

# TOWN OF WESTERLY RHODE ISLAND



## **Annual Comprehensive Financial Report**

For the Fiscal Year Ended June 30, 2021

# TOWN OF WESTERLY, RHODE ISLAND

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# **INTRODUCTORY SECTION**



*Westerly Rhode Island*  
*Finance Department*

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

January 26, 2022

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, 2021, 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, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion, that the Town of Westerly's financial statement for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

## **PROFILE OF THE GOVERNMENT**

### **General**

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

According to the U.S. Census, the Town has an estimated population of 22,626, down 1.41% from 2010. In 2019, the Town's median household income was \$70,784. Not reflected in the Census average income statistics is the above average income of the more than 17,000 summer inhabitants of the Town and an additional 25,000 summer day-trippers who contribute to the Town's economy.

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

Revaluations are completed every three years in conformity with Rhode Island General Statutes. As of December 31, 2020, the net assessed property value totaled \$6,565,028,919.

### **Government**

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

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

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

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

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

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

Budget-to-actual comparisons are provided in this report for the General Fund and the School Unrestricted Fund on Pages 95-99.

## 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, 2021, was \$56,709,343. The Town currently has three elementary schools, (Bradford Elementary was closed at the end of the 2017 school year and the Tower Street Community Center was closed in September of 2021) one middle school, and one high school. At the beginning of each school year, the student enrollment in the Westerly School System has been and is projected to be as follows:

### Enrollment PK-12 - Projected Enrollment \*\*

|         | Projected* | Actual** |
|---------|------------|----------|
| FY 2017 | 2,843      | 2,865    |
| FY 2018 | 2,799      | 2,790    |
| FY 2019 | 2,744      | 2,738    |
| FY 2020 | 2,656      | 2,648    |
| FY 2021 | 2,606      | 2,433    |
| FY 2022 | 2,558      | 2,378    |
| FY 2023 | 2,490      | NA       |
| FY 2024 | 2,439      | NA       |
| FY 2025 | 2,439      | NA       |
| FY 2026 | 2,439      | NA       |

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

*\*\*Source: Rhode Island Enrollment Census October Snapshot Reports*

## 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 \$4,683,676 for fiscal year ended June 30, 2021 and budgeted \$5,120,791.

## **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 51 full-time police officers and 13 support personnel. The Police Department expended \$8,059,481 for fiscal year ended June 30, 2021, and budgeted \$8,348,824 respectively.

## **Financing**

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

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

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

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

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

### **Employee Relations**

As of June 30, 2021, the Town employs 175 full-time equivalent employees exclusive of those employed by the School District. The School District employs 524 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 expired June 30, 2020; a one-year extension was executed through June 30, 2021
- Teachers: Two-year contract expired August 31, 2021
- Local 808 Bus Drivers and Aids: Three-year contract expired June 30, 2019
- Local 808 Monitors: Three-year contract expires June 30, 2022
- Local 808 Clerical-Custodial-Mechanical-Secretarial: Three-year contract expired June 30, 2021

### **Factors Affecting Financial Condition**

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

### **Local Economy**

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

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

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

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

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

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

In December 2017, the Town entered into an agreement to purchase real estate for a solar land development program to provide the Town's electricity. The Town estimates the financial impact of the project to benefit the calendar year 2022.

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

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

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

The Town has also received approval to issue \$2,000,000 in financing to address water line replacements with the financing to be completed in fiscal year 2022 and the work to coincide with the second road bond projects.

## Pension and Other Postemployment Benefits

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

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

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

The police pension is currently funded at 87.25%. The Town continues to fund the Annual Required Contribution (ARC) at 100%.

Westerly has a net OPEB obligation of \$10.3 million, related to retired and active employees. The OPEB is 43.1% funded.

## Other

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

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,

DocuSigned by:



97742D4C2194458...  
Shawn M. Lacey  
Interim Town Manager

DocuSigned by:



F13CB06EBB764F8...  
Mark Garceau, Ed.D.  
Superintendent of Schools

DocuSigned by:



2AD585FC5E7E4CE...  
Dyann J. Baker, CPA, MBA  
Town Finance Director

DocuSigned by:



6CD8906E3C46428...  
Cindy Kirchoff  
Westerly Public Schools  
Director of Finance and Operations

# TOWN OF WESTERLY, RHODE ISLAND

## LIST OF PRINCIPAL OFFICIALS

FISCAL YEAR ENDED JUNE 30, 2021

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### **Town Council:**

Sharon E. Ahern, President  
Suzanne K. Giorno, Vice President  
Caswell Cooke, Jr.  
Christopher A. Duhamel  
Philip M. Overton  
Karen A. Cioffi  
Brian H. McCuin

### **School Committee:**

Diane C. Bowdy, Chair  
Robert Cillino, Vice Chair  
Marianne Nardone, Clerk  
Christine Cooke  
Rebecca Fowler  
Giuseppe Gencarelli  
Michael Ober

**Town Manager:** J. Mark Rooney

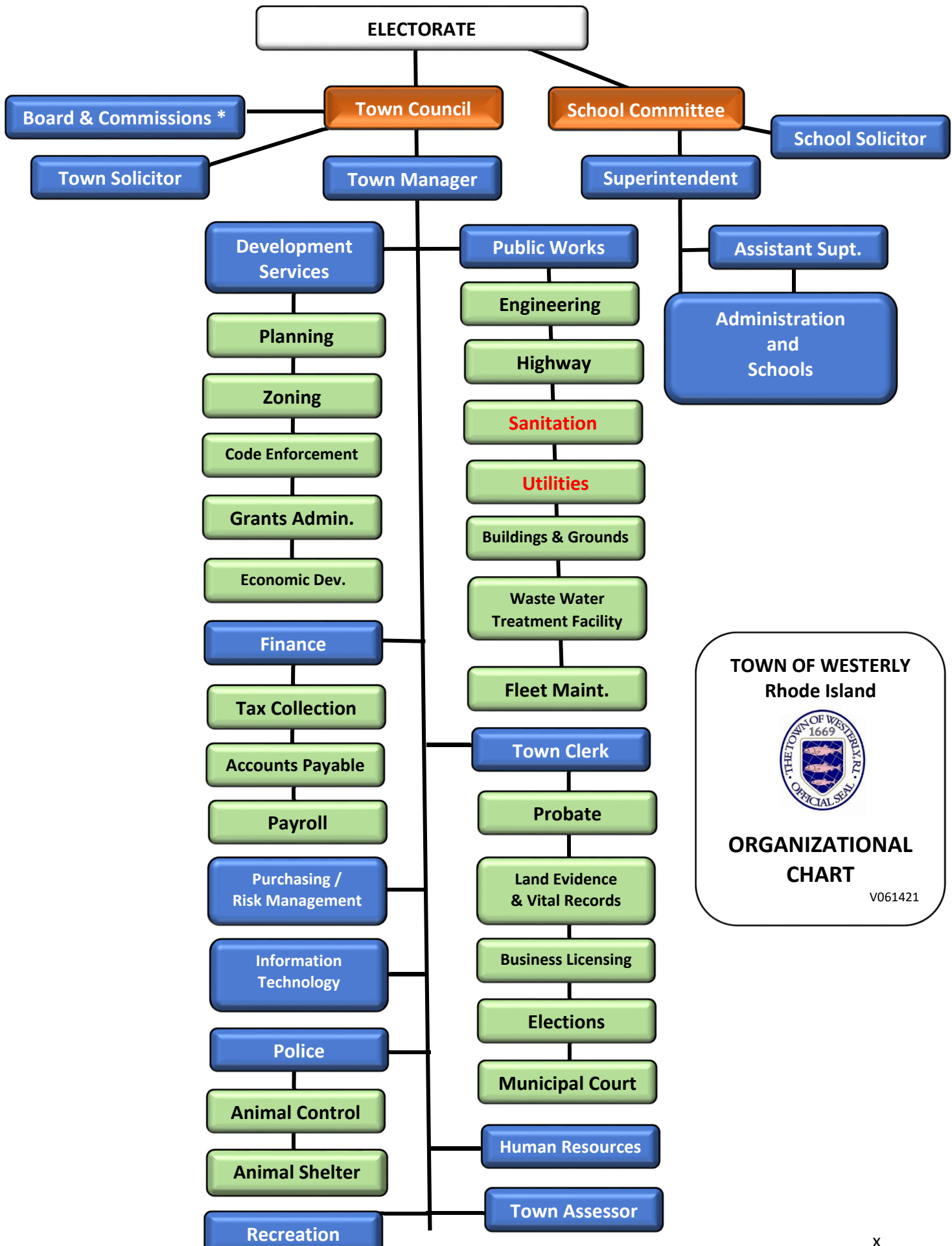
**School Superintendent:** Mark Garceau, Ed.D.

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

**School Director of Finance and Operations:** Cindy Kirchhoff

**Police Chief:** Shawn Lacey

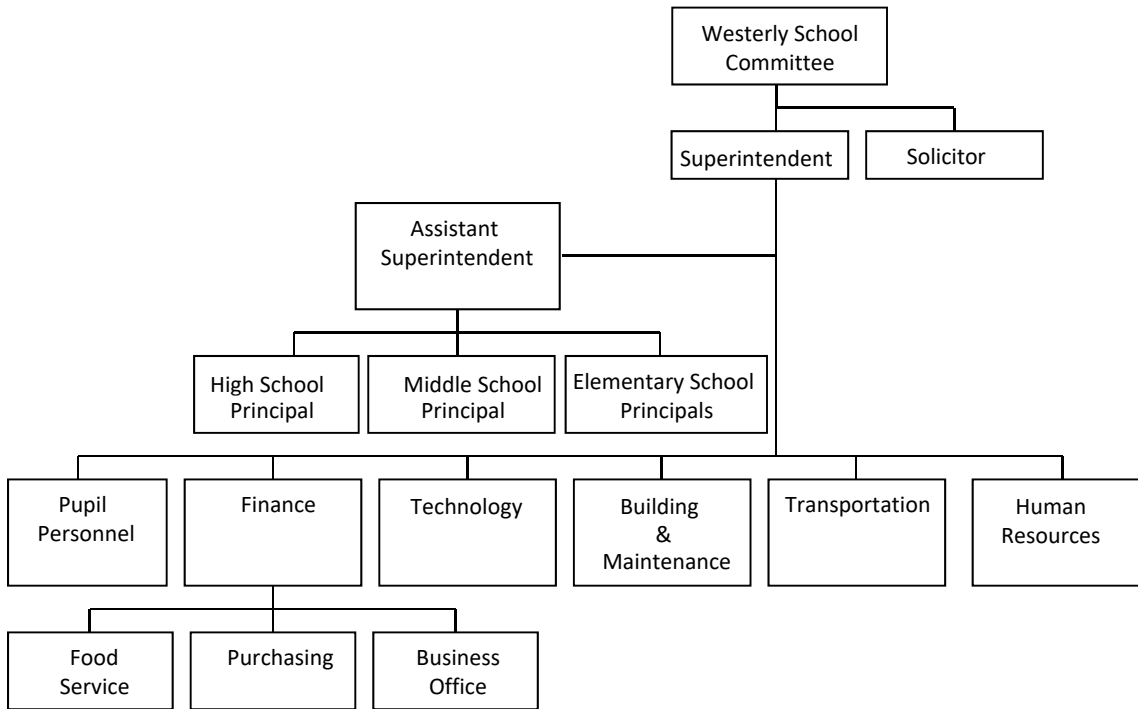
**Town Clerk:** Donna L. Giordano, MMC



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



# Westerly Public Schools Organizational Chart June 2021



**School Committee**

Diane Chiaradio Bowdy, Chair  
Robert Cillino, Vice Chair  
Marianne Nardone, Clerk  
Christine Cooke  
Rebecca Fowler  
Giuseppe Gencarelli  
Michael Ober

**Solicitors**

William Nardone, Esq.  
Jon Lallo, Esq.

