020,763	3,097,654	3,491,094
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --
Covered-employee payroll	$ 21,022,126	$ 21,166,211	$ 22,919,294	$ 22,561,209	$ 24,523,661
Contributions as a percentage of covered- employee payroll	16.79%	15.39%	13.18%	13.73%	14.24%
Contributions as a percentage of covered- federal employee payroll	28.46%	15.39%	21.44%	22.60%	22.60%

Notes:

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

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

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

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	$ --	$ --	$ --	$ --	$ --
Interest on the total pension liability	60,644	63,046	64,320	60,047	65,369
Changes of benefit terms	--	--	--	(108)	--
Difference between expected and actual experience of the total pension liability	54,835	34,782	64,388	140,725	--
Changes of assumptions	--	69,481	--	--	5,469
Benefit payments, including refunds of employee contributions	(137,474)	(145,691)	(145,691)	(141,691)	(141,905)
Net change in total pension liability	(21,995)	21,618	(16,983)	58,973	(71,067)
Total pension liability – beginning	935,076	913,458	930,441	871,468	942,535
Total pension liability – ending (a)	$ 913,081	$ 935,076	$ 913,458	$ 930,441	$ 871,468
Plan fiduciary net position					
Contributions – employer	$ --	$ 362,522	$ 181,400	$ 181,261	$ 183,142
Contributions – employee	--	--	--	--	--
Net investment income	35,934	61,832	2,011	6,300	29,732
Benefit payments, including refunds of employee contributio	(137,474)	(145,691)	(145,691)	(141,691)	(141,905)
Pension plan administrative expense	(478)	(584)	(2,400)	(254)	(186)
Other	--	(2)	--	--	--
Net change in plan fiduciary net position	(102,018)	278,077	35,320	45,616	70,783
Plan fiduciary net position – beginning	582,242	304,165	268,845	223,229	152,446
Plan fiduciary net position – ending (b)	$ 480,224	$ 582,242	$ 304,165	$ 268,845	$ 223,229
Net pension liability - ending (a) - (b)	$ 432,857	$ 352,834	$ 609,293	$ 661,596	$ 648,239
Plan fiduciary net position as a percentage of the total pension liability	52.59%	62.27%	33.30%	28.89%	25.62%

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

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOWN'S CONTRIBUTIONS
MUNICIPAL EMPLOYEE'S RETIREMENT SYSTEM AGENT PLAN
LAST FIVE FISCAL YEARS

	2019	2018	2017	2016	2015
Actuarially determined contribution	$ --	$ 362,522	$ 181,400	$ 182,261	$ 183,142
Contributions in relation to the actuarially determined contribution	--	362,522	181,400	182,261	183,142
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --

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

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND
SCHEDULE OF CHANGES IN THE TOWN OF WESTERLY'S POLICE PENSION LIABILITY AND RELATED RATIOS
LAST FIVE FISCAL YEARS

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	$ 957,819	$ 904,511	$ 974,655	$ 917,082	$ 851,843
Interest on the total pension liability	3,475,720	3,375,546	3,320,232	3,224,788	3,036,062
Changes of benefit terms	--	--	--	--	--
Difference between expected and actual experience of the total pension liability	--	(355,566)	(978,160)	47,387	(499,006)
Changes of assumptions	(107,909)	1,399,336	1,264,408	(835,428)	991,037
Benefit payments, including refunds of employee contributions	(2,371,675)	(2,194,835)	(2,248,159)	(2,029,473)	(1,795,715)
Interest on benefit payments	--	--	--	--	--
Net change in total pension liability	1,953,955	3,128,992	2,332,976	1,324,356	2,584,221
Total pension liability – beginning	49,881,156	46,752,164	44,419,188	43,094,832	40,510,611
Total pension liability – ending (a)	$ 51,835,111	$ 49,881,156	$ 46,752,164	$ 44,419,188	$ 43,094,832
Plan fiduciary net position					
Contributions – employer	$ 1,795,200	$ 1,850,000	$ 1,720,000	$ 1,713,800	$ 1,716,400
Contributions – employee	473,884	447,302	388,426	382,932	384,672
Net investment income	2,781,295	2,863,907	3,482,244	129,896	1,255,952
Benefit payments, including refunds of employee contributions	(2,371,675)	(2,194,835)	(2,248,159)	(2,029,473)	(1,795,715)
Net change in plan fiduciary net position	2,678,704	2,966,374	3,342,511	197,155	1,561,309
Plan fiduciary net position – beginning	35,568,335	32,601,961	29,259,450	29,062,295	27,500,986
Plan fiduciary net position – ending (b)	$ 38,247,039	$ 35,568,335	$ 32,601,961	$ 29,259,450	$ 29,062,295
Net pension liability - ending (a) - (b)	$ 13,588,072	$ 14,312,821	$ 14,150,203	$ 15,159,738	$ 14,032,537
Plan fiduciary net position as a percentage of the total pension liabilit	73.79%	71.31%	69.73%	65.87%	67.44%
Covered employee payroll	$ 3,866,804	$ 3,665,217	$ 4,077,370	$ 4,077,370	$ 3,802,837
Net pension liability as a percentage of covered-employee payroll	351.40%	390.50%	347.04%	371.80%	369.00%

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOWN'S CONTRIBUTIONS-POLICE PENSION
TOWN OF WESTERLY, RHODE ISLAND
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 1,636,400	$ 1,610,200	$ 1,667,700	$ 1,713,800	$ 1,716,400	$ 1,816,000	$ 1,272,700	$ 1,225,170	$ 1,161,510	$ 1,164,310
Contributions in relation to the actuarially determined contribution	1,795,200	1,850,000	1,720,000	1,713,800	1,716,400	1,816,000	1,586,044	1,225,170	1,275,000	1,275,000
Contribution deficiency (excess)	$ (158,800)	$ (239,800)	$ (52,300)	$ --	$ --	$ --	$ (313,344)	$ --	$ (113,490)	$ (110,690)
Covered-employee payroll	$ 3,866,804	$ 3,665,217	$ 4,077,370	$ 4,077,370	$ 3,802,837	$ 3,497,794	$ 3,039,511	$ 2,847,036	$ 2,838,895	$ 2,854,292
Contributions as a percentage of covered-employee payroll	46.43%	50.47%	42.18%	42.03%	45.13%	51.92%	52.18%	43.03%	44.91%	44.67%

Notes:

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

Notes to Schedule

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

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age method
Amortization method	Closed 30-year level dollar amortization of the Unfunded Acturial Accrued Liability
Asset valuation method	Fair market value of assets on the measurement date adjusted for a five year phase in of gains and losses of plan assets at 20% per year
Inflation	3%
Salary increases	4% to 15%
Investment rate of return	7.25%, net of pension plan investment expenses
Retirement age	Various based on service years, with separate scales for hires before and after July 1, 2010
Mortality	RP2014 Mortality table with generational improvements from 2006 using scal MP-2016

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

WESTERLY RETIREMENT SYSTEM - POLICE PENSION
SCHEDULE OF INVESTMENT RETURNS
LAST SIX FISCAL YEARS

	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expenses	7.92%	7.49%	11.26%	0.45%	4.46%	12.20%

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-12

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

	2019	2018	2017	2016	2015
Town's portion of the net pension asset	4.74506999%	4.79335383%	4.90954266%	5.13115531%	5.15362918%
Town's proportionate share of the net pension asset	$ 4,233,992	$ 3,965,369	$ 4,888,524	$ 4,790,221	$ 6,407,029
Town's covered employee payroll	$ 24,795,819	$ 24,882,810	$ 24,036,620	$ 23,007,389	$ 24,523,661
Town's proportionate share of the net pension liability as a percentage of its covered employee payroll	17.08%	15.94%	20.34%	20.82%	26.13%
Plan fiduciary net position as a percentage of the total pension liability	137.40%	136.10%	153.30%	146.60%	173.30%

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF TOWN'S CONTRIBUTIONS
TEACHERS' SURVIVORS BENEFIT PLAN
LAST FIVE FISCAL YEARS

	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 34,276	$ 35,305	$ 29,664	$ 30,144	$ 30,983
Contributions in relation to the actuarially determined contribution	34,276	35,305	29,664	30,144	30,983
Contribution deficiency (excess)	$ --	$ --	$ --	$ --	$ --
Covered-employee payroll	$ 24,795,819	$ 24,882,810	$ 24,036,620	$ 23,007,389	$ 24,523,661
Contributions as a percentage of covered-employee payroll	0.14%	0.14%	0.12%	0.13%	0.13%

Notes:

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

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST THREE FISCAL YEARS

	2019	2018	2017
Total OPEB Liability:			
Service cost	$ 298,837	$ 341,151	$ 1,254,229
Interest	1,100,334	1,106,276	1,331,128
Changes in benefit terms	--	--	(11,013,747)
Differences between expected and actual experience	(1,605,924)	(2,380,680)	(5,228,968)
Changes of assumptions	(8,040,490)	(2,185,085)	383,434
Benefit payments	(738,632)	(725,982)	(691,914)
Net change in total OPEB liability	(8,985,875)	(3,844,320)	(13,965,838)
Total OPEB Liability-beginning	26,904,189	30,748,509	44,714,347
Total OPEB Liability-ending	17,918,314	26,904,189	30,748,509
Plan fiduciary net position:			
Contributions-employer	1,535,800	1,912,794	400,000
Net investment income (loss)	448,087	239,784	271,666
Benefit payments	(738,632)	(725,982)	(691,914)
Administrative expense	(35,575)	(37,013)	(22,640)
Net change in plan fiduciary net position	1,209,680	1,389,583	(42,888)
Plan fiduciary net position-beginning	4,189,632	2,800,049	2,842,937
Plan fiduciary net position-ending	5,399,312	4,189,632	2,800,049
Net OPEB Liability	$ 12,519,002	$ 22,714,557	$ 27,948,460
Plan fiduciary net position as a percentage of the total OPEB liabili	30.13%	15.57%	9.11%
Covered-employee payroll	3,463,796	3,778,768	3,668,707
Net OPEB liability as a percentage of covered-employee payroll	361.42%	601.11%	761.81%

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

WESTERLY RETIREMENT SYSTEM - OTHER POSTEMPLOYMENT BENEFITS
SCHEDULE OF CITY OF WESTERLY'S CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 1,365,184	$ 1,501,065	$ 1,912,794	$ 2,784,810	$ 936,800	$ 966,300	$ 922,800	$ 907,830	$ 464,700	$ 459,200
Contributions in relation to the actuarially determined contribution	1,535,800	1,912,794	400,000	386,000	429,600	429,600	467,920	985,328	425,000	425,000
Contribution deficiency (excess)	$ (170,616)	$ (411,729)	$ 1,512,794	$ 2,398,810	$ 507,200	$ 536,700	$ 454,880	$ (77,498)	$ 39,700	$ 34,200
Percentage contributed	112%	127%	21%	14%	46%	44%	51%	109%	91%	93%
Employee covered payroll	$ 3,463,796	$ 3,778,768	$ 3,668,707	$ 3,406,417	$ 3,307,201	$ 3,384,654	$ 3,039,511	$ 2,847,036	$ 2,838,895	$ 2,854,292
Contribution as a % of covered payroll	44.3%	50.6%	10.9%	11.3%	13.0%	12.7%	15.4%	34.6%	15.0%	14.9%

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

REQUIRED SUPPLEMENTARY INFORMATION

WESTERLY OTHER POST EMPLOYMENT BENEFITS PLAN
SCHEDULE OF INVESTMENT RETURNS
LAST THREE FISCAL YEARS

	2019	2018	2017
Annual money-weighted rate of return, net of investment expenses	6.94%	4.75%	9.63%

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

See notes to required supplementary information.