**Superintendent**

Mark C. Garceau, Ed.D.

**Assistant Superintendent**

Alicia Storey, Ed. D.

**Director of Pupil Personnel**

Mary-Ellen Rossi

**Director of Finance & Operations**

Cindy Kirchoff

**Director of Technology**

Michael Sujka

**Director of Buildings & Maintenance**

John Pagano

**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**

## 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, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***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 95 through 99 and the pension and OPEB schedules on pages 100 through 114 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 on pages i through xi, annual supplemental transparency report on pages 115 through 121, combining and individual nonmajor fund financial statements on pages 122 through 141, and statistical section on pages 142 through 158, 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 26, 2022 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 26, 2022

**MANAGEMENT'S DISCUSSION AND  
ANALYSIS**

**TOWN OF WESTERLY, RHODE ISLAND  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2021**

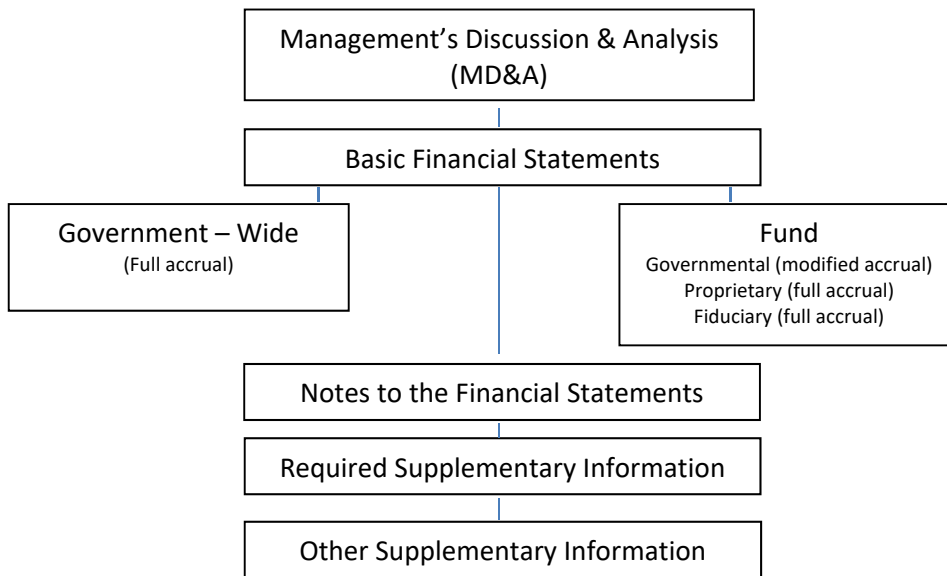
As management of the Town of Westerly, we offer readers of the Town’s financial statements this narrative overview and analysis of the Town’s financial activities for the fiscal year ended June 30, 2021. We encourage the readers to consider the information presented here in conjunction with the letter of transmittal on pages iv-viii of this report as well as the Town’s basic financial statements that follow this section.

**Overview of the Financial Statements**

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

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

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



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

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

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

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

The government-wide financial statements are reported on pages 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 three enterprise funds. The Water Fund accounts for the water system of the entire Town of Westerly as well as a portion of neighboring Pawcatuck, Connecticut. The Sewer Fund accounts for sewer system user charges and costs associated with wastewater collection for approximately 45% of the parcels in Town. The Transfer Station fund accounts for residential and commercial waste and recycling.

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

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

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

The basic fiduciary fund financial statements can be found on pages 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 25-94.

**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 95-114.

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 122-141.

## 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 \$ 123,454,414 as of June 30, 2021.

|   | Government Activities |                | Business-Type Activities |               | Total                |                |
|---|-----------------------|----------------|--------------------------|---------------|----------------------|----------------|
|   | 2021                  | 2020           | 2021                     | 2020          | 2021                 | 2020           |
| Current and other assets                        | \$ 58,235,674         | \$ 53,397,823  | \$ 12,575,687            | \$ 10,505,631 | \$ 70,811,361        | \$ 63,903,454  |
| Capital assets, net of accumulated depreciation | 171,425,981           | 167,440,586    | 40,636,640               | 42,061,441    | 212,062,621          | 209,502,027    |
| Total assets                                    | \$ 229,661,655        | \$ 220,838,409 | \$ 53,212,327            | \$ 52,567,072 | \$ 282,873,982       | \$ 273,405,481 |
| Deferred outflows of resources                  | 13,335,665            | 14,597,406     | -                        | -             | 13,335,665           | 14,597,406     |
| Current liabilities                             | \$ 16,053,607         | \$ 14,993,106  | \$ 2,301,209             | \$ 2,067,936  | \$ 18,354,816        | \$ 17,061,042  |
| Long-term liabilities                           | 125,287,135           | 142,416,726    | 4,906,788                | 5,917,075     | 130,193,923          | 148,333,801    |
| Total liabilities                               | \$ 141,340,742        | \$ 157,409,832 | \$ 7,207,997             | \$ 7,985,011  | \$ 148,548,739       | \$ 165,394,843 |
| Deferred inflows of resources                   | \$ 24,206,494         | \$ 19,468,034  | \$ -                     | \$ -          | \$ 24,206,494        | \$ 19,468,034  |
| Net position                                    |                       | -              |                          |               | -                    | -              |
| Net investment in capital assets                | 96,776,891            | 92,791,496     | 35,444,002               | 35,268,483    | 132,220,893          | 128,059,979    |
| Restricted, restated                            | 16,832,687            | 18,381,160     | -                        | -             | 16,832,687           | 18,381,160     |
| Unrestricted                                    | (36,159,494)          | (52,378,261)   | 10,560,328               | 9,313,578     | (25,599,166)         | (43,064,683)   |
| Total Net Position                              | \$ 77,450,084         | \$ 58,794,395  | \$ 46,004,330            | \$ 44,582,061 | \$ 123,454,414       | \$ 103,376,456 |
| <b>Increase in Net Position</b>                 | <b>\$ 18,655,689</b>  |                | <b>\$ 1,422,269</b>      |               | <b>\$ 20,077,958</b> |                |

The largest portion of the Town's net position \$132,220,893 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, \$16,832,687, represents resources that are subject to external restriction on how they may be used. The remaining balance of the unrestricted net position is (\$25,599,166). The Town's negative unrestricted net position is primarily attributable to the legacy costs related to unfunded OPEB liabilities.

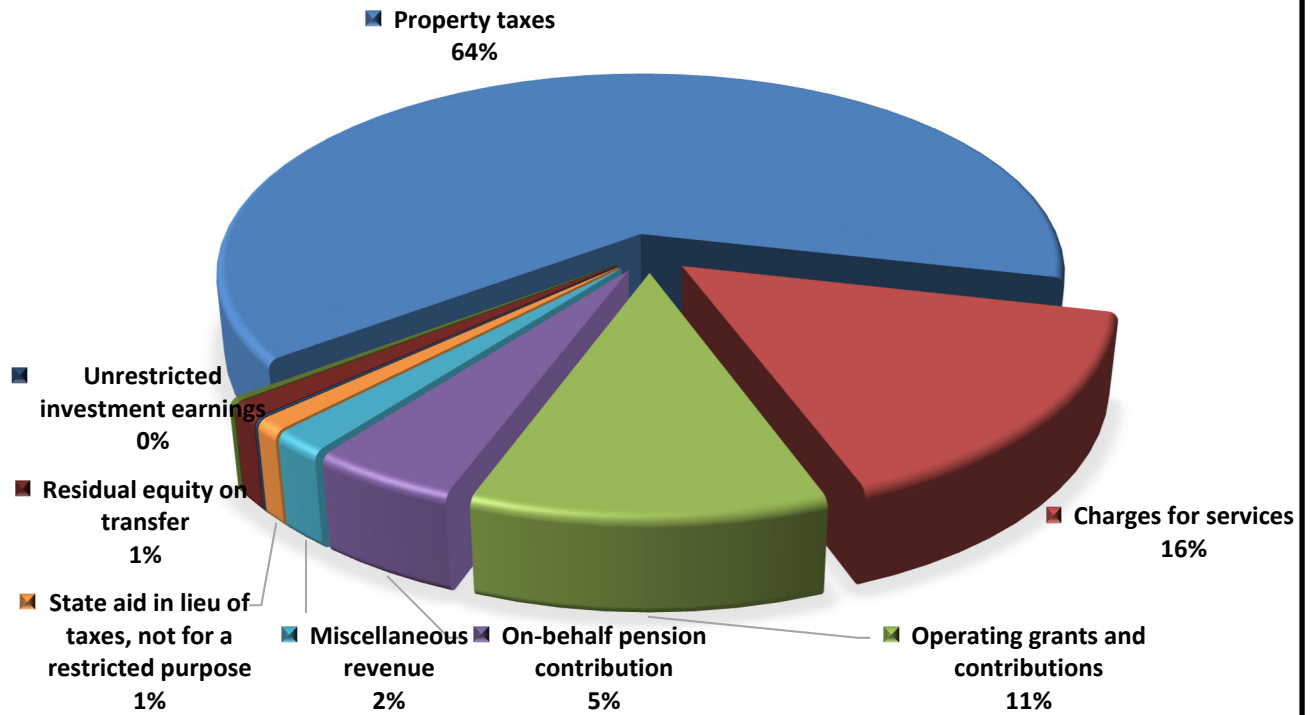
The Town's net position increased by \$20,077,958 during the current fiscal year. Of this amount, governmental activities accounted for \$18,655,689 of the increase, while business-type activities increased by \$1,422,269.

## Governmental Activities

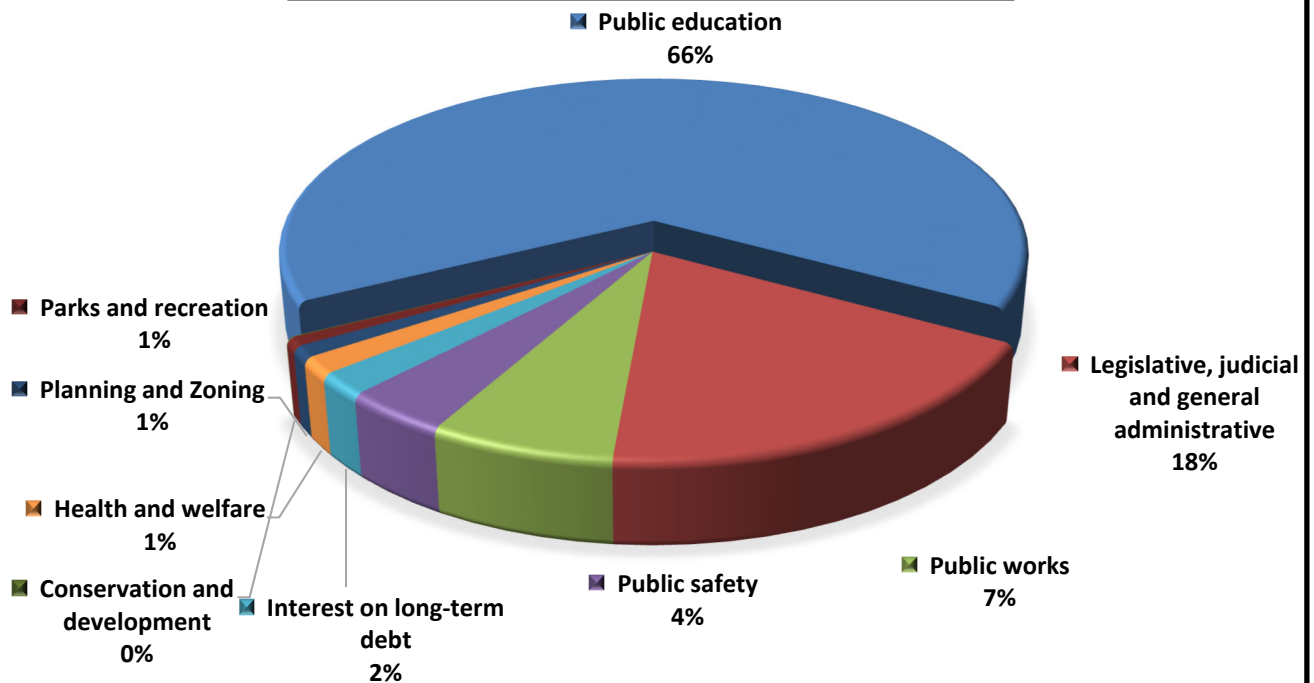
Governmental activities increased the Town's net position by \$20,077,959.

|   | Government Activities |                       | Business-Type Activities |                      | Total                 |                       |
|---|-----------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|   | 2021                  | 2020                  | 2021                     | 2020                 | 2021                  | 2020                  |
| <b>Revenues:</b>  |                       |                       |                          |                      |                       |                       |
| <b>Program revenues</b>                                   |                       |                       |                          |                      |                       |                       |
| Charges for services                                      | \$ 19,150,074         | \$ 16,716,291         | \$ 11,931,795            | \$ 10,910,393        | \$ 31,081,869         | \$ 27,626,684         |
| Operating grants and contributions                        | 13,725,293            | 12,194,415            | -                        | -                    | 13,725,293            | 12,194,415            |
| Capital grants and contributions                          | 368,611               | 191,118               | -                        | -                    | 368,611               | 191,118               |
| <b>General revenues:</b>                                  |                       |                       |                          |                      |                       |                       |
| Property taxes  | 77,500,103            | 73,224,033            | -                        | -                    | 77,500,103            | 73,224,033            |
| State aid and lieu of taxes, not for a restricted purpose | 1,178,723             | 2,268,079             | -                        | -                    | 1,178,723             | 2,268,079             |
| Unrestricted investment earnings                          | 123,888               | 331,867               | 871                      | 1,952                | 124,759               | 333,819               |
| On-behalf pension contribution                            | 5,711,553             | 6,048,306             | -                        | -                    | 5,711,553             | 6,048,306             |
| Residual equity on transfer                               | 1,456,309             | -                     | (1,456,309)              | -                    | -                     | -                     |
| Miscellaneous revenue                                     | 2,141,660             | 3,118,131             | 1,515,689                | 875,351              | 3,657,349             | 3,993,482             |
| <b>Total revenues</b>                                     | <b>\$ 121,356,214</b> | <b>\$ 114,092,240</b> | <b>\$ 11,992,046</b>     | <b>\$ 11,787,696</b> | <b>\$ 133,348,260</b> | <b>\$ 125,879,936</b> |
| <b>Expenses:</b>  |                       |                       |                          |                      |                       |                       |
| Legislative, judicial and general administrative          | \$ 18,702,398         | \$ 17,729,465         | \$ -                     | \$ -                 | \$ 18,702,398         | \$ 17,729,465         |
| Public works  | 6,897,337             | 6,285,256             | -                        | -                    | 6,897,337             | 6,285,256             |
| Public safety   | 4,041,929             | 5,849,362             | -                        | -                    | 4,041,929             | 5,849,362             |
| Health and welfare  | 1,541,288             | 1,399,797             | -                        | -                    | 1,541,288             | 1,399,797             |
| Conservation and development                              | 49,409                | 933,919               | -                        | -                    | 49,409                | 933,919               |
| Parks and recreation                                      | 791,124               | 834,164               | -                        | -                    | 791,124               | 834,164               |
| Planning and Zoning                                       | 1,036,939             | 994,532               | -                        | -                    | 1,036,939             | 994,532               |
| Public education  | 66,829,820            | 68,366,203            | -                        | -                    | 66,829,820            | 68,366,203            |
| Interest on long-term debt                                | 2,038,437             | 1,932,042             | -                        | -                    | 2,038,437             | 1,932,042             |
| Water fund  | -                     | -                     | 4,927,301                | 4,627,534            | 4,927,301             | 4,627,534             |
| Sewer fund  | -                     | -                     | 3,649,601                | 4,052,068            | 3,649,601             | 4,052,068             |
| Transfer station  | -                     | -                     | 2,757,179                | 2,836,332            | 2,757,179             | 2,836,332             |
| Animal shelter  | -                     | -                     | 7,540                    | 392,975              | 7,540                 | 392,975               |
|   | \$ 101,928,681        | \$ 104,324,740        | \$ 11,341,621            | \$ 11,908,909        | \$ 113,270,302        | \$ 116,233,649        |
| <b>Change in net position before transfers</b>            | <b>\$ 19,427,533</b>  | <b>\$ 9,767,500</b>   | <b>\$ 650,425</b>        | <b>\$ (121,213)</b>  | <b>\$ 20,077,958</b>  | <b>\$ 9,646,287</b>   |
| Transfers   | (771,844)             | (964,911)             | 771,844                  | 964,911              | -                     | -                     |
| <b>Change in net position</b>                             | <b>\$ 18,655,689</b>  | <b>\$ 8,802,589</b>   | <b>\$ 1,422,269</b>      | <b>\$ 843,698</b>    | <b>\$ 20,077,958</b>  | <b>\$ 9,646,287</b>   |
| <b>Net Position at Beginning of Year, as Restated</b>     | <b>58,794,395</b>     | <b>49,755,360</b>     | <b>44,582,061</b>        | <b>43,738,363</b>    | <b>103,376,456</b>    | <b>93,493,723</b>     |
| <b>Net Position at End of Year</b>                        | <b>\$ 77,450,084</b>  | <b>\$ 58,557,949</b>  | <b>\$ 46,004,330</b>     | <b>\$ 44,582,061</b> | <b>\$ 123,454,414</b> | <b>\$ 103,140,010</b> |

## GOVERNMENTAL ACTIVITIES: REVENUE



## GOVERNMENTAL ACTIVITIES: EXPENSES



**Business-type Activities** - Net position in business type activities increased by \$1,422,269 resulting in a 3.2% 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 44%, Sewer Fund 32%, Transfer Station 24%.

### **Financial Analysis of the Town of Westerly's Funds**

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

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

At the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$32,645,183. Approximately 46%, or \$14,865,230, is available for spending at the government's discretion within the Town's total Fund Balance. The remaining fund balance of \$17,779,553 includes \$4,477,903 of Committed Fund Balance for Capital Projects, \$1,279,767 non-spendable for prepaid items, and \$12,022,283 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 \$14,865,230 while total fund balance was \$21,515,601. 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 16% of the 2021 FY Adopted General Fund Expenditure Budget, while total fund balance represents 23% 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 \$4,951,085. \$68,723 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 \$3,830,389; unrestricted net position in the Sewer Fund was \$5,779,164; and unrestricted net position in the Transfer Station was \$950,775.

## General Fund Budgetary Highlights

The Town of Westerly, Rhode Island finished the 2020-2021 fiscal year with a budgetary surplus of \$4,112,436.

Revenue exceeded the budget by \$2,812,472 due to three major factors; property tax collections exceeded budget by \$1,299,533 as we continued to realize a collection rate of over 99%. The intergovernmental and department revenue exceeded budget by \$811,507 primarily due to the COVID-19 relief funding. Other revenue exceeded the budget by \$586,343 which included \$481,000 from the sale of two properties. These three factors totaled \$2,697,383 of the additional revenue.

Expenditures and Other Finance Sources (Uses) were lower than budget by \$1,299,964 which is comprised of Public Works of \$437,115 and Public Safety of \$289,343. Both organizations had changes in staffing (retirements and vacancies) which contributed to this outcome. Debt services was lower than budget by \$204,343 due to re-financing outcomes and Other Financing Sources includes \$184,797 of transfers in as a result the dissolution of an Enterprise Fund and the resolution of a FEMA claim. These factors totaled \$1,115,598 of the total budget savings.

### Major General Fund Revenue Factors:

Property taxes are the largest single revenue source for the General Fund and account for 79% 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 59% of the total budgetary expenditures within the General Fund of the Town of Westerly, followed by Debt Service representing 10%, Public Safety representing 9%, Public Works representing 5%, and General Government representing 7%.

## Capital Assets and Debt Administration

Capital Assets - The Town of Westerly's capital assets for its governmental and business-type activities amounted to \$212,062,621 (net of accumulated depreciation) as of June 30, 2021. 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          |                |
|------------------------------------|-----------------------|----------------|--------------------------|---------------|----------------|----------------|
|                                    | 2021                  | 2020           | 2021                     | 2020          | 2021           | 2020           |
| Land                               | \$ 15,848,062         | \$ 15,853,590  | \$ 5,931,635             | \$ 5,931,635  | \$ 21,779,697  | \$ 21,785,225  |
| Construction in progress           | 1,900,963             | 2,466,223      | 669,735                  | 2,201,646     | 2,570,698      | 4,667,869      |
| Buildings and improvements         | 71,220,029            | 71,556,103     | 10,132,394               | 11,970,506    | 81,352,423     | 83,526,609     |
| Mains, wells, pumps and hydrants   |                       |                | 13,978,985               | 11,832,281    | 13,978,985     | 11,832,281     |
| Tanks and structures               |                       |                | 8,023,478                | 8,213,191     | 8,023,478      | 8,213,191      |
| Motor vehicles                     | 4,305,873             | 3,859,450      |                          |               | 4,305,873      | 3,859,450      |
| Machinery, equipment and furniture | 3,181,388             | 2,409,103      | 1,900,413                | 1,912,182     | 5,081,801      | 4,321,285      |
| Infrastructure                     | 74,969,666            | 71,296,117     |                          | -             | 74,969,666     | 71,296,117     |
| Total                              | \$ 171,425,981        | \$ 167,440,586 | \$ 40,636,640            | \$ 42,061,441 | \$ 212,062,621 | \$ 209,502,027 |

Debt Administration - At the end of the current fiscal year, the Town of Westerly had total bonded debt outstanding of \$56,854,000, capital leases of \$4,288,093 and \$11,103,300 of loans payable.

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

|                          | Government Activities |               | Business-Type Activities |              | Total         |               |
|--------------------------|-----------------------|---------------|--------------------------|--------------|---------------|---------------|
|                          | 2021                  | 2020          | 2021                     | 2020         | 2021          | 2020          |
| General obligation bonds | \$ 56,854,000         | \$ 50,603,000 |                          |              | \$ 56,854,000 | \$ 50,603,000 |
| Capital lease            | 2,100,365             | 2,140,086     | 2,187,728                | 2,479,221    | 4,288,093     | 4,619,307     |
| Loans                    | 9,351,000             | 21,286,000    | 1,752,300                | 2,529,212    | 11,103,300    | 23,815,212    |
| Total                    | \$ 68,305,365         | \$ 74,029,086 | \$ 3,940,028             | \$ 5,008,433 | \$ 72,245,393 | \$ 79,037,519 |

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, 2021, the Town had a debt limit of \$195,850,575.