Budget preparation and budgetary basis of accounting:

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

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

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

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

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

(a) Budgetary to GAAP Basis Reconciliation

The following reconciliation summarizes the difference for the City's General Fund between budgetary and GAAP basis accounting principles for the fiscal year ended June 30, 2019:

Total Revenues and Other Financing Sources	$	92,165,467
Budgetary revenues are different than GAAP revenues because of the following reconciling items:		
Capital Lease Issue		1,117,483
Revenues for funds not reported as budgetary revenues, but included for financial reporting purposes:		
Self Insurance Fund revenues		67,854
Revaluation Fund revenues		122
Miscellaneous Donation Fund revenues		64,947
Athletic Fund revenues		28,801
School Unrestricted Fund revenues		1,670,239
State of Rhode-Island on behalf of the Town payments to the Employee Retirement System		2,452,730
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - *Exhibit IV*	$	97,567,643
Total Expenditures and Other Financing Uses	$	91,755,027
Budgetary expenditures are different than GAAP expenditures because of the following reconciling items:		
Town change in encumbrances		(5,717)
School change in encumbrances		(2,640)
Equipment purchased through capital lease		1,117,483
Expenditures for funds not reported as budgetary expenditures, but are included in GAAP expenditures:		
Self Insurance Fund expenditures		766,624
Safe Routes to School expenditures		672
FSA Fund expenditures		1,088
Miscellaneous Donation Fund expenditures		57,485
Children's Crusade expenditures		282
School Unrestricted Fund expenditures		1,222,346
School Unrestricted Fund transfers out		87,644
State of Rhode-Island on behalf of the Town payments to the Employee Retirement System		2,452,730
School General Fund transfer out to Safe Routes to School		(656)
Town General Fund transfer out to Self Insurance Fund		(399,642)
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - *Exhibit IV*	$	97,052,726

Budget compliance:

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

OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION

The Annual Supplemental Transparency Report Schedules

required by the State of Rhode Island General Law § 45-12-22.2 and § 44-35-10

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Municipal

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Education Department

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

Town of Westerly
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2019

REVENUE	Municipal	Education Department
Current Year Levy Tax Collection	$ 71,321,708	$ -
Last Year's Levy Tax Collection	253,659	-
Prior Years Property Tax Collection	248,211	-
Interest & Penalty	392,606	-
PILOT & Tax Treaty (excluded from levy) Collection	14,200	-
Other Local Property Taxes	1,509,605	-
Licenses and Permits	1,065,556	-
Fines and Forfeitures	128,959	-
Investment Income	252,025	-
Departmental	621,902	-
Rescue Run Revenue	-	-
Police & Fire Detail	800,789	-
Other Local Non-Property Tax Revenues	9,847	-
Tuition	-	121,195
Impact Aid	-	-
Medicaid	-	1,158,803
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	484,461
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	1,392,019	1,783,210
MV Excise Tax Reimbursement	220,009	-
State PILOT Program	168,006	-
Distressed Community Relief Fund	-	-
Library Resource Aid	315,893	-
Library Construction Aid	-	-
Public Service Corporation Tax	285,179	-
Meals & Beverage Tax / Hotel Tax	1,764,929	-
LEA Aid	-	8,766,878
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	1,759,614	-
State Food Service Revenue	-	70,305
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	239,449	351,489
Motor Vehicle Phase Out	995,209	-
Other Revenue	811,704	875,017
Local Appropriation for Education	-	47,543,318
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	$ 84,571,079	$ 61,154,675
Financing Sources: Transfer from Capital Funds	$ -	$ -
Financing Sources: Transfer from Other Funds	290,488	-
Financing Sources: Debt Proceeds	841,518	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	$ 1,132,006	$ -

Town of Westerly
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2019

EXPENDITURES	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	$ 674,262	$ 552,042	$ -	$ 222,794	$ 757,087	$ -	$ 1,901,090	$ 453,923	$ 4,274,856
Compensation - Group B	-	-	-	-	-	-	-	-	474,985
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	-	1,946	-	-	13,907	-	138,224	3,498	513,460
Overtime - Group B	-	-	-	-	-	-	-	-	35,693
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	492,120
Active Medical Insurance - Group A	84,487	83,399	-	38,360	159,217	-	539,764	29,608	670,248
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	139,958
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group A	6,262	7,189	-	2,586	9,963	-	30,930	1,225	39,182
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	8,390
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	41,519	54,965	-	15,669	60,356	-	147,671	33,861	110,425
Life Insurance	17,647	1,461	-	373	2,068	-	3,426	193	3,657
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	5,517	785	-	370	1,595	-	698	116	10,086
Other Benefits- Group B	-	-	-	-	-	-	-	-	25,000
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	27,137	13,840	-	-	9,472	-	-	-	1,867,052
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	46,972
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	181,261	-	-	-	-	-	138,143	-	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	60,493	67,345	-	10,407	67,052	-	-	7,189	23,353
Purchased Services	615,440	224,207	-	113,123	103,715	-	285,725	21,673	20,808
Materials/Supplies	50,005	30,864	-	1,200	20,419	-	201,174	44,744	41,642
Software Licenses	30,995	46,546	-	158,290	13,031	-	-	-	-
Capital Outlays	435,925	-	96,192	-	23,205	-	2,813,319	21,317	244,015
Insurance	498,348	-	-	-	-	-	-	-	-
Maintenance	146	-	-	-	-	-	65,562	50,807	-
Vehicle Operations	16,000	-	-	-	-	-	332,219	5,060	103,881
Utilities	110,711	-	10,097	20,897	-	-	89,089	70,450	76,321
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	354,972	-	-
Revaluation	-	100,000	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	1,289	-	-
Trash Removal & Recycling	-	-	-	-	-	-	-	-	-
Claims & Settlements	370,685	-	-	-	-	-	-	-	-
Community Support	365,341	-	-	-	-	-	-	-	-
Other Operation Expenditures	90,646	62,661	72,400	18,397	51,307	730,893	103,469	13,514	83,164
Tipping Fees	-	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	$ 3,682,827	$ 1,247,248	$ 178,688	$ 602,465	$ 1,292,395	$ 730,893	$ 7,146,766	$ 757,178	$ 9,305,270

Town of Westerly
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2019

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,836,053	$ 23,409,226
Compensation - Group B	-	-	-	-	-	-	474,985	2,732,786
Compensation - Group C	-	-	-	-	-	-	-	7,487,198
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	-	-	-	-	671,036	-
Overtime - Group B	-	-	-	-	-	-	35,693	-
Overtime - Group C	-	-	-	-	-	-	-	137,701
Police & Fire Detail	-	-	-	-	-	-	492,120	-
Active Medical Insurance - Group A	-	-	-	-	-	-	1,605,085	4,530,115
Active Medical Insurance- Group B	-	-	-	-	-	-	139,958	359,151
Active Medical Insurance- Group C	-	-	-	-	-	-	-	2,641,399
Active Dental Insurance- Group A	-	-	-	-	-	-	97,336	223,720
Active Dental Insurance- Group B	-	-	-	-	-	-	8,390	17,279
Active Dental Insurance- Group C	-	-	-	-	-	-	-	108,173
Payroll Taxes	-	-	-	-	-	-	464,464	1,082,662
Life Insurance	-	-	-	-	-	-	28,825	185,740
State Defined Contribution- Group A	-	-	-	-	-	-	-	520,641
State Defined Contribution - Group B	-	-	-	-	-	-	-	35,312
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	19,166	163,629
Other Benefits- Group B	-	-	-	-	-	-	25,000	25,138
Other Benefits- Group C	-	-	-	-	-	-	-	60,921
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	1,917,502	16,926
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	46,972	26,992
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	40,407
State Defined Benefit Pension- Group A	-	-	-	-	-	-	319,404	3,006,574
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	235,839	858,412
Purchased Services	-	-	6,250	-	-	-	1,390,942	7,724,499
Materials/Supplies	-	-	-	-	-	-	390,049	1,165,355
Software Licenses	-	-	-	-	-	-	248,861	272,543
Capital Outlays	-	-	-	-	-	-	3,633,973	407,184
Insurance	-	-	-	-	-	-	498,348	243,197
Maintenance	-	-	-	-	-	-	116,516	873,993
Vehicle Operations	-	-	-	-	-	-	457,160	411,596
Utilities	-	-	-	-	-	-	377,566	1,202,496
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	354,972	-
Revaluation	-	-	-	-	-	-	100,000	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	1,289	-
Trash Removal & Recycling	-	-	-	-	-	-	-	-
Claims & Settlements	-	-	-	-	-	-	370,685	-
Community Support	-	-	-	-	-	-	365,341	-
Other Operation Expenditures	-	-	-	-	-	-	1,226,450	191,211
Tipping Fees	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	47,543,318	-	-	47,543,318	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	672	-	-	672	-
Municipal Debt- Principal	-	-	-	-	2,508,420	-	2,508,420	-
Municipal Debt- Interest	-	-	-	-	1,192,455	-	1,192,455	-
School Debt- Principal	-	-	-	-	4,270,203	-	4,270,203	-
School Debt- Interest	-	-	-	-	1,926,727	-	1,926,727	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	1,535,800	1,535,800	460,776
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	$ -	$ -	$ 6,250	$ 47,543,990	$ 9,897,806	$ 1,535,800	$ 83,927,576	$ 60,622,952

Financing Uses: Transfer to Capital Funds	$ -	$ -
Financing Uses: Transfer to Other Funds	1,659,451	672
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	$ 1,659,451	$ 672
Net Change In Fund Balance[1]	116,058	531,051
Fund Balance1- beginning of year	$11,240,102	$3,055,511
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	(8,427)
Fund Balance[1] - beginning of year adjusted	11,240,102	3,047,084
Rounding		
Fund Balance[1] - end of year	$ 11,356,160	$ 3,578,135

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

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

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 Balance[1] - per MTP-2 at June 30, 2018						$ 11,240,102	-	$ 11,240,102	
No funds removed from RGS for fiscal 2018						-	-	-	
No funds added to RGS for Fiscal 2018						-	-	-	
No misc. adjustments made for fiscal 2018						-	-	-	
Fund Balance[1] - per MTP-2 at June 30, 2018 adjusted						$ 11,240,102	-	$ 11,240,102	
General Fund	$ 91,943,727	$ 1,132,006	$ 34,992,239	$ 57,967,436	$ 116,058	$ 11,240,102	$ -	$ 11,240,102	$ 11,356,160
Town Special Revenue Funds - Baystreet Enhancement Project	1,392,019	-	1,392,019	-	-	-	-	-	-
Totals per audited financial statements	$ 93,335,746	$ 1,132,006	$ 36,384,258	$ 57,967,436	$ 116,058	$ 11,240,102	$ -	$ 11,240,102	$ 11,356,160
Reconciliation from financial statements to MTP2									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	$ -	$ -	$ 47,543,318	$ (47,543,318)	$ -	$ -	$ -	$ -	$ -
Elimination of LEA Aid reported in audit as revenue	-	-	8,764,667	(8,764,667)	-	-	-	-	-
Reduction in Other State Revenue for LEA Aid reported in General Fund	(8,764,667)	-	(8,764,667)	-	-	-	-	-	-
Rounding	(1)	-	-	-	-	-	-	-	-
Totals Per MTP2	$ 84,571,079	$ 1,132,006	$ 83,927,576	$ 1,659,451	$ 116,058	$ 11,240,102	$ -	$ 11,240,102	$ 11,356,160

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

Town of Westerly
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2019

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 Balance[1] - per MTP-2 at June 30, 2018						$ 3,055,511	-	$ 3,055,511	
Misc. adjustments made for fiscal 2018						(8,427)	-	(8,427)	
Fund Balance[1] - per MTP-2 at June 30, 2018 adjusted						$ 3,047,084	-	$ 3,047,084	
School Unrestricted Fund	$ 4,216,702	$ 56,583,865	$ 60,314,064	$ 87,644	$ 398,859	$ 2,955,649	$ -	$ 2,955,649	$ 3,354,508
School Special Revenue Funds	3,097,929	86,972	3,052,709	-	132,192	91,435	-	91,435	223,627
Totals per audited financial statements	$ 7,314,632	$ 56,670,837	$ 63,366,773	$ 87,644	$ 531,051	$ 3,047,084	$ -	$ 3,047,084	$ 3,578,135
Reconciliation from financial statements to MTP2									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	$ 56,307,985	$ (56,307,985)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,452,730)	-	(2,452,730)	-	-	-	-	-	-
GAAP reporting on loan proceeds for HVAC SBA Loan Project & capital outlay as a Other Source but reported as revenue on MTP2	-	(275,880)	(275,880)	-	-	-	-	-	-
Title III Consortium revenue/expenditures not included in UCOA	(15,212)	-	(15,212)	-	-	-	-	-	-
Transfer out to other funds	-	(86,972)	-	(86,972)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	$ 61,154,675	$ -	$ 60,622,952	$ 672	$ 531,051	$ 3,047,084	$ -	$ 3,047,084	$ 3,578,135
Reconciliation from MTP2 to UCOA									
No reconciling items from MTP2 to UCOA	-		-						
Totals per UCOA Validated Totals Report	$ 61,154,675		$ 60,622,952						

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

NOTE 1 - BASIS OF PRESENTATION

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

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

NOTE 2 - REPORTABLE GOVERNMENT SERVICES

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

NOTE 3 - ALLOCATIONS

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

NOTE 4 - EMPLOYEE GROUPS

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

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

NOTE 4 - EMPLOYEE GROUPS (CONTINUED)

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

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

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

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

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

NOTE 5 - EDUCATION REVENUE AND EXPENDITURES

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

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

TOWN OF WESTERLY, RHODE ISLAND

B-1

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Assets			
Cash and cash equivalents	$ 768,486	$ 4,263,184	$ 5,031,670
Accounts and other receivables	23,802	217,083	240,885
Investments	--	--	--
Due from federal and state governments	313,684	731,209	1,044,893
Due from other funds	96,059	740,269	836,328
Due from RIIB	--	78,191	78,191
Total Assets	$ 1,202,031	$ 6,029,936	$ 7,231,967
Liabilities			
Accounts payable and accrued liabilities	$ 130,160	$ 1,205,087	$ 1,335,247
Due to other funds	634,433	2,105,865	2,740,298
Unearned Revenue	40,536	10,147	50,683
Total Liabilities	805,129	3,321,099	4,126,228
Fund Balance			
Restricted	392,198	126,471	518,669
Committed	4,704	2,582,366	2,587,070
Unassigned	--	--	--
Total Fund Balance	396,902	2,708,837	3,105,739
Total Liabilities and Fund Balance	$ 1,202,031	$ 6,029,936	$ 7,231,967

TOWN OF WESTERLY, RHODE ISLAND

B-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Revenues			
Intergovernmental	$ 1,019,884	$ 2,097,795	$ 3,117,679
Charges for services	338,832	--	338,832
Operating grants and contributions	3,802	--	3,802
Capital grants and contributions	--	333,300	333,300
Investment income	5,729	--	5,729
Total Revenues	1,368,247	2,431,095	3,799,342
Expenditures			
Current:			
Legislative, executive and administrative	18,647	--	18,647
Public safety	31,417	--	31,417
Health and welfare	168,962	--	168,962
Conservation and development	268,119	--	268,119
Education	948,018	--	948,018
Debt service	--	--	--
Capital outlay	--	5,015,398	5,015,398
Total Expenditures	1,435,163	5,015,398	6,450,561
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(66,916)	(2,584,303)	(2,651,219)
Other Financing Sources (Uses)			
Transfers from other funds	102,094	851,028	953,122
Transfers to other funds	(24,980)	(264,837)	(289,817)
Bond proceeds	--	--	--
Total Other Financing Sources (Uses)	77,114	586,191	663,305
Net Change in Fund Balances	10,198	(1,998,112)	(1,987,914)
Fund Balances - Beginning of Year	386,704	4,706,949	5,093,653
Fund Balances - End of Year	$ 396,902	$ 2,708,837	$ 3,105,739

TOWN OF WESTERLY, RHODE ISLAND

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	School Lunch Fund	Neuter Surcharge Fund	Town Clerks Fund	Civil Defense Fund	Riverwalk Greenways Fund	Recycling Program	CDBG DR Sandy
Assets							
Cash and cash equivalents	$ 212,891	$ 2,441	$ 63,594	$ 49,845	$ 2,770	$ 1,934	$ 23,540
Accounts and other receivables	22,420	--	--	--	--	--	--
Due from federal and state governments	71,621	--	--	--	--	--	--
Due from other funds	93,083		--	--	--	--	--
Due from RIIB	--	--	--	--	--	--	--
Total Assets	$ 400,015	$ 2,441	$ 63,594	$ 49,845	$ 2,770	$ 1,934	$ 23,540
Liabilities and Fund Balance							
Liabilities							
Accounts payable	$ 83,130	$ --	$ --	$ --	$ --	$ --	$ --
Due to other funds	316,885	--	95	--	--	--	--
Deferred revenue	--	--	--	--	--	--	23,540
Total Liabilities	400,015	--	95	--	--	--	23,540
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	2,441	63,499	49,845	--	--	--
Committed	--	--	--	--	2,770	1,934	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	--	2,441	63,499	49,845	2,770	1,934	--
Total Liabilities and Fund Balance	$ 400,015	$ 2,441	$ 63,594	$ 49,845	$ 2,770	$ 1,934	$ 23,540

TOWN OF WESTERLY, RHODE ISLAND

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	Misquamicut Refuse Grant	CDBG 2016	Solar Recycling Units	Substance Abuse	Storms	Substance Abuse 132	Byrne Grant
Assets							
Cash and cash equivalents	$ --	$ --	$ 1,037	$ --	$ --	$ 7,336	$ 3,000
Accounts and other receivables	--	--	1,382	--	--	--	--
Due from federal and state governments	--	12,208	--	3,226	126,165	--	--
Due from other funds	--	--	--	1,954	--	--	--
Due from RIIB	--	--	--	--	--	--	--
Total Assets	$ --	$ 12,208	$ 2,419	$ 5,180	$ 126,165	$ 7,336	$ 3,000
Liabilities and Fund Balance							
Liabilities							
Accounts payable	$ --	$ --	$ --	$ 480	$ --	$ --	$ --
Due to other funds	--	12,208	2,419	--	34,674	--	3,000
Deferred revenue	--	--	--	4,700	--	--	--
Total Liabilities	--	12,208	2,419	5,180	34,674	--	3,000
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	--	--	--	91,491	7,336	--
Committed	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	--	--	--	--	91,491	7,336	--
Total Liabilities and Fund Balance	$ --	$ 12,208	$ 2,419	$ 5,180	$ 126,165	$ 7,336	$ 3,000

TOWN OF WESTERLY, RHODE ISLAND

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NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	Highway Safety Grant	Federal Forfeiture	EPA Brownfields Fund	Substance Abuse Grant	CERT Fund	Town 100 Year Anniversary	Town Beautification
Assets							
Cash and cash equivalents	$ 192	$ 362,022	$ 6,571	$ 10,016	$ --	$ 958	$ 3,359
Accounts and other receivables	--	--	--	--	--	--	--
Due from federal and state governments	1,311	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--	--
Due from RIIB	--	--	--	--	--	--	--
Total Assets	$ 1,503	$ 362,022	$ 6,571	$ 10,016	$ --	$ 958	$ 3,359
Liabilities and Fund Balance							
Liabilities							
Accounts payable	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Due to other funds	1,503	187,924	6,571	10,016	--	958	3,359
Deferred revenue	--	8,575	--	--	--	--	--
Total Liabilities	1,503	196,499	6,571	10,016	--	958	3,359
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	165,523	--	--	--	--	--
Committed	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	--	165,523	--	--	--	--	--
Total Liabilities and Fund Balance	$ 1,503	$ 362,022	$ 6,571	$ 10,016	$ --	$ 958	$ 3,359

TOWN OF WESTERLY, RHODE ISLAND

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	HMGP 4027 Property Elevation	NEIWPCC Grant	Pride Grant	Working Cities Grant	Pumpout Boat	Winnapaug Dredging	Miscellaneous Grants
Assets							
Cash and cash equivalents	$ --	$ --	$ 175	$ 10,962	$ 2,076	$ 1,680	$ 30
Accounts and other receivables	--	--	--	--	--	--	--
Due from federal and state governments	80,441	--	--	--	13,219	--	--
Due from other funds	--	--	--	--	--	--	--
Due from RIIB	--	--	--	--	--	--	--
Total Assets	$ 80,441	$ --	$ 175	$ 10,962	$ 15,295	$ 1,680	$ 30
Liabilities and Fund Balance							
Liabilities							
Accounts payable	$ 44,928	$ --	$ --	$ --	$ 1,622	$ --	$ --
Due to other funds	35,513	--	175	--	13,673	1,680	30
Deferred revenue	--	--	--	--	--	--	--
Total Liabilities	80,441	--	175	--	15,295	1,680	30
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	--	--	10,962	--	--	--
Committed	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	--	--	--	10,962	--	--	--
Total Liabilities and Fund Balance	$ 80,441	$ --	$ 175	$ 10,962	$ 15,295	$ 1,680	$ 30

TOWN OF WESTERLY, RHODE ISLAND

B-3

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019

	EMA Grant	Police Misc Grants	Total Special Revenue Funds
Assets			
Cash and cash equivalents	$ --	$ 2,057	$ 768,486
Accounts and other receivables	--	--	23,802
Due from federal and state governments	3,750	1,743	313,684
Due from other funds	--	1,022	96,059
Due from RIIB	--	--	--
Total Assets	$ 3,750	$ 4,822	$ 1,202,031
Liabilities and Fund Balance			
Liabilities			
Accounts payable	$ --	$ --	130,160
Due to other funds	3,750	--	634,433
Deferred revenue	--	3,721	40,536
Total Liabilities	3,750	3,721	805,129
Fund Balance			
Non-spendable	--	--	--
Restricted	--	1,101	392,198
Committed	--	--	4,704
Unassigned	--	--	--
Total Fund Balance	--	1,101	396,902
Total Liabilities and Fund Balance	$ 3,750	$ 4,822	$ 1,202,031

TOWN OF WESTERLY, RHODE ISLAND

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	School Lunch Fund	Neuter Surcharge Fund	Town Clerks Fund	Civil Defense Fund	Riverwalk Greenways Fund	Recycling Program	CDBG DR Sandy
Revenues							
Intergovernmental	$ 554,765	$ --	$ --	$ 4,865	$ --	$ --	$ --
Charges for services	307,964	568	30,300	--	--	--	--
Investment Income	--	--	--	--	--	--	--
Operating grants and contributions	--	--	--	--	--	--	--
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	862,729	568	30,300	4,865	--	--	--
Expenditures							
Current:							
Legislative, executive and administrative	--	--	14,242	--	--	--	--
Public works	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--	--
Conservation and development	--	--	--	--	--	--	--
Education	948,018	--	--	--	--	--	--
Debt service	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Total Expenditures	948,018	--	14,242	--	--	--	--
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(85,289)	568	16,058	4,865	--	--	--
Other Financing Sources (Uses)							
Transfers from other funds	85,289	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	85,289	--	--	--	--	--	--
Net Change in Fund Balances	--	568	16,058	4,865	--	--	--
Fund Balances - Beginning of Year	--	1,873	47,441	44,980	2,770	1,934	--
Fund Balances - End of Year	$ --	$ 2,441	$ 63,499	$ 49,845	$ 2,770	$ 1,934	$ --