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 adopted General Fund budget for fiscal year 2021-2022 amounted to \$95,072,639 which reflects an increase of \$1,526,119 (1.6%) over the fiscal 2020-2021 budget. Of the total Town budget, \$57,137,967 or 60% is budgeted for Westerly Public Schools. The Town is budgeted to receive \$9,855,665 from the State of Rhode Island for Aid to Education. The Town’s mill rate increased 1% for fiscal year 2021-22 to 11.52, versus 11.31 for fiscal year 2020-2021. The Town’s levy increased by 2.55% for fiscal year 2021-2022 vs. 2020-2021.

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, 2021

|  | Primary Government         |                             |                       |
|--|----------------------------|-----------------------------|-----------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total                 |
| <b>Assets</b>                                      |                            |                             |                       |
| <b>Current Assets</b>                              |                            |                             |                       |
| Cash and cash equivalents                          | \$ 23,708,238              | \$ 9,075,685                | \$ 32,783,923         |
| Investments  | 1,794                      | --                          | 1,794                 |
| Real estate and personal property taxes receivable | 1,956,796                  | --                          | 1,956,796             |
| Water user fees receivable                         | --                         | 3,365,698                   | 3,365,698             |
| Due from federal and state government              | 2,561,996                  | --                          | 2,561,996             |
| Internal balances                                  | 134,634                    | (134,634)                   | --                    |
| Other receivables                                  | 1,046,573                  | 54,542                      | 1,101,115             |
| Prepaid items                                      | 7,082,969                  | 26,844                      | 7,109,813             |
| Net pension asset                                  | 5,328,778                  | --                          | 5,328,778             |
| Inventories  | --                         | 147,099                     | 147,099               |
| Notes receivable                                   | 1,332,097                  | --                          | 1,332,097             |
| <b>Total Current Assets</b>                        | <b>43,153,875</b>          | <b>12,535,234</b>           | <b>55,689,109</b>     |
| <b>Noncurrent Assets</b>                           |                            |                             |                       |
| Restricted assets:                                 |                            |                             |                       |
| Cash and cash equivalents                          | 5,989,839                  | 40,453                      | 6,030,292             |
| Cash held in escrow                                | 9,091,960                  | --                          | 9,091,960             |
| Capital assets:                                    |                            |                             |                       |
| Capital assets not being depreciated               | 17,749,025                 | 6,601,370                   | 24,350,395            |
| Capital assets being depreciated                   | 153,676,956                | 34,035,270                  | 187,712,226           |
| <b>Total Noncurrent Assets</b>                     | <b>186,507,780</b>         | <b>40,677,093</b>           | <b>227,184,873</b>    |
| <b>Total Assets</b>                                | <b>229,661,655</b>         | <b>53,212,327</b>           | <b>282,873,982</b>    |
| <b>Deferred Outflows of Resources</b>              |                            |                             |                       |
| Deferred charge on refunding bonds                 | 1,508,980                  | --                          | 1,508,980             |
| Pension - related                                  | 11,826,685                 | --                          | 11,826,685            |
| <b>Total Deferred Outflows of Resources</b>        | <b>13,335,665</b>          | <b>--</b>                   | <b>13,335,665</b>     |
| <b>Liabilities</b>                                 |                            |                             |                       |
| <b>Current Liabilities</b>                         |                            |                             |                       |
| Accounts payable and accrued liabilities           | 5,898,665                  | 1,582,058                   | 7,480,723             |
| Accrued interest payable                           | 819,298                    | 63,963                      | 883,261               |
| Unearned revenue                                   | 15,142                     | 93,500                      | 108,642               |
| Claims payable                                     | 1,194,213                  | --                          | 1,194,213             |
| Long-term liabilities due within one year          | 8,126,289                  | 561,688                     | 8,687,977             |
| <b>Total Current Liabilities</b>                   | <b>16,053,607</b>          | <b>2,301,209</b>            | <b>18,354,816</b>     |
| <b>Noncurrent Liabilities</b>                      |                            |                             |                       |
| Other noncurrent liabilities                       | --                         | 1,252,610                   | 1,252,610             |
| Long-term liabilities                              | 125,287,135                | 3,654,178                   | 128,941,313           |
| <b>Total Noncurrent Liabilities</b>                | <b>125,287,135</b>         | <b>4,906,788</b>            | <b>130,193,923</b>    |
| <b>Total Liabilities</b>                           | <b>141,340,742</b>         | <b>7,207,997</b>            | <b>148,548,739</b>    |
| <b>Deferred Inflows of Resources</b>               |                            |                             |                       |
| Unavailable revenues                               | 586,479                    | --                          | 586,479               |
| Pension - related                                  | 23,620,015                 | --                          | 23,620,015            |
| <b>Total Deferred Inflows of Resources</b>         | <b>24,206,494</b>          | <b>--</b>                   | <b>24,206,494</b>     |
| <b>Net Position</b>                                |                            |                             |                       |
| Net investment in capital assets                   | 96,776,891                 | 35,444,002                  | 132,220,893           |
| Restricted for:                                    |                            |                             |                       |
| Capital projects                                   | 16,832,687                 | --                          | 16,832,687            |
| Unrestricted                                       | (36,159,494)               | 10,560,328                  | (25,599,166)          |
| <b>Total Net Position</b>                          | <b>\$ 77,450,084</b>       | <b>\$ 46,004,330</b>        | <b>\$ 123,454,414</b> |

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

TOWN OF WESTERLY, RHODE ISLAND

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

| Functions/Programs                                       | Expenses              | Program Revenues     |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                       |
|--|-----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|
|  |                       | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government                                |                          |                       |
|  |                       |                      |                                    |                                  | Governmental Activities                           | Business-type Activities | Total                 |
| <b>Governmental Activities:</b>                          |                       |                      |                                    |                                  |   |                          |                       |
| Legislative, judicial and general administrative         | \$ 18,702,398         | \$ 13,066,479        | \$ 56,774                          | \$ 44                            | \$ (5,579,101)                                    | \$ --                    | \$ (5,579,101)        |
| Public works   | 6,897,337             | 34,475               | --                                 | --                               | (6,862,862)                                       | --                       | (6,862,862)           |
| Public safety  | 4,041,929             | 2,926,061            | 91,005                             | --                               | (1,024,863)                                       | --                       | (1,024,863)           |
| Health and welfare                                       | 1,541,288             | 3,646                | 26,172                             | 341,314                          | (1,170,156)                                       | --                       | (1,170,156)           |
| Conservation and development                             | 49,409                | --                   | 162,175                            | 27,253                           | 140,019   | --                       | 140,019               |
| Parks and recreation                                     | 791,124               | 354,911              | --                                 | --                               | (436,213)   | --                       | (436,213)             |
| Planning and zoning                                      | 1,036,939             | 725,434              | --                                 | --                               | (311,505)   | --                       | (311,505)             |
| Education  | 66,829,820            | 1,558,316            | 13,389,167                         | --                               | (51,882,337)                                      | --                       | (51,882,337)          |
| Interest on long-term debt                               | 2,038,437             | 480,752              | --                                 | --                               | (1,557,685)                                       | --                       | (1,557,685)           |
| <b>Total Governmental Activities</b>                     | <u>101,928,681</u>    | <u>19,150,074</u>    | <u>13,725,293</u>                  | <u>368,611</u>                   | <u>(68,684,703)</u>                               | <u>--</u>                | <u>(68,684,703)</u>   |
| <b>Business-Type Activity:</b>                           |                       |                      |                                    |                                  |   |                          |                       |
| Water fund   | 4,927,301             | 5,002,900            | --                                 | --                               | --  | 75,599                   | 75,599                |
| Sewer fund   | 3,649,601             | 3,813,804            | --                                 | --                               | --  | 164,203                  | 164,203               |
| Transfer station fund                                    | 2,757,179             | 3,115,091            | --                                 | --                               | --  | 357,912                  | 357,912               |
| Other non-major funds                                    | 7,540                 | --                   | --                                 | --                               | --  | (7,540)                  | (7,540)               |
| <b>Total Business-Type Activity</b>                      | <u>11,341,621</u>     | <u>11,931,795</u>    | <u>--</u>                          | <u>--</u>                        | <u>--</u>   | <u>590,174</u>           | <u>590,174</u>        |
| <b>Total Primary Government</b>                          | <u>\$ 113,270,302</u> | <u>\$ 31,081,869</u> | <u>\$ 13,725,293</u>               | <u>\$ 368,611</u>                | <u>(68,684,703)</u>                               | <u>590,174</u>           | <u>(68,094,529)</u>   |
| <b>General Revenues:</b>                                 |                       |                      |                                    |                                  |   |                          |                       |
| Taxes:   |                       |                      |                                    |                                  |   |                          |                       |
| Property taxes levied for general purposes               |                       |                      |                                    |                                  | 77,500,103  | --                       | 77,500,103            |
| On-behalf pension contribution                           |                       |                      |                                    |                                  | 5,711,553   | --                       | 5,711,553             |
| State aid in lieu of taxes, not for a restricted purpose |                       |                      |                                    |                                  | 1,178,723   | --                       | 1,178,723             |
| Investment and interest income                           |                       |                      |                                    |                                  | 123,888   | 871                      | 124,759               |
| Other revenues   |                       |                      |                                    |                                  | 2,141,660   | 1,515,689                | 3,657,349             |
| Residual equity on transfer                              |                       |                      |                                    |                                  | 1,456,309   | (1,456,309)              | --                    |
| Transfer (in) out  |                       |                      |                                    |                                  | (771,844)   | 771,844                  | --                    |
| <b>Total General Revenues</b>                            |                       |                      |                                    |                                  | <u>87,340,392</u>                                 | <u>832,095</u>           | <u>88,172,487</u>     |
| <b>Change in Net Position</b>                            |                       |                      |                                    |                                  | 18,655,689  | 1,422,269                | 20,077,958            |
| <b>Net Position - Beginning of Year, as restated</b>     |                       |                      |                                    |                                  | <u>58,794,395</u>                                 | <u>44,582,061</u>        | <u>103,376,456</u>    |
| <b>Net Position - End of Year</b>                        |                       |                      |                                    |                                  | <u>\$ 77,450,084</u>                              | <u>\$ 46,004,330</u>     | <u>\$ 123,454,414</u> |