TOWN OF WESTERLY, RHODE ISLAND

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Misquamicut Refuse Grant	CDBG 2016	Solar Recycling Units	Substance Abuse	Storms	Substance Abuse 132	Byrne Grant
Revenues							
Intergovernmental	$ 5,000	$ 12,208	$ --	$ 3,526	$ --	$ --	$ 1,180
Charges for services	--	--	--	--	--	--	--
Investment Income	--	--	--	--	--	--	--
Operating grants and contributions	--	--	3,802	--	--	--	--
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	5,000	12,208	3,802	3,526	--	--	1,180
Expenditures							
Current:							
Legislative, executive and administrative	--	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	1,180
Health and welfare	5,000	12,208	3,802	3,526	--	--	--
Conservation and development	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--
Debt service	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Total Expenditures	5,000	12,208	3,802	3,526	--	--	1,180
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	--	--	--	--	--	--	--
Other Financing Sources (Uses)							
Transfers from other funds	--	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--	(2,988)
Total Other Financing Sources (Uses)	--	--	--	--	--	--	(2,988)
Net Change in Fund Balances	--	--	--	--	--	--	(2,988)
Fund Balances - Beginning of Year	--	--	--	--	91,491	7,336	2,988
Fund Balances - End of Year	$ --	$ --	$ --	$ --	$ 91,491	$ 7,336	$ --

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Highway Safety Grant	Federal Forfeiture	EPA Brownfields Fund	Substance Abuse Grant	CERT Fund	Town 100 Year Anniversary	Town Beautification
Revenues							
Intergovernmental	$ 25,509	$ --	$ 134,399	$ 63,810	$ --	$ --	$ --
Charges for services	--	--	--	--	--	--	--
Investment Income	--	5,729	--	--	--	--	--
Operating grants and contributions	--	--	--	--	--	--	--
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	25,509	5,729	134,399	63,810	--	--	--
Expenditures							
Current:							
Legislative, executive and administrative	--	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--
Public safety	25,509	--	--	--	--	--	--
Health and welfare	--	--	--	63,810	--	--	--
Conservation and development	--	--	138,236	--	--	--	--
Education	--	--	--	--	--	--	--
Debt service	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Total Expenditures	25,509	--	138,236	63,810	--	--	--
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	--	5,729	(3,837)	--	--	--	--
Other Financing Sources (Uses)							
Transfers from other funds	--	--	--	--	11,355	--	--
Transfers to other funds	--	--	--	(3,970)	--	(958)	(3,359)
Total Other Financing Sources (Uses)	--	--	--	(3,970)	11,355	(958)	(3,359)
Net Change in Fund Balances	--	5,729	(3,837)	(3,970)	11,355	(958)	(3,359)
Fund Balances - Beginning of Year	--	159,794	3,837	3,970	(11,355)	958	3,359
Fund Balances - End of Year	$ --	$ 165,523	$ --	$ --	$ --	$ --	$ --

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	HMGP 4027 Property Elevatio	NEIWPCC Grant	Pride Grant	Working Cities Grant	Pumpout Boat	Winnapaug Dredging	Miscellaneous Grants
Revenues							
Intergovernmental	$ 80,441	$ 2,083	$ --	$ --	$ 45,025	$ 77,940	$ 655
Charges for services	--	--	--	--	--	--	--
Investment Income	--	--	--	--	--	--	--
Operating grants and contributions	--	--	--	--	--	--	--
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	80,441	2,083	--	--	45,025	77,940	655
Expenditures							
Current:							
Legislative, executive and administrative	--	--	--	--	--	--	655
Public works	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--
Health and welfare	80,441	--	175	--	--	--	--
Conservation and development	--	1,468	--	--	50,475	77,940	--
Education	--	--	--	--	--	--	--
Debt service	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Total Expenditures	80,441	1,468	175	--	50,475	77,940	655
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	--	615	(175)	--	(5,450)	--	--
Other Financing Sources (Uses)							
Transfers from other funds	--	--	--	--	5,450	--	--
Transfers to other funds	(50)	--	--	--	(13,655)	--	--
Total Other Financing Sources (Uses)	(50)	--	--	--	(8,205)	--	--
Net Change in Fund Balances	(50)	615	(175)	--	(13,655)	--	--
Fund Balances - Beginning of Year	50	(615)	175	10,962	13,655	--	--
Fund Balances - End of Year	$ --	$ --	$ --	$ 10,962	$ --	$ --	$ --

TOWN OF WESTERLY, RHODE ISLAND

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	EMA Grant	Police Misc Grants	Total Special Revenue Funds
Revenues			
Intergovernmental	$ 3,750	$ 4,728	$ 1,019,884
Charges for services	--	--	338,832
Investment Income	--	--	5,729
Operating grants and contributions	--	--	3,802
Capital grants and contributions	--	--	--
Total Revenues	3,750	4,728	1,368,247
Expenditures			
Current:			
Legislative, executive and administrative	3,750	--	18,647
Public works	--	--	--
Public safety	--	4,728	31,417
Health and welfare	--	--	168,962
Conservation and development	--	--	268,119
Education	--	--	948,018
Debt service	--	--	--
Capital outlay	--	--	--
Total Expenditures	3,750	4,728	1,435,163
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	--	--	(66,916)
Other Financing Sources (Uses)			
Transfers from other funds	--	--	102,094
Transfers to other funds	--	--	(24,980)
Total Other Financing Sources (Uses)	--	--	77,114
Net Change in Fund Balances	--	--	10,198
Fund Balances - Beginning of Year	--	1,101	386,704
Fund Balances - End of Year	$ --	$ 1,101	$ 396,902

TOWN OF WESTERLY, RHODE ISLAND

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2019

	Capital Projects Fund	Capital Projects Energy Efficiency	Land Acquisition Fund	GIS System	Canal Street Acquisition	DEM Riverfront Park	Chapman Pond
Assets							
Cash and cash equivalents	$ 1,899,837	$ 1,496,005	$ 175,570	$ 20,087	$ --	$ 45,800	$ --
Accounts receivable	--	--	--	--	--	--	--
Intergovernmental receivables	--	--	--	--	--	--	--
Due from other Funds	740,269	--	--	--	--	--	--
Due from RIIB	--	78,191	--	--	--	--	--
Total Assets	$ 2,640,106	$ 1,574,196	$ 175,570	$ 20,087	$ --	$ 45,800	$ --
Liabilities and Fund Balance							
Liabilities							
Accounts payable	$ 103,540	$ --	$ --	$ --	$ --	$ --	$ --
Due to other funds	--	1,574,196	92,225	20,087	--	--	--
Deferred revenue	--	--	10,147	--	--	--	--
Total Liabilities	103,540	1,574,196	102,372	20,087	--	--	--
Fund Balance							
Non-spendable	--	--	--	--	--	--	--
Restricted	--	--	73,198	--	--	--	--
Committed	2,536,566	--	--	--	--	45,800	--
Assigned	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	2,536,566	--	73,198	--	--	45,800	--
Total Liabilities and Fund Balance	$ 2,640,106	$ 1,574,196	$ 175,570	$ 20,087	$ --	$ 45,800	$ --

TOWN OF WESTERLY, RHODE ISLAND

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2019

	NE Sidewalks & Spruce CDBG 2015	Lilac Street CDBG 2013	Bike Path Loops	Bay St Enhancement	Watch Hill Conservancy	Misquamicut Stormwater CDBG	$6,000,000 Bond Fund	Capital Projects Funds Totals
Assets								
Cash and cash equivalents	$ --	$ --	$ --	$ --	$ --	$ --	$ 625,885	$ 4,263,184
Accounts receivable	--	--	--	--	217,083	--	--	217,083
Intergovernmental receivables	13,747	6,075	--	295,656	--	415,731	--	731,209
Due from other Funds	--	--	--	--	--	--	--	740,269
Due from RIIB	--	--	--	--	--	--	--	78,191
Total Assets	$ 13,747	$ 6,075	$ --	$ 295,656	$ 217,083	$ 415,731	$ 625,885	$ 6,029,936
Liabilities and Fund Balance								
Liabilities								
Accounts payable	$ --	$ --	$ --	$ 136,263	$ --	$ 400,653	$ 564,631	$ 1,205,087
Due to other funds	13,747	6,075	--	159,393	217,083	15,078	7,981	2,105,865
Deferred revenue	--	--	--	--	--	--	--	10,147
Total Liabilities	13,747	6,075	--	295,656	217,083	415,731	572,612	3,321,099
					--			
Fund Balance					--			
Non-spendable	--	--	--	--	--	--	--	--
Restricted	--	--	--	--	--	--	53,273	126,471
Committed	--	--	--	--	--	--	--	2,582,366
Assigned	--	--	--	--	--	--	--	--
Unassigned	--	--	--	--	--	--	--	--
Total Fund Balance	--	--	--	--	--	--	53,273	2,708,837
Total Liabilities and Fund Balance	$ 13,747	$ 6,075	$ --	$ 295,656	$ 217,083	$ 415,731	$ 625,885	$ 6,029,936

TOWN OF WESTERLY, RHODE ISLAND

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Capital Projects Fund	Capital Projects Energy Efficiency	Land Acquisition Fund	GIS System	Canal Street Acquisition	DEM Riverfront Park	Chapman Pond
Revenues							
Intergovernmental	$ --	$ --	$ --	$ --	$ 121,721	$ --	$ --
Charges for services	--	--	--	--	--	--	--
Investment Income	--	--	--	--	--	--	--
Operating grants and contributions	--	--	--	--	--	--	--
Capital grants and contributions	--	23,992	92,225	--	--	--	--
Total Revenues	--	23,992	92,225	--	121,721	--	--
Expenditures							
Legislative, executive and administrative		--	--	--	--	--	--
Administrative	--	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--	--
Conservation and development	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--
Debt service	--	--	--	--	--	--	--
Capital outlay	747,669	121,246	--	--	121,721	--	--
Total Expenditures	747,669	121,246	--	--	121,721	--	--
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	(747,669)	(97,254)	92,225	--	--	--	--
Other Financing Sources (Uses)							
Transfers from other funds	847,528	--	--	--	--	--	3,500
Transfers to other funds	(8,900)	(143,625)	(92,225)	(20,087)	--	--	--
Bond proceeds	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	838,628	(143,625)	(92,225)	(20,087)	--	--	3,500
Net Change in Fund Balances	90,959	(240,879)	--	(20,087)	--	--	3,500
Fund Balances - Beginning of Year	2,445,607	240,879	73,198	20,087	--	45,800	(3,500)
Fund Balances - End of Year	$ 2,536,566	$ --	$ 73,198	$ --	$ --	$ 45,800	$ --

TOWN OF WESTERLY, RHODE ISLAND

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	NE Sidewalks & Spruce CDBG 2015	Lilac Street CDBG 2013	Bike Path Loops	Bay St Enhancement	Watch Hill Conservancy	Misquamicut Stormwater CDBG	$6,000,000 Bond Fund	Capital Projects Funds Totals
Revenues								
Intergovernmental	$ 97,944	$ 36,133	$ 32,703	$ 1,392,019	$ --	$ 417,275	$ --	$ 2,097,795
Charges for services	--	--	--	--	--	--	--	--
Investment Income	--	--	--	--	--	--	--	--
Operating grants and contributions	--	--	--	--	--	--	--	--
Capital grants and contributions	--	--	--	--	217,083	--	--	333,300
Total Revenues	97,944	36,133	32,703	1,392,019	217,083	417,275	--	2,431,095
Expenditures								
Legislative, executive and administrative								--
Administrative	--	--	--	--	--	--	--	--
Public works	--	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--	--	--
Conservation and development	--	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--	--
Debt service	--	--	--	--	--	--	--	--
Capital outlay	97,944	36,133	32,703	1,392,019	217,083	417,275	1,831,605	5,015,398
Total Expenditures	97,944	36,133	32,703	1,392,019	217,083	417,275	1,831,605	5,015,398
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	--	--	--	--	--	--	(1,831,605)	(2,584,303)
Other Financing Sources (Uses)								
Transfers from other funds	--	--	--	--	--	--	--	851,028
Transfers to other funds	--	--	--	--	--	--	--	(264,837)
Bond proceeds	--	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--	--	586,191
Net Change in Fund Balances	--	--	--	--	--	--	(1,831,605)	(1,998,112)
Fund Balances - Beginning of Year	--	--	--	--	--	--	1,884,878	4,706,949
Fund Balances - End of Year	$ --	$ --	$ --	$ --	$ --	$ --	$ 53,273	$ 2,708,837

TOWN OF WESTERLY, RHODE ISLAND

FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019

	Permanent Neighbor Committee	Honor Roll Fund	Lois B. Stillment Fund	Richmond Brewer Fund	Irene Vose Fund	Martha C. Babcock Memorial	Class of 1886	Premio L. Russo Memorial
Assets								
Cash and cash equivalents	$ 1,716	$ 894	$ --	$ --	$ --	$ --	$ 5	$ --
Investments	--	--	13,013	46,567	65,868	4,048	1,491	2,065
Notes receivable	--	800	--	--	--	--	--	--
Total Assets	$ 1,716	$ 1,694	$ 13,013	$ 46,567	$ 65,868	$ 4,048	$ 1,496	$ 2,065
Liabilities and Net Position								
Liabilities								
Accounts payable	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Due to other funds	224	790	9,993	941	1,631	97	--	350
Total Liabilities	224	790	9,993	941	1,631	97	--	350
Net Position								
Net position held in trust	1,492	904	3,020	45,626	64,237	3,951	1,496	1,715
Net Position	1,492	904	3,020	45,626	64,237	3,951	1,496	1,715
Total Liabilities and Net Position	$ 1,716	$ 1,694	$ 13,013	$ 46,567	$ 65,868	$ 4,048	$ 1,496	$ 2,065

TOWN OF WESTERLY, RHODE ISLAND

FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019

	Otis P. Chapman Fund	Francis Pat Coyle Memorial	Betty Zerbarini Fund	Berardinelli Trust Fund	John J. & Mary C. Smith Scholarship	Robert F. Serra Fund	Interfund Eliminations	Private-Purpose Trust Funds Totals
Assets								
Cash and cash equivalents	$ --	$ --	$ --	$ 8	$ --	$ --	$ --	$ 2,623
Investments	2,563	1,392	1,497	25,492	16,630	2,378	--	183,004
Notes receivable	--	--	--	--	--	--	--	800
Total Assets	$ 2,563	$ 1,392	$ 1,497	$ 25,500	$ 16,630	$ 2,378	$ --	$ 186,427
Liabilities and Net Position								
Liabilities								
Accounts payable	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Due to other funds	102	1,050	425	--	869	449	--	16,921
Total Liabilities	102	1,050	425	--	869	449	--	16,921
Net Position								
Net position held in trust	2,461	342	1,072	25,500	15,761	1,929	--	169,506
Net Position	2,461	342	1,072	25,500	15,761	1,929	--	169,506
Total Liabilities and Net Position	$ 2,563	$ 1,392	$ 1,497	$ 25,500	$ 16,630	$ 2,378	$ --	$ 186,427

TOWN OF WESTERLY, RHODE ISLAND

FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Permanent Neighbor Committee	Honor Roll Fund	Lois B. Stillment Fund	Richmond Brewer Fund	Irene Vose Fund	Martha C. Babcock Memorial	Class of 1886	Premio L. Russo Memorial
Revenues								
Operating grants & contributions	$ --	$ --	$ --	$ --	$ 3,060	$ --	$ --	$ --
Investment income	22	11	636	2,201	1,120	198	73	101
Total Revenues	22	11	636	2,201	4,180	198	73	101
Expenditures		--						
Miscellaneous	--	--	1,000	74	--	50	--	35
Total Expenditures	--	--	1,000	74	--	50	--	35
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	22	11	(364)	2,127	4,180	148	73	66
Other Financing Sources (Uses)								
Transfers from other funds	--	--	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--	--	--
Net Change in Net Position	22	11	(364)	2,127	4,180	148	73	66
Net Position - Beginning of Year	1,470	893	3,384	43,499	60,057	3,803	1,423	1,649
Net Position - End of year	$ 1,492	$ 904	$ 3,020	$ 45,626	$ 64,237	$ 3,951	$ 1,496	$ 1,715

TOWN OF WESTERLY, RHODE ISLAND

FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Otis P. Chapman Fund	Francis Pat Coyle Memorial	Betty Zerbarini Fund	Berardinelli Trust Fund	John J. & Mary C. Smith Scholarship	Robert F. Serra Fund	Interfund Eliminations	Private-Purpose Trust Funds Totals
Revenues								
Operating grants & contributions	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ 3,060
Investment income	125	68	73	1,246	813	116	--	6,803
Total Revenues	125	68	73	1,246	813	116	--	9,863
Expenditures								
Miscellaneous	--	150	100	--	125	25	--	1,559
Total Expenditures	--	150	100	--	125	25	--	1,559
Excess (Deficiency) of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	125	(82)	(27)	1,246	688	91	--	8,304
Other Financing Sources (Uses)								
Transfers from other funds	--	--	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--	--	--
Net Change in Net Position	125	(82)	(27)	1,246	688	91	--	8,304
Net Position - Beginning of Year	2,336	424	1,099	24,254	15,073	1,838	--	161,202
Net Position - End of year	$ 2,461	$ 342	$ 1,072	$ 25,500	$ 15,761	$ 1,929	$ --	$ 169,506

TOWN OF WESTERLY, RHODE ISLAND

D-1

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Beginning Balance July 1, 2018	Additions	Deductions	Ending Balance June 30, 2019
TITLE II -P.W.E.A.				
Assets				
Cash	$ 1	$ --	$ --	$ 1
Investments	3,470	377	199	3,648
Total Assets	$ 3,471	$ 377	$ 199	$ 3,649
Liabilities				
Deposits held in custody for others	$ 3,471	$ 377	$ 199	$ 3,649
BABCOCK MIDDLE SCHOOL STUDENT ACTIVITY FUND				
Assets				
Cash	$ 21,732	$ 22,230	$ 33,369	$ 10,593
Liabilities				
Deposits held in custody for others	$ 21,732	$ 22,230	$ 33,369	$ 10,593
WESTERLY HIGH SCHOOL STUDENT ACTIVITY FUND				
Assets				
Cash	$ 261,207	$ 344,362	$ 371,839	$ 233,730
Liabilities				
Deposits held in custody for others	$ 261,207	$ 344,362	$ 371,839	$ 233,730
CONSTRUCTION ESCROW DEPOSITS				
Assets				
Cash	$ 39,777	$ 42	$ --	$ 39,819
Liabilities				
Deposits held in custody for others	$ 39,777	$ 42	$ --	$ 39,819

TOWN OF WESTERLY, RHODE ISLAND

D-1

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Beginning Balance July 1, 2018	Additions	Deductions	Ending Balance June 30, 2019
PROBATE ESCROW				
Assets				
Cash	$ 28,202	$ 66	$ --	$ 28,268
Liabilities				
Deposits held in custody for others	$ 28,202	$ 66	$ --	$ 28,268
TOTAL ALL AGENCY FUNDS				
Assets				
Cash	$ 350,919	$ 366,700	$ 405,208	$ 312,411
Investments	3,470	377	199	3,648
Total Assets	$ 354,389	$ 367,077	$ 405,407	$ 316,059
Liabilities				
Deposits held in custody for others	$ 354,389	$ 367,077	$ 405,407	$ 316,059
Total Liabilities				

STATISTICAL SECTION

TOWN OF WESTERLY, RHODE ISLAND

TABLE 1

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net investment in capital assets	$ 70,358,546	$ 70,008,175	$ 71,011,628	$ 72,528,400	$ 82,591,557	$ 83,443,820	$ 86,169,198	$ 91,221,136	$91,523,267	$ 85,256,075
Restricted	4,271,819	5,596,748	4,289,962	2,542,513	6,519,002	7,790,677	7,601,874	6,453,686	6,744,578	19,168,409
Unrestricted	9,195,972	9,272,111	10,051,174	14,787,475	(37,643,132)	(35,741,526)	(42,181,757)	(42,281,476)	(60,982,992)	(54,669,124)
Total Governmental Activities net position	83,826,337	84,877,034	85,352,764	89,858,388	51,467,427	55,492,971	51,589,315	55,393,346	37,284,853	49,755,360
Business-Type Activities										
Net investment in capital assets	28,158,294	28,728,337	30,194,723	30,714,945	29,236,676	29,485,916	30,030,849	31,019,004	31,789,291	34,632,105
Unrestricted	7,014,809	6,219,520	5,376,027	5,751,583	7,163,504	8,059,250	8,357,137	8,257,819	10,831,669	9,106,258
Total Business-Type Activities net position	35,173,103	34,947,857	35,570,750	36,466,528	36,400,180	37,545,166	38,387,986	39,276,823	42,620,960	43,738,363
Total										
Net investment in capital assets	98,516,840	98,736,512	101,206,351	103,243,345	111,828,233	112,929,736	116,200,047	122,240,140	123,312,558	119,888,180
Restricted	4,271,819	5,596,748	4,289,962	2,542,513	6,519,002	7,790,677	7,601,874	6,453,686	6,744,578	19,168,409
Unrestricted	16,210,781	15,491,631	15,427,201	20,539,058	(30,479,628)	(27,682,276)	(33,824,620)	(34,023,657)	(50,151,323)	(45,562,866)
Total Net Position	$ 118,999,440	$ 119,824,891	$ 120,923,514	$ 126,324,916	$ 87,867,607	$ 93,038,137	$ 89,977,301	$ 94,670,169	$79,905,813	$ 93,493,723