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

# **FUND FINANCIAL STATEMENTS**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

|   | General<br>Fund      | School<br>Restricted<br>Fund | \$15,000,000<br>Bond<br>Fund | Other<br>Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|------------------------------|------------------------------|---|--------------------------------|
| <b>Assets</b>   |                      |                              |                              |   |                                |
| Cash and cash equivalents   | \$ 16,288,025        | \$ 1,086,940                 | \$ --                        | \$ 4,096,613                                | \$ 21,471,578                  |
| Restricted cash held in escrow  | --                   | --                           | 6,976,241                    | 2,115,719                                   | 9,091,960                      |
| Investments   | --                   | --                           | --                           | 1,794                                       | 1,794                          |
| Real estate and personal property tax receivable                              | 754,442              | --                           | --                           | --  | 754,442                        |
| Due from federal and state governments  | 898,704              | 1,333,167                    | --                           | 330,125                                     | 2,561,996                      |
| Due from other funds  | 13,734,921           | --                           | --                           | 267,022                                     | 14,001,943                     |
| Other receivables   | 787,697              | --                           | --                           | 37,529                                      | 825,226                        |
| Prepaid items   | 1,204,941            | 74,826                       | --                           | --  | 1,279,767                      |
| <b>Total Assets</b>   | <u>\$ 33,668,730</u> | <u>\$ 2,494,933</u>          | <u>\$ 6,976,241</u>          | <u>\$ 6,848,802</u>                         | <u>\$ 49,988,706</u>           |
| <b>Liabilities, Deferred Inflows and Fund Balances</b>                        |                      |                              |                              |   |                                |
| <b>Liabilities</b>  |                      |                              |                              |   |                                |
| Accounts payable and accrued liabilities                                      | \$ 4,068,382         | \$ 723,006                   | \$ 962,251                   | \$ 145,026                                  | \$ 5,898,665                   |
| Due to other funds  | 6,933,651            | 1,270,216                    | 1,349,162                    | 725,591                                     | 10,278,620                     |
| Unearned revenue  | --                   | --                           | --                           | 15,142                                      | 15,142                         |
| <b>Total Liabilities</b>  | <u>11,002,033</u>    | <u>1,993,222</u>             | <u>2,311,413</u>             | <u>885,759</u>                              | <u>16,192,427</u>              |
| <b>Deferred Inflows of Resources</b>  |                      |                              |                              |   |                                |
| Unavailable revenue - property taxes  | 1,151,096            | --                           | --                           | --  | 1,151,096                      |
| <b>Total Deferred Inflows of Resources</b>                                    | <u>1,151,096</u>     | <u>--</u>                    | <u>--</u>                    | <u>--</u>                                   | <u>1,151,096</u>               |
| <b>Fund Balances</b>  |                      |                              |                              |   |                                |
| Non-spendable   | 1,204,941            | 74,826                       | --                           | --  | 1,279,767                      |
| Restricted  | 4,464,952            | 426,885                      | 4,664,828                    | 2,465,618                                   | 12,022,283                     |
| Committed   | 980,478              | --                           | --                           | 3,497,425                                   | 4,477,903                      |
| Assigned  | --                   | --                           | --                           | --  | --                             |
| Unassigned  | 14,865,230           | --                           | --                           | --  | 14,865,230                     |
| <b>Total Fund Balances</b>  | <u>21,515,601</u>    | <u>501,711</u>               | <u>4,664,828</u>             | <u>5,963,043</u>                            | <u>32,645,183</u>              |
| <b>Total Liabilities, Deferred Inflows of Resources<br/>and Fund Balances</b> | <u>\$ 33,668,730</u> | <u>\$ 2,494,933</u>          | <u>\$ 6,976,241</u>          | <u>\$ 6,848,802</u>                         | <u>\$ 49,988,706</u>           |

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

**TOWN OF WESTERLY, RHODE ISLAND**

III

**RECONCILIATION OF THE BALANCE SHEET  
OF GOVERNMENTAL FUNDS (III) TO THE STATEMENT OF NET POSITION (I)  
JUNE 30, 2021**

---

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

|  |                      |
|--|----------------------|
| <b>Total Fund Balance (III)</b>  | \$ 32,645,183        |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.  | 171,425,981          |
| Net Pension Asset  | 5,328,778            |
| Penalties and interest on tax receivables  | 716,627              |
| Sinking bond fund investments  | 5,989,839            |
| Advance tax collections deferred in funds and not deferred in measurement for Statement of Net Position  | 1,636,823            |
| Deferred outflows relating to deferred loss on refunding   | 1,508,980            |
| Deferred outflows relating to pensions and OPEB are recorded in the statement of net position  | 11,826,685           |
| Deferred inflows relating to unavailable tax revenues  | (586,479)            |
| Deferred inflows relating to pensions and OPEB are recorded in the statement of net position   | (23,620,015)         |
| 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  | (66,205,000)         |
| Bond premium   | (4,134,167)          |
| Capital leases   | (2,100,365)          |
| Compensated absences   | (2,051,301)          |
| Accrual for net OPEB liability   | (10,278,729)         |
| Accrual for net pension liability  | (48,643,862)         |
| Accrued interest payable is recorded in government activities, but is not recorded in the funds.   | (819,298)            |
| 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.  | 4,810,404            |
| <b>Total Net Position (I)</b>  | <b>\$ 77,450,084</b> |

*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, 2021**

|   | General<br>Fund      | School<br>Restricted<br>Fund | \$15,000,000<br>Bond<br>Fund | Other<br>Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|------------------------------|------------------------------|---|--------------------------------|
| <b>Revenues</b>                                       |                      |                              |                              |   |                                |
| General property taxes and payments in lieu of taxes  | \$ 76,154,156        | \$ --                        | \$ --                        | \$ --                                       | \$ 76,154,156                  |
| Intergovernmental and departmental                    | 17,182,649           | 3,432,125                    | --                           | 1,345,308                                   | 21,960,082                     |
| Licenses and permits                                  | 792,566              | --                           | --                           | --  | 792,566                        |
| Fines and penalties                                   | 279,242              | --                           | --                           | --  | 279,242                        |
| Charges for service                                   | 2,074,255            | --                           | --                           | 43,885                                      | 2,118,140                      |
| Capital grants and contributions                      | --                   | --                           | --                           | 33,110                                      | 33,110                         |
| Investment income                                     | 121,761              | --                           | --                           | 2,127                                       | 123,888                        |
| On behalf pension contribution                        | 2,606,081            | --                           | --                           | --  | 2,606,081                      |
| Other revenues  | 1,109,947            | 333,486                      | --                           | --  | 1,443,433                      |
| <b>Total Revenues</b>                                 | <u>100,320,657</u>   | <u>3,765,611</u>             | <u>--</u>                    | <u>1,424,430</u>                            | <u>105,510,698</u>             |
| <b>Expenditures</b>                                   |                      |                              |                              |   |                                |
| Legislative, executive and administrative             | 7,330,907            | --                           | --                           | 55,935                                      | 7,386,842                      |
| Public works  | 4,681,840            | --                           | --                           | 89,540                                      | 4,771,380                      |
| Public safety   | 8,060,237            | --                           | --                           | 118,958                                     | 8,179,195                      |
| Health and welfare                                    | 1,258,445            | --                           | --                           | 282,843                                     | 1,541,288                      |
| Conservation and development                          | 12,463               | --                           | --                           | 36,946                                      | 49,409                         |
| Parks and recreation                                  | 638,917              | --                           | --                           | --  | 638,917                        |
| Planning  | 1,028,682            | --                           | --                           | --  | 1,028,682                      |
| Education   | 56,939,313           | 4,300,811                    | --                           | 674,713                                     | 61,914,837                     |
| Debt service principal                                | 9,838,220            | --                           | --                           | 186,344                                     | 10,024,564                     |
| Capital outlay  | 1,061,260            | 703,055                      | 4,308,544                    | 1,137,326                                   | 7,210,185                      |
| On behalf pension contribution                        | 2,606,081            | --                           | --                           | --  | 2,606,081                      |
| <b>Total Expenditures</b>                             | <u>93,456,365</u>    | <u>5,003,866</u>             | <u>4,308,544</u>             | <u>2,582,605</u>                            | <u>105,351,380</u>             |
| <b>Excess of Revenues Over (Under) Expenditures</b>   |                      |                              |                              |   |                                |
| <b>Before Other Financing Sources (Uses)</b>          | <u>6,864,292</u>     | <u>(1,238,255)</u>           | <u>(4,308,544)</u>           | <u>(1,158,175)</u>                          | <u>159,318</u>                 |
| <b>Other Financing Sources (Uses)</b>                 |                      |                              |                              |   |                                |
| Transfers from other funds                            | 265,264              | 1,335,107                    | --                           | 1,855,672                                   | 3,456,043                      |
| Transfers to other funds                              | (4,094,062)          | (29,828)                     | --                           | (103,997)                                   | (4,227,887)                    |
| Capital lease proceeds                                | 615,804              | --                           | --                           | --  | 615,804                        |
| Payments to refunding bond escrow agent               | --                   | --                           | --                           | (10,949,344)                                | (10,949,344)                   |
| Bond premium  | --                   | --                           | --                           | 1,933,838                                   | 1,933,838                      |
| Bond proceeds   | --                   | --                           | --                           | 11,205,000                                  | 11,205,000                     |
| <b>Total Other Financing Sources (Uses)</b>           | <u>(3,212,994)</u>   | <u>1,305,279</u>             | <u>--</u>                    | <u>3,941,169</u>                            | <u>2,033,454</u>               |
| <b>Net Change in Fund Balances</b>                    | 3,651,298            | 67,024                       | (4,308,544)                  | 2,782,994                                   | 2,192,772                      |
| <b>Fund Balances - Beginning of Year, as restated</b> | <u>17,864,303</u>    | <u>434,687</u>               | <u>8,973,372</u>             | <u>3,180,049</u>                            | <u>30,452,411</u>              |
| <b>Fund Balances - End of Year</b>                    | <u>\$ 21,515,601</u> | <u>\$ 501,711</u>            | <u>\$ 4,664,828</u>          | <u>\$ 5,963,043</u>                         | <u>\$ 32,645,183</u>           |

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

**TOWN OF WESTERLY, RHODE ISLAND**

IV

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (IV) TO THE  
STATEMENT OF ACTIVITIES (II)  
JUNE 30, 2021**

|  |           |                          |
|--|-----------|--------------------------|
| <b>Net Change in Fund Balances - Total Governmental Funds (IV)</b>   | \$        | 2,192,772                |
| <p>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:</p> |           |                          |
| Capital asset additions  |           | 9,353,416                |
| Net book value of disposals  |           | <u>(5,528)</u>           |
| Net capital outlays reported as expenditures   |           | 9,347,888                |
| Net transfers of assets from construction in progress to capital assets being depreciated  |           | 1,382,945                |
| Depreciation expense   |           | (6,745,439)              |
| Change in deferred charge on refunding   |           | (217,464)                |
| Proceeds from issuance of long-term debt   |           | (13,754,642)             |
| Change in accrued interest   |           | 52,528                   |
| Change in liability for compensated absences   |           | (491,029)                |
| Change in property tax interest and lien revenue   |           | (37,614)                 |
| Change in unearned tax revenues that are recorded in the funds,<br>but are not deferred under the measurement focus employed   |           | 1,383,561                |
| Principal payments made on long-term obligations   |           | 18,935,471               |
| Excess of internal service funds' revenues over expenses, reported as governmental activities<br>in the Government-wide statement of activities  |           | 710,439                  |
| Change in net OPEB liability   |           | 2,297,778                |
| Change in net pension asset  |           | 115,410                  |
| Change in net pension liability  |           | 10,133,948               |
| Change in deferred inflows of resources  |           | (5,507,243)              |
| Change in deferred outflows of resources   |           | <u>(1,143,620)</u>       |
| <b>Change in Net Position of Governmental Activities (II)</b>  | <b>\$</b> | <b><u>18,655,689</u></b> |