Source: Town of Westerly Annual Financial Statements

TOWN OF WESTERLY, RHODE ISLAND

TABLE 2

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

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
Legislative, judicial & general administrative	$ 3,466,233	$ 2,781,707	$ 3,112,646	$ 4,331,225	$ 5,047,531	$ 4,708,957	$ 4,707,273	$ 6,148,593	$ 20,376,569	$ 19,339,909
Public works	7,507,487	9,985,135	7,954,858	8,421,798	7,634,376	7,891,734	8,030,694	6,962,464	5,313,151	5,994,189
Public safety	7,799,497	8,240,563	8,214,392	7,641,412	8,569,273	10,097,782	11,395,743	9,023,890	6,300,762	3,739,044
Health and welfare	1,237,875	802,416	944,618	2,648,904	1,193,857	932,767	1,625,117	1,444,325	1,598,964	1,304,095
Conservation and development	63,593	61,603	66,841	13,723	8,058	24,852	18,168	44,730	948,771	287,270
Parks and recreation	715,016	851,085	855,819	835,358	1,162,690	1,400,753	1,295,865	1,309,351	1,266,933	846,809
Planning and zoning	311,526	317,731	328,874	659,533	762,142	743,772	782,652	198,784	800,231	851,445
Public education	53,346,773	56,373,765	59,863,127	60,152,421	61,614,560	60,242,455	62,732,292	62,428,690	68,507,646	69,042,392
Other	--	--	--	--	--	--	--	--	--	--
Capital improvements/restricted programs	--	--	--	--	--	--	--	--	--	--
Interest	2,834,606	3,001,369	4,161,148	3,417,931	2,131,894	4,597,122	3,898,458	3,435,937	1,857,957	2,117,781
Total Governmental Activities	77,282,606	82,415,374	85,502,323	88,122,305	88,124,381	90,640,194	94,486,262	90,996,764	106,970,984	103,522,934
Business-type activities:										
Water	4,999,866	5,107,553	4,126,250	4,040,375	4,255,925	4,087,550	4,274,095	4,239,920	4,185,008	4,419,105
Sewer	3,224,296	3,390,936	3,549,839	3,428,731	3,437,290	3,577,374	3,758,100	3,719,113	3,508,531	3,570,498
Transfer station	--	--	--	--	--	--	--	--	1,953,345	2,601,240
Other nonmajor	--	--	--	--	--	--	--	--	368,562	451,069
Beach	255,673	263,071	275,930	279,307	--	--	--	--	--	--
Total Business-Type Activities	8,479,835	8,761,560	7,952,019	7,748,413	7,693,215	7,664,924	8,032,195	7,959,033	10,015,446	11,041,912
Total Expenses	$ 85,762,441	$ 91,176,934	$ 93,454,342	$ 95,870,718	$ 95,817,596	$ 98,305,118	$102,518,457	$ 98,955,797	$ 116,986,430	$114,564,846
Program Revenues										
Governmental activities:										
Charges for services:										
Legislative, judicial & general administrat	$ 986,339	$ 1,088,315	$ 1,072,310	$ 2,064,851	$ 1,170,950	$ 1,004,773	$ 1,211,251	$ 1,164,508	$ 11,654,047	$ 12,677,812
Pubilc works	2,040,910	2,107,314	2,230,461	2,539,006	2,451,873	2,369,581	2,561,957	2,901,374	31,471	32,563
Public safety	360,359	409,070	236,944	331,011	261,017	384,141	361,958	507,607	980,614	945,592
Health and welfare				46,226	51,367	49,498	38,606	95,320	12,489	5,167
Conservation and development	5,250	23,451	22,512	18,914	34,504	11,876	16,759	7,577	--	--
Parks and recreation	163,233	163,476	176,045	132,186	223,944	226,461	300,888	239,660	351,884	311,411
Planning and zoning	76,959	74,779	62,967	68,532	75,703	67,330	65,508	52,239	557,855	605,677
Public education	1,266,433	1,499,327	1,561,476	885,397	794,130	825,349	822,436	836,314	2,165,528	1,866,086
Other activities									475,878	476,899
Operating grants and contributions	12,546,972	12,570,266	14,632,146	19,613,142	17,480,083	18,292,668	15,552,575	16,052,500	14,577,457	13,700,087
Capital grants and contributions	--	735,857	577,744	--	129,017	482,120	91,443	147,507	2,845,247	2,431,095
Total Governmental Activities Program Revenue:	17,446,455	18,671,855	20,572,605	25,699,265	22,672,588	23,713,797	21,023,381	22,004,606	33,652,470	33,052,389
Business-type activities:										
Charges for services:										
Water	3,814,045	4,383,473	4,151,082	4,263,283	4,724,623	4,481,837	4,856,600	4,867,342	4,134,104	4,297,693
Sewer	3,483,850	3,398,737	3,283,137	3,707,640	3,750,359	3,738,352	3,757,947	3,661,087	3,390,651	3,633,827
Transfer station	--	--	--	--	--	--	--	--	1,964,107	2,450,499
Other non major funds	--	--	--	--	--	--	--	--	91,104	123,847
Beach	118,388	104,898	124,256	66,577	--	--	--	--	--	--
Operating grants and contributions	75,133	1,568	--	--	--	--	--	--	--	--
Capital grants and contributions	-	-	385,000	--	--	--	--	--	--	--
Total Business-Type Activities	7,491,416	7,888,676	7,943,475	8,037,500	8,474,982	8,220,189	8,614,547	8,528,429	9,579,966	10,505,866
Total Program Revenues	$ 24,937,871	$ 26,560,531	$ 28,516,080	$ 33,736,765	$ 31,147,570	$ 31,933,986	$ 29,637,928	$ 30,533,035	$ 43,232,436	$ 43,558,255

TOWN OF WESTERLY, RHODE ISLAND

TABLE 2

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

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (expenses) revenues:										
Governmental activities	(59,836,151)	(63,743,519)	(64,929,718)	(62,423,040)	(65,451,793)	(66,926,397)	(73,462,881)	(68,992,158)	(73,318,514)	(70,470,545)
Business-type activities	(988,419)	(872,884)	(8,544)	289,087	781,767	555,265	582,352	569,396	(435,480)	(536,046)
Total Net Expense	(60,824,570)	(64,616,403)	(64,938,262)	(62,133,953)	(64,670,026)	(66,371,132)	(72,880,529)	(68,422,762)	(73,753,994)	(71,006,591)
General Revenues and other Changes in Net Position										
Governmental activities										
Property taxes	$ 59,555,979	$ 63,296,907	$ 64,031,797	$ 65,108,718	$ 65,605,977	$ 68,528,551	$ 68,367,279	$ 70,244,120	$ 71,442,426	$ 74,137,027
On-behalf pension contributions	--	--	--	--	--	--	--	--	5,141,470	4,960,954
State aid and in lieu of taxes not restric	3,965,697	1,801,556	1,841,526	1,927,032	2,400,544	2,519,706	2,737,650	2,735,220	1,393,019	1,747,784
Unrestricted investment earnings	212,778	157,636	33,906	55,779	30,786	32,886	50,854	71,802	165,931	257,337
Miscellaneous	414,437	129,642	127,607	84,964	133,290	247,693	146,118	31,120	2,494,828	2,629,567
Transfers	(649,764)	(640,824)	(629,388)	(604,580)	850,232	(376,895)	(369,522)	(316,002)	(817,699)	(791,617)
Residual equity on transfer	--	--	--	--	--	--	--	--	(2,125,451)	--
Loss on disposal of capital assets	--	--	--	--	--	--	--	--	--	--
Total Governmental Activities	63,499,127	64,744,917	65,405,448	66,571,913	69,020,829	70,951,941	70,932,379	72,766,260	77,694,524	82,941,052
Business-type activities:										
Unrestricted investment earnings	8,763	6,814	2,049	2,111	2,121	6,826	3,434	3,439	3,457	3,471
Miscellaneous	--	--	--	--	--	--	--	--	734,277	858,361
Residual equity on transfer	--	--	--	--	--	--	--	--	2,125,451	--
Transfers	649,764	640,824	629,388	604,580	(850,232)	376,895	369,522	316,002	817,699	791,617
Total Business-Type Activities	658,527	647,638	631,437	606,691	(848,111)	383,721	372,956	319,441	3,680,884	1,653,449
Total	64,157,654	65,392,555	66,036,885	67,178,604	68,172,718	71,335,662	71,305,335	73,085,701	81,375,408	84,594,501
Change in Net Position										
Governmental activities	3,662,976	1,001,398	475,730	4,148,873	3,569,036	4,025,544	(2,530,502)	3,774,102	4,376,010	12,470,507
Business-type activities	(329,892)	(225,246)	622,893	895,778	(66,344)	938,986	955,308	888,837	3,245,404	1,117,403
Total	$ 3,333,084	$ 776,152	$ 1,098,623	$ 5,044,651	$ 3,502,692	$ 4,964,530	$ (1,575,194)	$ 4,662,939	$ 7,621,414	$ 13,587,910

TOWN OF WESTERLY, RHODE ISLAND

TABLE 3

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

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Unreserved	9,157,164	--	--	--	--	--	--	--	--	--
Nonspendable	--	203,645	1,424,796	2,443,435	840,328	3,727,798	2,481,536	1,964,480	65,142	1,160,288
Restricted	--	5,073,701	3,812,873	2,410,035	2,651,915	899,551	2,016,389	2,962,109	2,553,308	2,934,327
Committed	--	53,184	222,802	188,496	187,137	631,100	1,023,198	999,360	1,428,760	1,194,821
Assigned	--	160,000	785,000	642,000	500,000	275,000	475,000	--	--	--
Unassigned	--	8,895,223	7,811,214	7,542,061	8,606,291	5,873,316	5,498,327	8,565,108	10,148,541	9,421,232
Total General Fund	9,157,164	14,385,753	14,056,685	13,226,027	12,785,671	11,406,765	11,494,450	14,491,057	14,195,751	14,710,668
All Other Governmental Funds										
Reserved	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --
Unreserved, reported in:										
Special revenue funds	0	--	--	--	--	--	--	--	--	--
Capital project funds	0	--	--	--	--	--	--	--	--	
Nonspendable	30,500	0	--	--	--	--	--	--	--	--
Restricted	2,580,224	1,523,075	4,250,044	4,250,044	4,350,125	6,891,126	5,585,485	3,491,577	2,459,251	14,378,168
Committed	3,200,511	2,791,812	2,718,537	2,718,537	2,829,358	1,993,649	2,052,305	3,176,002	2,741,307	2,587,070
Unassigned	(7,024,340)	(2,293,989)	(34,313)	(34,313)	(644,817)	(56,941)	(86,125)	(296,685)	(15,470)	--
Total All Other Governmental Funds	$ (1,213,105)	$ 2,020,898	$ 6,934,268	$ 6,934,268	$ 6,534,666	$ 8,827,834	$ 7,551,665	$ 6,370,894	$ 5,185,088	$ 16,965,238

Notes
1. In 2011 the Town implemented GASB No. 54, reserved and unreserved fund balance are no longer used
Fund balances are now reported as nonspendable, restricted, committed, assigned and unassigned
* As restated

Source: Town of Westerly Annual Financial Statements

TOWN OF WESTERLY, RHODE ISLAND

TABLE 4

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

	For the Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
General property taxes	$ 59,229,983	$ 63,167,374	$ 62,722,274	$ 65,284,340	$ 67,111,282	$ 67,701,397	$ 68,353,018	$ 71,006,084	$ 71,539,943	$ 73,698,475
Intergovernmental revenue	19,659,330	17,990,858	20,545,204	23,610,581	21,714,929	23,507,224	23,605,520	23,674,677	22,850,796	21,775,419
Operating grants and contributions										3,802
Capital grants and contributions									425,766	333,300
Licenses and permits	470,593	405,455	433,773	987,140	924,890	892,998	1,004,702	957,454	560,357	654,952
Charges for services									2,219,786	2,203,092
Fines and penalties	174,040	199,297	165,168	170,433	164,292	189,849	248,243	257,925	256,321	170,452
Interest on investments	212,743	157,553	33,906	52,418	27,407	29,172	49,446	70,392	165,931	257,337
On behalf pension contribution									2,428,738	2,452,730
Other revenues	1,666,900	1,416,235	1,482,937	2,848,970	2,341,541	2,246,949	1,703,633	2,183,082	624,886	645,411
Total Revenues	81,413,589	83,336,772	85,383,262	92,953,882	92,284,341	94,567,589	94,964,562	98,149,614	101,072,524	102,194,970
Expenditures										
Current:										
Legislative, judicial and general administrative	7,007,720	6,352,555	6,525,866	4,246,621	4,210,763	4,071,190	3,632,451	5,315,071	8,373,194	8,193,359
Public works	6,049,632	7,065,978	4,911,750	8,007,654	6,622,126	6,410,305	6,380,205	6,192,932	3,991,546	4,643,131
Public safety	4,533,085	4,611,459	4,550,663	7,419,524	8,087,246	8,797,203	8,475,679	6,859,372	7,265,723	7,199,836
Health and welfare	1,198,722	757,683	906,923	2,633,209	3,189,709	1,509,542	1,572,619	1,436,949	1,598,964	1,304,095
Conservation and development	46,096	45,776	51,311	20,724	8,058	28,591	16,756	43,642	948,771	287,270
Parks and recreation	549,637	680,016	722,607	853,703	988,760	1,169,251	1,431,213	1,130,853	1,084,395	615,498
Planning and zoning	237,589	236,902	226,453	680,536	784,507	749,471	771,227	654,428	788,633	836,315
Public education	53,152,473	53,275,364	56,474,037	57,657,340	58,575,405	59,794,583	59,884,514	60,841,322	59,568,409	60,505,306
On behalf pension contribution									2,428,738	2,452,730
Other										
Capital improvement/restricted programs	1,154,114	21,401,103	14,246,132	4,880,804	4,005,779	7,468,346	3,875,406	5,879,811	7,918,267	9,290,338
Debt service:										
Principal	4,940,981	5,010,180	5,426,586	5,874,438	5,874,438	5,874,438	5,874,438	5,874,438	9,449,364	9,897,806
Interest	2,423,780	2,743,101	4,092,441	3,894,578	4,004,773	4,557,382	5,269,860	4,178,583	--	--
Total Expenditures	81,293,829	102,180,117	98,134,769	96,169,131	96,351,564	100,430,302	97,184,368	98,407,401	103,416,004	105,225,684
Excess of revenues over (under) expenditures	119,760	(18,843,345)	(12,751,507)	(3,215,249)	(4,067,223)	(5,862,713)	(2,219,806)	(257,787)	(2,343,480)	(3,030,714)
Other Financing Sources (Uses)										
Bond and loan proceeds	3,855,000	11,496,000	14,645,000	6,500,000				1,350,000		15,000,000
Lease proceeds	396,970	258,003	761,413	1,208,876	2,347,516	778,992	1,194,433	1,039,625	1,254,864	1,117,398
Premium on debt	--	179,036	200,395	1,933,872	2,136,371	145,374	--	--	366,446	--
Issuance of refunding bonds	--	--	--	20,073,678	15,890,000	6,000,000	--	--	4,140,000	--
Payment to refunding bond escrow agent	--	--	--	(21,813,976)	(16,489,170)		--	--	(4,179,386)	--
Transfers from other funds	47,183,318	818,987	424,566	1,210,145	1,264,685	1,174,147	1,248,986	1,137,099	1,511,463	1,244,623
Transfers to other funds	(47,893,082)	(1,474,811)	(1,068,954)	(1,814,725)	(1,922,137)	(1,321,542)	(1,273,508)	(1,453,101)	(2,329,162)	(2,036,240)
Total Other Financing Sources	3,542,206	11,277,215	14,962,420	7,297,870	3,227,265	6,776,971	1,169,911	2,073,623	764,225	15,325,781
Net Change in Fund Balances	$ 3,661,966	$ (7,566,130)	$ 2,210,913	$ 4,082,621	$ (839,958)	$ 914,258	$ (1,049,895)	$ 1,815,836	$ (1,579,255)	$ 12,295,067
Debt Service as a Percentage of Noncapital Expenditures	9.19%	9.60%	11.35%	10.70%	10.70%	11.22%	11.94%	10.86%	9.89%	10.32%

Source: Town of Westerly Annual Financial Statements

TOWN OF WESTERLY, RHODE ISLAND

TABLE 5

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

Fiscal Year	Real Property	Tangible Property	Motor Vehicles	less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate Real	Total Direct Tax Rate MV
2019	$ 6,299,240,580	$ 131,163,952	$ 186,792,202	$ 117,406,794	$ 6,499,789,940	11.20	29.67
2018	$ 5,718,629,930	$ 125,509,234	$ 189,482,508	$ 101,133,577	$ 5,932,488,095	11.88	29.67
2017	$ 5,668,135,260	$ 119,592,185	$ 220,615,299	$ 100,261,288	$ 5,908,081,456	11.59	29.67
2016	$ 5,618,394,130	$ 121,142,653	$ 218,935,856	$ 102,135,031	$ 5,856,337,608	11.36	29.67
2015	$ 5,767,432,015	$ 115,459,093	$ 215,176,591	$ 108,693,817	$ 5,989,373,882	10.82	29.67
2014	$ 5,720,353,700	$ 117,617,714	$ 208,705,482	$ 109,796,164	$ 5,936,880,732	10.64	29.67
2013	$ 5,681,316,650	$ 113,754,910	$ 206,850,868	$ 187,685,148	$ 5,814,237,280	10.53	29.67
2012	$ 6,029,044,940	$ 111,092,881	$ 207,200,816	$ 123,833,594	$ 6,223,505,043	9.74	29.67
2011	$ 6,003,921,400	$ 109,834,014	$ 199,010,668	$ 125,761,643	$ 6,187,004,439	9.74	29.67
2010	$ 5,968,175,200	$ 103,394,190	$ 196,704,453	$ 123,264,095	$ 6,145,009,748	9.62	29.67

TOWN OF WESTERLY, RHODE ISLAND

PROPERTY TAX RATES
(PER $1,000 OF ASSESSED VALUE)
LAST TEN YEARS
(UNAUDITED)

Levy Year	Real Estate and Personal Property	Motor Vehicle
2010	9.62	29.67
2011	9.74	29.67
2012	9.74	29.67
2013	10.53	29.67
2014	10.64	29.67
2015	10.82	29.67
2016	11.36	29.67
2017	11.59	29.67
2018	11.88	29.67
2019	11.20	29.67

Source: Finance Department, Westerly, Rhode Island

TOWN OF WESTERLY, RHODE ISLAND

TABLE 7

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

2019				2010			
Name	Assessed Value	Rank	% Net Taxable Grand List	Name	Assessed Value	Rank	% Net Taxable Grand List
National Grid	$ 38,979,692	1	0.59%	Bluff Avenue LLC	$ 71,428,300	1	1.197%
Ocean House Hotel Partners, LLC	$ 26,901,800	2	0.41%	Narragansett Electric Company	$ 21,095,870	2	0.390%
Washington Trust Company	$ 22,260,795	3	0.38%	Washington Trust Company	$ 20,035,564	3	0.323%
Westerly Ventures, LLC	$ 22,167,400	4	0.37%	Franklin Plaza LLC	$ 19,877,780	4	0.304%
Kahuna Rhode Island, LLC	$ 19,130,000	5	0.31%	Misquamicut Club	$ 17,975,560	5	0.295%
Westerly Associates, LLC	$ 17,027,725	6	0.30%	Royce, Charles M.	$ 17,927,900	6	0.284%
Misquamicut Club	$ 14,735,809	7	0.24%	Kahuna Rhode Island, LLC	$ 17,743,400	7	0.278%
Harbor Land Strategic Realty, LLC	$ 14,005,900	8	0.22%	Shelter Harbor Golf Club	$ 17,365,329	8	0.272%
Shelter Harbor Golf Club	$ 13,991,632	9	0.21%	Home Depot USA, Inc	$ 15,216,535	9	0.243%
Lamm, Peter & Deborah S.	$ 13,731,600	10	0.21%	Westerly Ventures, LLC	$ 12,814,600	10	0.209%

GROSS ASSESSED VALUE AS OF 12/31/18: $6,299,204,580

GROSS ASSESSED VALUE AS OF 12/31/09: $5,968,175,200

TOWN OF WESTERLY, RHODE ISLAND

TABLE 8

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(UNAUDITED)

Fiscal Year	Taxes Levied (net abatements)	Collected within the Fiscal Year Amount	% of Levy	Collected in Subsequent Years	Total Collections Amount	Balance Remaining	% of Levy
2010	$ 59,188,131	$ 58,104,182	98.17%	$ 1,041,685	$ 59,145,867	$ 42,264	99.93%
2011	$ 62,941,885	$ 61,760,687	98.12%	$ 1,034,936	$ 62,795,623	$ 146,262	99.77%
2012	$ 63,528,578	$ 61,369,984	96.60%	$ 2,003,687	$ 63,373,671	$ 154,907	99.76%
2013	$ 65,309,604	$ 63,930,910	97.89%	$ 1,211,193	$ 65,142,103	$ 167,501	99.74%
2014	$ 67,067,280	$ 64,645,348	96.39%	$ 2,268,841	$ 66,914,189	$ 153,091	99.77%
2015	$ 67,067,280	$ 66,274,258	98.82%	$ 626,266	$ 66,900,524	$ 166,756	99.75%
2016	$ 69,019,265	$ 67,949,144	98.45%	$ 941,357	$ 68,890,501	$ 128,764	99.81%
2017	$ 70,419,912	$ 70,062,864	99.49%	$ 222,946	$ 70,285,810	$ 134,102	99.81%
2018	$ 71,870,646	$ 71,490,180	99.47%	$ 256,894	$ 71,747,074	$ 123,572	99.83%
2019	$ 73,984,340	$ 73,737,407	99.67%	$ --	$ 73,737,407	$ 246,933	99.67%

TOWN OF WESTERLY, RHODE ISLAND

TABLE 9

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

	Governmental Activities			Business Type Activities					
Year	General Obligation Bonds	Notes and Loan Payable	Capital Leases	General Obligation Bonds	Loans Payable	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2019	$ 54,323,000	$ 22,371,000	$ 1,957,708	$ --	$ 3,289,610	$ 2,714,859	$ 84,656,177	10.02%	$ 3,742
2018	$ 43,840,000	$ 23,456,000	$ 2,121,462	$ --	$ 3,863,915	$ 2,692,776	$ 75,974,153	8.99%	$ 3,358
2017	$ 48,160,000	$ 24,541,000	$ 2,190,137	$ --	$ 2,760,519	$ 2,459,388	$ 80,111,044	9.48%	$ 3,541
2016	$ 51,145,000	$ 22,703,812	$ 2,342,516	$ --	$ 3,307,808	$ 2,491,760	$ 81,990,896	10.25%	$ 3,620
2015	$ 59,347,000	$ 20,476,250	$ 2,503,007	$ --	$ 3,944,878	$ 2,594,000	$ 88,865,135	10.98%	$ 3,918
2014	$ 52,955,000	$ 26,052,688	$ 2,844,049	$ --	$ 4,569,370	$ 20,000	$ 86,441,107	10.74%	$ 3,803
2013	$ 56,233,678	$ 27,732,124	$ 1,379,633	$ 1,671,322	$ 5,181,638	$ 12,507	$ 92,210,902	11.99%	$ 4,059
2012	$ 53,710,000	$ 29,411,562	$ 860,400	$ 1,790,000	$ 5,782,025	$ 23,840	$ 91,577,827	11.93%	$ 3,988
2011	$ 57,875,000	$ 15,351,000	$ 776,135	$ 1,935,000	$ 6,370,864	$ --	$ 82,307,999	10.84%	$ 3,614
2010	$ 62,015,000	$ 3,855,000	$ 1,388,312	$ 2,080,000	$ 6,948,482	$ --	$ 76,286,794	10.47%	$ 3,348

TOWN OF WESTERLY, RHODE ISLAND

TABLE 10

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

Fiscal Year	General Obligation Bonds	Notes and Loan Payable	Total	(a) Percentage of Actual Taxable Value of Property	Per Capita
2019	$ 54,323,000	$ 22,371,000	$ 76,694,000	1.18%	$ 3,390
2018	$ 43,840,000	$ 23,456,000	$ 67,296,000	1.13%	$ 2,974
2017	$ 48,160,000	$ 24,541,000	$ 72,701,000	1.23%	$ 3,213
2016	$ 51,145,000	$ 22,703,812	$ 73,848,812	1.25%	$ 3,260
2015	$ 59,347,000	$ 20,476,250	$ 79,823,250	1.36%	$ 3,519
2014	$ 52,955,000	$ 26,052,688	$ 79,007,688	1.32%	$ 3,476
2013	$ 56,233,678	$ 27,732,124	$ 83,965,802	1.41%	$ 3,696
2012	$ 53,710,000	$ 29,411,562	$ 83,121,562	1.34%	$ 3,619
2011	$ 57,875,000	$ 15,351,000	$ 73,226,000	1.18%	$ 3,215
2010	$ 62,015,000	$ 3,855,000	$ 65,870,000	1.07%	$ 2,891

Source: Finance Department , Westerly, Rhode Island
(a) Total taxable assessed value