*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, 2021

|   | Business-Type Activities<br>Enterprise Funds |                      |                             |                                 | Governmental<br>Activities   |                          |
|---|--|----------------------|-----------------------------|---------------------------------|------------------------------|--------------------------|
|   | Water<br>Fund                                | Sewer<br>Fund        | Transfer<br>Station<br>Fund | Other                           | Total<br>Enterprise<br>Funds | Internal<br>Service Fund |
|   |  |                      |                             | Non-Major<br>Enterprise<br>Fund |                              |                          |
| <b>Assets</b>                                   |  |                      |                             |                                 |                              |                          |
| <b>Current Assets</b>                           |  |                      |                             |                                 |                              |                          |
| Cash and cash equivalents                       | \$ 3,222,323                                 | \$ 4,952,031         | \$ 898,375                  | \$ 2,956                        | \$ 9,075,685                 | \$ 2,236,660             |
| Fee receivables                                 | 1,837,376                                    | 1,163,662            | 364,660                     | --                              | 3,365,698                    | --                       |
| Inventories                                     | 123,046                                      | 7,494                | 16,559                      | --                              | 147,099                      | --                       |
| Other receivables                               | --   | --                   | 54,542                      | --                              | 54,542                       | 218,868                  |
| Prepaid items                                   | 96   | 26                   | 26,722                      | --                              | 26,844                       | 7,135,299                |
| Due from other funds                            | --   | --                   | --                          | --                              | --                           | 252,831                  |
| <b>Total Current Assets</b>                     | <u>5,182,841</u>                             | <u>6,123,213</u>     | <u>1,360,858</u>            | <u>2,956</u>                    | <u>12,669,868</u>            | <u>9,843,658</u>         |
| <b>Noncurrent Assets</b>                        |  |                      |                             |                                 |                              |                          |
| Restricted cash held in escrow                  | --   | 40,453               | --                          | --                              | 40,453                       | --                       |
| Capital assets not being depreciated            | 6,004,050                                    | 597,320              | --                          | --                              | 6,601,370                    | --                       |
| Capital assets, net of accumulated depreciation | <u>15,709,428</u>                            | <u>17,140,532</u>    | <u>1,185,310</u>            | <u>--</u>                       | <u>34,035,270</u>            | <u>--</u>                |
| <b>Total Noncurrent Assets</b>                  | <u>21,713,478</u>                            | <u>17,778,305</u>    | <u>1,185,310</u>            | <u>--</u>                       | <u>40,677,093</u>            | <u>--</u>                |
| <b>Total Assets</b>                             | <u>26,896,319</u>                            | <u>23,901,518</u>    | <u>2,546,168</u>            | <u>2,956</u>                    | <u>53,346,961</u>            | <u>9,843,658</u>         |
| <b>Liabilities</b>                              |  |                      |                             |                                 |                              |                          |
| <b>Current Liabilities</b>                      |  |                      |                             |                                 |                              |                          |
| Accounts payable and accrued expenses           | 969,419                                      | 288,904              | 323,235                     | 500                             | 1,582,058                    | --                       |
| Accrued interest payable                        | 51,302                                       | 9,261                | 3,400                       | --                              | 63,963                       | --                       |
| Due to other funds                              | 134,634                                      | --                   | --                          | --                              | 134,634                      | 3,839,041                |
| Unearned revenue                                | --   | 50,576               | 40,468                      | 2,456                           | 93,500                       | --                       |
| Claims payable                                  | --   | --                   | --                          | --                              | --                           | 1,194,213                |
| Current portion of long-term liabilities        | <u>168,785</u>                               | <u>270,152</u>       | <u>122,751</u>              | <u>--</u>                       | <u>561,688</u>               | <u>--</u>                |
| <b>Total Current Liabilities</b>                | <u>1,324,140</u>                             | <u>618,893</u>       | <u>489,854</u>              | <u>2,956</u>                    | <u>2,435,843</u>             | <u>5,033,254</u>         |
| <b>Noncurrent Liabilities</b>                   |  |                      |                             |                                 |                              |                          |
| Capital leases                                  | 1,786,479                                    | --                   | 157,728                     | --                              | 1,944,207                    | --                       |
| Other liabilities                               | --   | 1,252,610            | --                          | --                              | 1,252,610                    | --                       |
| Compensated absences                            | 157,678                                      | 28,609               | 34,384                      | --                              | 220,671                      | --                       |
| Bonds, loans and notes payable                  | <u>--</u>                                    | <u>1,489,300</u>     | <u>--</u>                   | <u>--</u>                       | <u>1,489,300</u>             | <u>--</u>                |
| <b>Total Noncurrent Liabilities</b>             | <u>1,944,157</u>                             | <u>2,770,519</u>     | <u>192,112</u>              | <u>--</u>                       | <u>4,906,788</u>             | <u>--</u>                |
| <b>Total Liabilities</b>                        | <u>3,268,297</u>                             | <u>3,389,412</u>     | <u>681,966</u>              | <u>2,956</u>                    | <u>7,342,631</u>             | <u>5,033,254</u>         |
| <b>Net Position</b>                             |  |                      |                             |                                 |                              |                          |
| Net investment in capital assets                | 19,797,633                                   | 14,732,942           | 913,427                     | --                              | 35,444,002                   | --                       |
| Restricted for:                                 |  |                      |                             |                                 |                              |                          |
| Other purposes                                  | --   | --                   | --                          | --                              | --                           | 4,810,404                |
| Unrestricted                                    | <u>3,830,389</u>                             | <u>5,779,164</u>     | <u>950,775</u>              | <u>--</u>                       | <u>10,560,328</u>            | <u>--</u>                |
| <b>Total Net Position</b>                       | <u>\$ 23,628,022</u>                         | <u>\$ 20,512,106</u> | <u>\$ 1,864,202</u>         | <u>\$ --</u>                    | <u>\$ 46,004,330</u>         | <u>\$ 4,810,404</u>      |

*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, 2021**

|  | Business-Type Activities<br>Enterprise Funds |                      |                             |  | Total<br>Enterprise<br>Funds | Governmental<br>Activities |
|--|--|----------------------|-----------------------------|--|------------------------------|----------------------------|
|  | Water<br>Fund                                | Sewer<br>Fund        | Transfer<br>Station<br>Fund | Other<br>Non-Major<br>Enterprise<br>Fund |                              | Internal Service<br>Fund   |
|  |  |                      |                             |  |                              |                            |
| <b>Operating Revenues</b>                      |  |                      |                             |  |                              |                            |
| User fees and rental income                    | \$ 5,002,900                                 | \$ 2,805,966         | \$ 3,115,091                | \$ --                                    | \$ 10,923,957                | \$ --                      |
| Sewer and water assessments and taxes          | --   | 1,007,838            | --                          | --                                       | 1,007,838                    | --                         |
| Charges for insurance                          | --   | --                   | --                          | --                                       | --                           | 11,394,097                 |
| Other income                                   | 531,590                                      | 972,210              | 4,349                       | 7,540                                    | 1,515,689                    | --                         |
| <b>Total Operating Revenues</b>                | <u>5,534,490</u>                             | <u>4,786,014</u>     | <u>3,119,440</u>            | <u>7,540</u>                             | <u>13,447,484</u>            | <u>11,394,097</u>          |
| <b>Operating Expenses</b>                      |  |                      |                             |  |                              |                            |
| Salaries and benefits                          | 2,405,349                                    | 565,256              | 783,313                     | --                                       | 3,753,918                    | --                         |
| Materials and supplies                         | 564,341                                      | 12,544               | 273,613                     | 999                                      | 851,497                      | --                         |
| Repairs and maintenance                        | 179,839                                      | 2,241,451            | 62,773                      | 6,541                                    | 2,490,604                    | --                         |
| Depreciation and amortization                  | 471,918                                      | 619,072              | 182,456                     | --                                       | 1,273,446                    | --                         |
| Utilities                                      | 378,322                                      | --                   | 18,909                      | --                                       | 397,231                      | --                         |
| Administrative expense                         | 336,418                                      | 82,668               | 93,342                      | --                                       | 512,428                      | 17,956                     |
| Insurance                                      | 88,203                                       | 22,994               | --                          | --                                       | 111,197                      | --                         |
| Claims and benefits                            | --   | --                   | --                          | --                                       | --                           | 10,665,702                 |
| Contracted services                            | 433,643                                      | 75,089               | 1,448,550                   | --                                       | 1,957,282                    | --                         |
| <b>Total Operating Expenses</b>                | <u>4,858,033</u>                             | <u>3,619,074</u>     | <u>2,862,956</u>            | <u>7,540</u>                             | <u>11,347,603</u>            | <u>10,683,658</u>          |
| <b>Income from Operations</b>                  | <u>676,457</u>                               | <u>1,166,940</u>     | <u>256,484</u>              | <u>--</u>                                | <u>2,099,881</u>             | <u>710,439</u>             |
| <b>Non-Operating Revenues (Expenses)</b>       |  |                      |                             |  |                              |                            |
| Interest income                                | 871  | --                   | --                          | --                                       | 871                          | --                         |
| Interest expense                               | (79,316)                                     | (30,527)             | (13,103)                    | --                                       | (122,946)                    | --                         |
| Residual equity on transfer                    | --   | --                   | 25,242                      | (1,481,551)                              | (1,456,309)                  | --                         |
| Gain (loss) on disposal of capital assets      | 10,048                                       | --                   | 118,880                     | --                                       | 128,928                      | --                         |
| <b>Total Non-Operating Revenues (Expenses)</b> | <u>(68,397)</u>                              | <u>(30,527)</u>      | <u>131,019</u>              | <u>(1,481,551)</u>                       | <u>(1,449,456)</u>           | <u>--</u>                  |
| <b>Transfers</b>                               |  |                      |                             |  |                              |                            |
| Transfers from other funds                     | 156,289                                      | 1,371,047            | 559,050                     | --                                       | 2,086,386                    | --                         |
| Transfers out to other funds                   | (156,289)                                    | (956,335)            | (70,479)                    | (131,439)                                | (1,314,542)                  | --                         |
| <b>Total Transfers</b>                         | <u>--</u>                                    | <u>414,712</u>       | <u>488,571</u>              | <u>(131,439)</u>                         | <u>771,844</u>               | <u>--</u>                  |
| <b>Change in Net Position</b>                  | 608,060                                      | 1,551,125            | 876,074                     | (1,612,990)                              | 1,422,269                    | 710,439                    |
| <b>Net Position - Beginning of Year</b>        | <u>23,019,962</u>                            | <u>18,960,981</u>    | <u>988,128</u>              | <u>1,612,990</u>                         | <u>44,582,061</u>            | <u>4,099,965</u>           |
| <b>Net Position - End of Year</b>              | <u>\$ 23,628,022</u>                         | <u>\$ 20,512,106</u> | <u>\$ 1,864,202</u>         | <u>\$ --</u>                             | <u>\$ 46,004,330</u>         | <u>\$ 4,810,404</u>        |

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

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|  | Business-Type Activities<br>Enterprise Funds |                     |                             |  | Total               | Governmental<br>Activities |
|--|--|---------------------|-----------------------------|--|---------------------|----------------------------|
|  | Water<br>Fund                                | Sewer<br>Fund       | Transfer<br>Station<br>Fund | Other<br>Non-Major<br>Enterprise<br>Fund |                     | Internal Service<br>Fund   |
|  |  |                     |                             |  |                     |                            |
| <b>Cash Flows from Operating Activities</b>                                    |  |                     |                             |  |                     |                            |
| Cash received from customers   | \$ 4,831,586                                 | \$ 5,181,078        | \$ 2,540,512                | \$ 111,746                               | \$ 12,664,922       | \$ 10,041,317              |
| Cash received from other operating services                                    | (2,306,448)                                  | 972,210             | 4,349                       | 7,540                                    | (1,322,349)         | --                         |
| Cash payments to suppliers for goods and services                              | (1,193,888)                                  | (3,033,390)         | (1,907,680)                 | (17,900)                                 | (6,152,858)         | (9,908,178)                |
| Cash payments to employees for services  | (2,405,349)                                  | (565,256)           | (783,313)                   | --                                       | (3,753,918)         | --                         |
| Cash payments of administrative expenses                                       | --   | --                  | --                          | --                                       | --                  | (17,956)                   |
| <b>Net Cash (Used in) Provided by Operating Activities</b>                     | <u>(1,074,099)</u>                           | <u>2,554,642</u>    | <u>(146,132)</u>            | <u>101,386</u>                           | <u>1,435,797</u>    | <u>115,183</u>             |
| <b>Cash Flows from Non-Capital Financing Activities</b>                        |  |                     |                             |  |                     |                            |
| Transfers from (to) other funds  | --   | 414,712             | 488,571                     | (131,439)                                | 771,844             | --                         |
| <b>Net Cash Provided by (Used in) Non-Capital Financing Activities</b>         | <u>--</u>                                    | <u>414,712</u>      | <u>488,571</u>              | <u>(131,439)</u>                         | <u>771,844</u>      | <u>--</u>                  |
| <b>Cash Flows from Capital and Related Financing Activities</b>                |  |                     |                             |  |                     |                            |
| Principal paid on bonds, notes and loans                                       | (175,181)                                    | (776,907)           | --                          | --                                       | (952,088)           | --                         |
| Additions to capital assets  | (1,065,864)                                  | (257,433)           | (18,549)                    | --                                       | (1,341,846)         | --                         |
| Disposition cost of assets   | 38,895                                       | --                  | 127,153                     | --                                       | 166,048             | --                         |
| Interest paid on bonds, notes and loans  | (79,316)                                     | (30,527)            | (13,103)                    | --                                       | (122,946)           | --                         |
| <b>Net Cash (Used in) Provided by Capital and Related Financing Activities</b> | <u>(1,281,466)</u>                           | <u>(1,064,867)</u>  | <u>95,501</u>               | <u>--</u>                                | <u>(2,250,832)</u>  | <u>--</u>                  |
| <b>Cash Flows from Investing Activities</b>                                    |  |                     |                             |  |                     |                            |
| Investment income  | 871  | --                  | --                          | --                                       | 871                 | --                         |
| <b>Net Cash Provided by Investing Activities</b>                               | <u>871</u>                                   | <u>--</u>           | <u>--</u>                   | <u>--</u>                                | <u>871</u>          | <u>--</u>                  |
| <b>Net (Decrease) Increase in Cash and Cash Equivalents</b>                    | <u>(2,354,694)</u>                           | <u>1,904,487</u>    | <u>437,940</u>              | <u>(30,053)</u>                          | <u>(42,320)</u>     | <u>115,183</u>             |
| <b>Cash and Cash Equivalents - Beginning of Year</b>                           | <u>5,577,017</u>                             | <u>3,087,997</u>    | <u>460,435</u>              | <u>33,009</u>                            | <u>9,158,458</u>    | <u>2,121,477</u>           |
| <b>Cash and Cash Equivalents - End of Year</b>                                 | <u>\$ 3,222,323</u>                          | <u>\$ 4,992,484</u> | <u>\$ 898,375</u>           | <u>\$ 2,956</u>                          | <u>\$ 9,116,138</u> | <u>\$ 2,236,660</u>        |
| Unrestricted cash and cash equivalents, per statement of net position          | \$ 3,222,323                                 | \$ 4,952,031        | \$ 898,375                  | \$ 2,956                                 | \$ 9,075,685        | \$ 2,236,660               |
| Restricted cash and cash equivalents, per statement of net position            | --   | 40,453              | --                          | --                                       | 40,453              | --                         |
| <b>Total Cash and Cash Equivalents, Per Statement of Net Position</b>          | <u>\$ 3,222,323</u>                          | <u>\$ 4,992,484</u> | <u>\$ 898,375</u>           | <u>\$ 2,956</u>                          | <u>\$ 9,116,138</u> | <u>\$ 2,236,660</u>        |

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

TOWN OF WESTERLY, RHODE ISLAND

VII (Continued)

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS (CONTINUED)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | Business-Type Activities |                     |                             |  | Total<br>Enterprise<br>Funds | Governmental<br>Activities<br><br>Internal Service<br>Fund |
|---|--------------------------|---------------------|-----------------------------|--|------------------------------|--|
|   | Enterprise Funds         |                     |                             |  |                              |  |
|   | Water<br>Fund            | Sewer<br>Fund       | Transfer<br>Station<br>Fund | Other<br>Non-Major<br>Enterprise<br>Fund |                              |  |
| <b>Reconciliation of Operating Income to Net Cash<br/>Provided by Operating Activities</b>                  |                          |                     |                             |  |                              |  |
| Operating income  | \$ 676,457               | \$ 1,166,940        | \$ 256,484                  | \$ --                                    | \$ 2,099,881                 | \$ 710,439   |
| <b>Adjustments to Reconcile Operating Income to<br/>Net Cash (Used in) Provided by Operating Activities</b> |                          |                     |                             |  |                              |  |
| Depreciation and amortization   | 471,918                  | 619,072             | 182,456                     | --                                       | 1,273,446                    | --   |
| Changes in assets and liabilities:  |                          |                     |                             |  |                              |  |
| (Increase) decrease in accounts receivable<br>and accrued revenue   | (171,314)                | 1,368,361           | (574,579)                   | 111,941                                  | 734,409                      | --   |
| (Increase) decrease in inventories  | 36,491                   | (1,997)             | (16,559)                    | --                                       | 17,935                       | --   |
| (Increase) decrease in prepaid items  | (1)                      | --                  | (26,681)                    | --                                       | (26,682)                     | (1,352,780)  |
| Increase (decrease) in accounts payable<br>and accrued expenses   | 750,388                  | (596,647)           | (7,721)                     | (10,360)                                 | 135,660                      | --   |
| Increase (decrease) in claims payable   | --                       | --                  | --                          | --                                       | --                           | 757,524  |
| Increase (decrease) in interfund balances   | (2,838,038)              | --                  | --                          | --                                       | (2,838,038)                  | --   |
| Increase (decrease) in unearned revenues  | --                       | (1,087)             | 40,468                      | (195)                                    | 39,186                       | --   |
| <b>Total Adjustments</b>  | <u>(1,750,556)</u>       | <u>1,387,702</u>    | <u>(402,616)</u>            | <u>101,386</u>                           | <u>(664,084)</u>             | <u>(595,256)</u>   |
| <b>Net Cash (Used in) Provided by<br/>Operating Activities</b>  | <u>\$ (1,074,099)</u>    | <u>\$ 2,554,642</u> | <u>\$ (146,132)</u>         | <u>\$ 101,386</u>                        | <u>\$ 1,435,797</u>          | <u>\$ 115,183</u>  |

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

**TOWN OF WESTERLY, RHODE ISLAND**

**VIII**

**STATEMENT OF FIDUCIARY NET POSITION**

**JUNE 30, 2021**

|   | Pension<br>Benefit<br>Trust Fund | Other<br>Employee Benefit<br>Trust Fund | Custodial<br>Funds | Private<br>Purpose<br>Trust Funds |
|---|----------------------------------|---|--------------------|-----------------------------------|
| <b>Assets</b>   |                                  |   |                    |                                   |
| Cash equivalents  | \$ 1,689,364                     | \$ 654,966                              | \$ 45,876          | \$ 1,542                          |
| Investments, at fair value  | 48,475,924                       | 7,333,796                               | 4,390              | 218,449                           |
| Receivables:  |                                  |   |                    |                                   |
| Other   | 81,920                           | 15,326                                  | --                 | --                                |
| Total Receivables   | 81,920                           | 15,326                                  | --                 | --                                |
| <b>Total Assets</b>   | <b>\$ 50,247,208</b>             | <b>\$ 8,004,088</b>                     | <b>\$ 50,266</b>   | <b>\$ 219,991</b>                 |
| <b>Liabilities</b>  |                                  |   |                    |                                   |
| Other payable   | \$ --                            | \$ 218,868                              | \$ 2,479           | \$ 16,031                         |
| <b>Total Liabilities</b>  | <b>--</b>                        | <b>218,868</b>                          | <b>2,479</b>       | <b>16,031</b>                     |
| <b>Net Position</b>   |                                  |   |                    |                                   |
| Net position restricted for employee benefits, individuals, and other | 50,247,208                       | 7,785,220                               | 47,787             | 203,960                           |
| <b>Total Liabilities and Net Position</b>                             | <b>\$ 50,247,208</b>             | <b>\$ 8,004,088</b>                     | <b>\$ 50,266</b>   | <b>\$ 219,991</b>                 |

*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, 2021

|  | Pension<br>Benefit<br>Trust Fund | Other<br>Employee Benefit<br>Trust Fund | Custodial<br>Funds | Private<br>Purpose<br>Trust Funds |
|--|----------------------------------|---|--------------------|-----------------------------------|
| <b>Additions</b>   |                                  |   |                    |                                   |
| Contributions:   |                                  |   |                    |                                   |
| Employer   | \$ 1,786,470                     | \$ 1,258,061                            | \$ --              | \$ --                             |
| Plan members   | 504,550                          | --                                      | --                 | --                                |
| <b>Total Contributions</b>   | <u>2,291,020</u>                 | <u>1,258,061</u>                        | <u>--</u>          | <u>--</u>                         |
| <b>Investment Income</b>   |                                  |   |                    |                                   |
| Net increase in fair value of investments  | 10,208,589                       | 1,176,033                               | --                 | --                                |
| Interest and dividends   | 729,833                          | 114,842                                 | 822                | 42,863                            |
| Other  | --                               | --                                      | 6,927              | --                                |
| <b>Total Investment Income</b>   | <u>10,938,422</u>                | <u>1,290,875</u>                        | <u>7,749</u>       | <u>42,863</u>                     |
| <b>Total Additions</b>   | <u>13,229,442</u>                | <u>2,548,936</u>                        | <u>7,749</u>       | <u>42,863</u>                     |
| <b>Deductions</b>  |                                  |   |                    |                                   |
| Benefits paid  | 2,565,862                        | --                                      | 31,700             | --                                |
| Police health  | --                               | 854,489                                 | --                 | --                                |
| Administrative and other expenses  | 73,166                           | 52,135                                  | --                 | 3,405                             |
| <b>Total Deductions</b>  | <u>2,639,028</u>                 | <u>906,624</u>                          | <u>31,700</u>      | <u>3,405</u>                      |
| <b>Change in Net Position</b>  | 10,590,414                       | 1,642,312                               | (23,951)           | 39,458                            |
| <b>Net Position restricted for employee benefits, individuals, and other organizations - Beginning of Year</b> | <u>39,656,794</u>                | <u>6,142,908</u>                        | <u>71,738</u>      | <u>164,502</u>                    |
| <b>Net Position restricted for employee benefits, individuals, and other organizations - End of Year</b>       | <u>\$ 50,247,208</u>             | <u>\$ 7,785,220</u>                     | <u>\$ 47,787</u>   | <u>\$ 203,960</u>                 |

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

# **NOTES TO FINANCIAL STATEMENTS**

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *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.