TOWN OF WESTERLY, RHODE ISLAND

TABLE 11

LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
(UNAUDITED)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total assessed value	$ 6,490,395,643	$ 6,145,009,748	$ 6,223,505,043	$ 5,887,264,189	$ 5,936,880,732	$ 5,989,385,500	$ 5,856,336,030	$ 5,908,081,456	$ 5,932,488,095	$ 6,499,789,940
Debt Limit (1)	$ 194,711,869	$ 184,350,292	$ 186,705,151	$ 176,617,926	$ 178,106,421	$ 179,681,565	$ 175,690,081	$ 177,242,444	$ 177,974,643	$ 194,993,698
Amount of Debt Subject to Limit	34,785,328	57,013,711	34,592,621	32,446,768	29,787,516	28,597,811	27,962,833	28,834,874	28,825,852	41,875,272
Legal Debt Margin	$ 159,926,541	$ 127,336,581	$ 152,112,530	$ 144,171,158	$ 148,318,905	$ 151,083,754	$ 147,727,248	$ 148,407,570	$ 149,148,791	$ 153,118,426
Legal Debt Margin as a Percentage of the Debt Limit	82.13%	69.07%	81.47%	81.63%	83.28%	84.08%	84.08%	83.73%	83.80%	78.52%

Source: Finance Department, Westerly, Rhode Island

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

TOWN OF WESTERLY, RHODE ISLAND

TABLE 12

DEMOGRAPHIC AND EMPLOYMENT STATISTICS
CURRENT AND HISTORIC COMPARISON

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Population	22,624	22,624	22,626	22,651	22,683	22,727	22,720	22,787	22,858	22,949
Median Age	N/A	45.6 years	45.7 years	45.6 years	45.1 years	44.5 years	44.1 years	44.2 years	42.7 years	42.0 years
High School Graduate Attainment (ages 18+)	N/A	90.1%	90.0%	89.5%	89.8%	88.8%	87.1%	86.9%	86.7%	85.9%
Bachelor's Degree Attainment (ages 25+)	N/A	32.8%	32.4%	31.6%	31.6%	31.9%	30.4%	29.4%	29.6%	30.0%
Median Household Income (past 12 months)	N/A	$ 65,810	$ 63,507	$ 60,800	$ 61,500	$ 62,381	$ 60,532	$ 59,008	$ 60,432	$ 57,462
Per Capita Income (past 12 months)	N/A	N/A	$37,358	$35,304	$35,694	$35,420	$33,854	$33,698	$33,210	$31,756

Source: United States Census Bureau (including American Community Survey)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public School Enrollment	2,730	2,775	2,851	3,007	2,997	2,996	3,037	3,021	3,079	3,021

Source: Westerly Public Schools

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Unemployment Rate	3.9%	5.1%	5.1%	6.1%	7.2%	9.2%	10.6%	11.6%	11.7%	11.3%

Source: Rhode Island Department of Labor and Training

http://www.dlt.ri.gov/lmi/laus/town/westerly.htm

TOWN OF WESTERLY, RHODE ISLAND

TABLE 13

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

	For the Fiscal Year Ended June 30, 2019									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Town Manager	2	2	2	2	2	2	2	2	2	2
Town Solicitor	-	-	-	-	-	-	-	-	-	1
Finance	8	6	7	9	9	9	9	9	9	10
Town Clerk	6.5	7	7	7	7	7	5	5	5	5
Development Services	10	9.5	9.5	4	4	4	4	4	4	4
Assessment	5	5	5	5	5	5	5	5	5	5
Other	-	-	-	16	16	16	16	16	16	16
Human Resources	2	3.5	3.5	-	-	-	-	-	-	-
Information Technology	3.5	3	3	-	-	-	-	-	-	-
Animal Shelter	1.5	3	3	-	-	-	-	-	-	-
Tax Collections	4	4	4	-	-	-	-	-	-	-
Purchasing	1	1	0.5	-	-	-	-	-	-	-
Public Safety										
Sworn Officers	53	50	50	45	50	50	48	50	50	50
Support	13	12	11	11	11	11	12	12	12	12
Public Health										
Public Works	49	46	45	45	45	45	43	43	43	44
Water & Sewer	31	27	28	28	28	29	29	29	29	30
Public Welfare										
Recreation	2	1.5	1.5	2	2	2	1	1	1	1
Public Education										
Teachers	278	286	297	302	302	310	307	304	302	300
Pupil Support	263	236	230	234	234	233	235	208	208	191
Administration	23	36	39	38	38	34	38	37	37	37

TOWN OF WESTERLY, RHODE ISLAND

TABLE 14

OPERATING INDICATORS BY FUNCTION/PROGRAM
(UNAUDITED)

	For the Fiscal Year Ended June 30, 2018									
	2019	2018	2017	2016	2015	2014	2013 (Revised)	2012	2011	2010
General Government										
Marriage Licenses Issued	197	188	219	195	185	212	212	178	185	196
Death Certificates Recorded	340	309	313	357	368	287	325	310	304	334
Land Records Recorded	5,282	5,594	5,907	5,764	5,450	6,302	7,162	6,559	5,237	6,670
Registered Voters	18,477	18,296	18,014	17,728	17,224	17,729	17,422	16,724	16,528	16,381
Elections & Referenda	2	2	2	2	2	1	2	1	1	1
Planning & Development										
Building Permits Issued	2,416	2,310	2,230	2,399	1,984	2,482	976	693	779	762
Cost of Construction	68,950,851	55,964,294	54,592,394	69,905,961	47,232,404	52,404,978	40,874,909	32,886,917	41,182,654	42,232,171
Police										
Arrest	918	953	1,316	1,099	1,198	1,061	972	997	1,015	1,037
Parking Violations	1,642	1,918	626	1,754	1,860	1,196	1,223	1,232	1500+/-	n/a
Calls for Service	48,120	46,882	42,793	34,704	30,948	28,825	30,139	27,355	28,000+/-	n/a
Public Works										
Street Resurfacing (miles)	1	3	1	9	6	7	7	7	n/a	n/a
Transfer station refuse (tons)	12,208	10,674	9,760	10,077	12,692	13,383	11,881	18,251	16,324	18,182
Transfer station recyclables (tons)	4,435	4,401	5,093	4,410	4,343	4,159	3,739	3,528	3,200	3,632
Parks & Recreation										
Programs Offered	78	101	70	68	63	61	61	63	59	n/a
Beach Passes Issued	3,085	2,972	2,756	2,591	2,552	2,454	2,061	2,206	2,042	1,941
Education										
Number of Students	2,730	2,775	2,851	3,007	2,997	2,996	3,037	3,021	3,079	3,021
Water										
New Connections	64	65	59	69	76	86	46	49	53	64
Water Main Breaks	20	18	22	22	38	18	17	25	22	17
Avg daily consumption (thousands of gallons)	3,270	3,965	3,477	3,559	3,287	3,440	3,321	3,297	3,427	3,298
Sewer										
Average daily treatment (thousands of gallons)	2,743	2,634	2,167	2,195	2,060	2,227	2,120	2,020	2,250	2,520
Sewer treatment capacity (thousands of gallons)	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300

TOWN OF WESTERLY, RHODE ISLAND

TABLE 15

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
(UNAUDITED)

	For the Fiscal Year Ended June 30, 2018									
Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	60	60	55	52	47	46	46	46	43	43
Fire										
Fire Prevention is covered by five separate self-taxing Fire Districts										
Public Works										
Streets (miles)	136	156	156	156	156	145	145	145	145	143
Street Lights	3348	3028	3028	3153	3152	3150	3150	3150	3,150	3,150
Register Vehicles	122	113	115	103	107	103	103	103	99	95
Parks & Recreation										
Acreage	85	85	85	85	85	85	85	85	85	85
Parks & Playing Fields	6	6	6	6	6	6	6	6	6	6
Beaches	2	2	2	2	2	2	2	2	2	2
Community Centers	1	1	1	1	1	1	1	1	1	1
Senior Centers	1	1	1	1	1	1	1	1	1	1
Marina	1	1	1	1	1	1	1	1	1	1
Town Forest 54 Acres	1	1	1	1	1	1	1	1	1	1
Public Libraries										
Libraries	1	1	1	1	1	1	1	1	1	1
Schools										
Elementary Schools	3	4	4	4	4	4	4	4	4	4
Middle Schools	1	1	1	1	1	1	1	1	1	1
High Schools	1	1	1	1	1	1	1	1	1	1
School Buses	54	54	47	48	48	43	49	49	49	49
Water										
Water Mains (miles)	207	207	207	207	207	207	207	207	207	206
Fire Hydrants	1092	1092	1092	1091	1091	1091	1085	1085	1085	1064
Sewer										
Sanitary Sewers (miles)	61	61	61	61	61	61	61	61	61	61
Storm sewers (miles)	65	65	65	65	65	65	65	65	65	65
Treatment capacity (thousand gallons)	3300	3300	3300	3300	3300	3300	3300	3300	3300	3300

Source: Town capital asset records and various Town Departments

TOWN OF WESTERLY, RHODE ISLAND

TABLE 16

TAX COLLECTORS REPORT
JUNE 30, 2019

Tax Roll List Year	Fiscal Year	Balance 1-Jul-18	Current year Assessment	Additions	Adjustments & Abatements	over 10 yr old Receivables	to be Collected	Year Collections	Balance 30-Jun-19	FY 2019 Cash Collections Summary: July - August 2018 Collections Subject to 60-day FY 18 Accrual	September - June 2019 Collections	Total FY 2019 Cash Collections	July - August 2019 (FY 20) Cash Collections Subject to 60-day FY 19 Accrual
2018	2019	$ –	$ 74,002,935	$ 53,681	$ (72,276)		$ 73,984,340	$ 73,737,407	$ 246,933	$ –	$ 73,737,407	$ 73,737,407	$ 282,444
2017	2018	380,465	–	225	(3,459)		377,231	253,659	123,572	221,080	32,579	253,659	4,685
2016	2017	168,494	–	–	(1,575)		166,919	32,817	134,102	10,602	22,215	32,817	1,998
2015	2016	142,727	–	–	(174)	–	142,553	13,789	128,764	3,677	10,112	13,789	1,461
2014	2015	178,614	–	–	(326)	–	178,288	11,532	166,756	4,223	7,309	11,532	912
2013	2014	162,594	–	–	(292)	–	162,302	9,211	153,091	2,744	6,467	9,211	520
2012	2013	173,996	–	–	(668)	–	173,328	5,827	167,501	1,437	4,390	5,827	382
2011	2012	158,054	–	–	(63)	–	157,991	3,084	154,907	748	2,336	3,084	669
2010	2011	145,171	–	–	(63)	–	145,108	(1,154)	146,262	1,318	(2,472)	(1,154)	184
2009	2010	44,400	–	–	(190)	42,264	44,210	1,946	–	252	1,694	1,946	32
		$ 1,554,515	$ 74,002,935	$ 53,906	$ (79,086)	$ 42,264	$ 75,532,270	$ 74,068,118	1,421,888	$ 246,081	$ 73,822,037	$ 74,068,118	$ 293,287
							Allowance for Doubtful Accounts		(911,701)				
									$ 510,187				

per cert	$ 74,002,935
per Opal	74,002,935
	$ –

Schedule of Net Assessed Property, Value by Category

Description of Property	Valuations December 31, 2017	Levy July 1, 2018
Real Property	$ 5,718,629,930	$ 67,921,898
Motor Vehicle	189,482,508	4,550,305
Tangible	125,509,234	1,530,732
Total	6,033,621,672	74,002,935
Exemptions	(101,133,577)	–
Net Assessed Value	$ 5,932,488,095	$ 74,002,935

Reconciliation of Current Year Property Tax Revenue

Current Year Collections	$ 74,068,118
July - August 2019 Collections Subject to 60-day FY 19 Accrual	293,287
	74,361,405
July - August 2018 Collections Subject to 60-day FY 18 Accrual	(246,081)
Current Year Property Tax Revenue	$ 74,115,324