#### *DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS*

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

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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#### 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, address the reconditioning and resurfacing of 21 miles of roads and the construction of a bridge, 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 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.

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS (CONTINUED)*

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

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

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

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

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

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

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.

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *MEASUREMENT FOCUS AND BASIS OF ACCOUNTING*

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

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

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

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

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

#### *ASSETS, LIABILITIES AND EQUITY*

##### **Cash and Cash Equivalents**

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

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

##### **Unbilled Services Receivable**

Water and sewer revenue is recorded when earned. Customers are billed semi-annually and some commercial customers are billed quarterly. The estimated value of services provided but unbilled at June 30, 2021 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.

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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#### 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, 2021, 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).

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### 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".

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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#### 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.

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### 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.

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### 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.

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *RECENTLY ISSUED ACCOUNTING STANDARDS*

During the year ended June 30, 2021, the Town adopted GASB Statement No. 84, *Fiduciary Activities*. See Note 16 for detail.

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

GASB Statement No. 87 – *Leases*, effective for Town’s fiscal year ending June 30, 2022.

GASB Statement No. 88 – *Certain Disclosures Related to Debt, Including Borrowings and Direct Placements*, effective for Town’s fiscal year ending June 30, 2022.

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, 2022.

GASB Statement No. 91 – *Conduit Debt Obligations*, effective for Town’s fiscal year ending June 30, 2023

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for Town’s fiscal year ending June 30, 2023.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*, effective for Town’s fiscal year ending June 30, 2023.

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting Financial Reporting for Internal Revenue Code Section 457, Deferred Compensation Plans*, effective for Town’s fiscal year ending June 30, 2022.

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

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### 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.

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

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

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

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

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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#### NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

##### *EXCESS OF EXPENDITURES OVER APPROPRIATIONS*

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

|                        |              |
|------------------------|--------------|
| Town Council           | \$ 1,970     |
| Legal services         | \$ 209,266   |
| Probate Court          | \$ 2,439     |
| Municipal Court        | \$ 165       |
| Tax Collector          | \$ 10,159    |
| Utilities              | \$ 49,636    |
| Harbor master          | \$ 6,675     |
| Emergency preparedness | \$ 1,561     |
| Transfers out          | \$ 1,805,085 |

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

#### 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, 2021, the Town's entire bank balance of \$36,289,044 was covered by either FDIC insurance or collateral held in the Town's name.

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### NOTE 3 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS (CONTINUED)

#### *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, 2021, the Town held \$3,318,473 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. These laws 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.

As of June 30, 2021, 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*       | \$ 3,976,435                  | \$ 382,094          | \$ 1,996,454        | \$ 701,371          | \$ 896,516          |
| U.S. Government Agencies      | 1,732,761                     | --                  | 25,575              | --                  | 1,707,186           |
| Corporate Bonds               | <u>5,465,096</u>              | <u>854,105</u>      | <u>1,715,777</u>    | <u>1,419,638</u>    | <u>1,475,578</u>    |
| Total                         | 11,174,292                    | <u>\$ 1,236,199</u> | <u>\$ 3,737,806</u> | <u>\$ 2,121,009</u> | <u>\$ 4,079,280</u> |
| Other investments             |                               |                     |                     |                     |                     |
| Mutual Funds                  | 10,208,551                    |                     |                     |                     |                     |
| Common Stock                  | <u>30,584,413</u>             |                     |                     |                     |                     |
| Total Investments             | <u>\$ 51,967,256</u>          |                     |                     |                     |                     |

\* Subject to coverage by the FDIC and financial institution collateralization

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 - INVESTMENTS (CONTINUED)**

Presented below is the credit rating of each investment type:

| Average Rating | Corporate<br>Bonds  | U.S.<br>Government<br>Agencies | Certificate of<br>Deposit |
|----------------|---------------------|--------------------------------|---------------------------|
| Aaa            | \$ 161,064          | \$ 1,732,761                   | \$ --                     |
| Aa             | --                  | --                             | --                        |
| Aa1            | 398,371             | --                             | --                        |
| Aa2            | --                  | --                             | --                        |
| Aa3            | 160,933             | --                             | --                        |
| A              | --                  | --                             | --                        |
| A1             | 1,181,661           | --                             | --                        |
| A2             | 1,988,121           | --                             | --                        |
| A3             | 676,216             | --                             | --                        |
| Ba1            | --                  | --                             | --                        |
| Baa1           | --                  | --                             | --                        |
| Baa2           | 748,730             | --                             | --                        |
| Unrated        | <u>150,000</u>      | <u>--</u>                      | <u>3,976,435</u>          |
|                | <u>\$ 5,465,096</u> | <u>\$ 1,732,761</u>            | <u>\$ 3,976,435</u>       |

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2021:

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

### NOTE 4 - INVESTMENTS (CONTINUED)

|                                       | Fair Value Measurements |                      |                     |              |
|---------------------------------------|-------------------------|----------------------|---------------------|--------------|
|                                       | Fair Value              | Level 1              | Level 2             | Level 3      |
| Investments by Fair Value Level:      |                         |                      |                     |              |
| U.S. Government Agencies              | \$ 1,732,761            | \$ --                | \$ 1,732,761        | \$ --        |
| Corporate Bonds                       | 5,465,096               | --                   | 5,465,096           | --           |
| Common Stock                          | 30,584,413              | 30,584,413           | --                  | --           |
| Mutual Funds                          | <u>10,208,551</u>       | <u>10,208,551</u>    | <u>--</u>           | <u>--</u>    |
| Total Investments by Fair Value Level | 47,990,821              | <u>\$ 40,792,964</u> | <u>\$ 7,197,857</u> | <u>\$ --</u> |
| Investments not included above:       |                         |                      |                     |              |
| Certificate of Deposit                | <u>3,976,435</u>        |                      |                     |              |
| Total Investments                     | <u>\$ 51,967,256</u>    |                      |                     |              |

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

#### Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town has made it a practice to limit the maturities on General Fund investments to sixty (60) days or less. Information about the exposure of the Town's securities to the risk are presented in the table on page 39.

#### Credit Risk

State law limits investments in U.S. Treasury bills, U.S. Treasury notes and bonds, U.S. Agency obligations, certificates of deposit, repurchase agreements, commercial paper, money market mutual funds and money market mutual funds. The Town has no investment policy that would further limit its investment choices. The ratings for the Town's investments are presented in the table on page 39.

#### Concentration of Credit Risk

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

#### Custodial Credit Risk

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

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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<br>Restricted<br>Fund | Water               | Sewer               | Transfer<br>Station | Nonmajor<br>and Other<br>Funds | Total               |
|-----------------------------------|---------------------|------------------------------|---------------------|---------------------|---------------------|--------------------------------|---------------------|
| Receivables:                      |                     |                              |                     |                     |                     |                                |                     |
| Property taxes                    | \$ 1,656,141        | \$ --                        | \$ --               | \$ --               | \$ --               | \$ --                          | \$ 1,656,141        |
| Accounts                          | --                  | --                           | 1,912,609           | 1,196,580           | 427,080             | --                             | 3,536,269           |
| Other receivable                  | 787,697             | --                           | --                  | --                  | --                  | 37,529                         | 825,226             |
| Intergovernmental                 | <u>898,704</u>      | <u>1,333,167</u>             | <u>--</u>           | <u>--</u>           | <u>--</u>           | <u>330,125</u>                 | <u>2,561,996</u>    |
| Gross receivables                 | 3,342,542           | 1,333,167                    | 1,912,609           | 1,196,580           | 427,080             | 367,654                        | 8,579,632           |
| Less allowance for uncollectables | <u>(901,699)</u>    | <u>--</u>                    | <u>(75,233)</u>     | <u>(32,918)</u>     | <u>(62,420)</u>     | <u>--</u>                      | <u>(1,072,270)</u>  |
| Net Total Receivables             | <u>\$ 2,440,843</u> | <u>\$ 1,333,167</u>          | <u>\$ 1,837,376</u> | <u>\$ 1,163,662</u> | <u>\$ 364,660</u>   | <u>\$ 367,654</u>              | <u>\$ 7,507,362</u> |

Receivables of \$716,627 related to accrued interest on property taxes are included in the Government-wide statement of net position but not included in the table above.

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS**

*INTERFUND RECEIVABLES AND PAYABLES*

The composition of interfund balances as of June 30, 2021 is as follows:

| <u>Payable Fund</u>         | <u>Amount</u>        |
|-----------------------------|----------------------|
| Internal Service Fund       | \$ 3,839,041         |
| Nonmajor Governmental Funds | 725,591              |
| School Restricted Fund      | 1,270,216            |
| General Fund                | 6,933,651            |
| \$15,000,000 Bond Fund      | 1,349,162            |
| Custodial Funds             | 2,479                |
| Enterprise Fund             | 134,634              |
|                             | <u>\$ 14,254,774</u> |

| <u>Receivable Fund</u>      | <u>Amount</u>        |
|-----------------------------|----------------------|
| General Fund                | \$ 13,734,921        |
| Nonmajor Governmental Funds | 267,022              |
| Internal Service Fund       | 252,831              |
|                             | <u>\$ 14,254,774</u> |

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

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

***INTERFUND TRANSFERS***

The composition of interfund transfers for the year ended June 30, 2021 is as follows:

| Fund                         | Transfers From<br>Other Funds | Transfers To<br>Other Funds |
|------------------------------|-------------------------------|-----------------------------|
| General Fund                 | \$ 265,264                    | \$ 4,094,062                |
| School Restricted Fund       | 1,335,107                     | 29,828                      |
| Non-Major Governmental Funds | 1,855,672                     | 103,997                     |
| Enterprise Funds             | 2,086,386                     | 1,314,542                   |
|                              | \$ 5,542,429                  | \$ 5,542,429                |

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

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

#### NOTE 7 - CAPITAL ASSETS

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

|   | Beginning<br>Balance  | Increases           | Decreases        | Transfers           | Ending<br>Balance     |
|---|-----------------------|---------------------|------------------|---------------------|-----------------------|
| Governmental Activities:                    |                       |                     |                  |                     |                       |
| Capital assets not being depreciated:       |                       |                     |                  |                     |                       |
| Land  | \$ 15,853,590         | \$ --               | \$ 5,528         | \$ --               | \$ 15,848,062         |
| Construction in progress                    | 2,466,223             | 5,221,666           | 22,010           | (5,764,916)         | 1,900,963             |
| Total capital assets not being depreciated  | <u>18,319,813</u>     | <u>5,221,666</u>    | <u>27,538</u>    | <u>(5,764,916)</u>  | <u>17,749,025</u>     |
| Capital assets being depreciated:           |                       |                     |                  |                     |                       |
| Land improvements                           | 8,039,062             | 111,743             | --               | 77,913              | 8,228,718             |
| Buildings and improvements                  | 115,620,438           | 1,747,246           | 5,352            | 1,932,165           | 119,294,497           |
| Motor vehicles                              | 9,937,144             | 661,890             | 578,933          | 552,170             | 10,572,271            |
| Machinery, equipment and furniture          | 7,541,767             | 1,557,330           | 590,639          | 27,863              | 8,536,321             |
| Software                                    | 130,000               | --                  | --               | --                  | 130,000               |
| Infrastructure                              | 103,258,439           | --                  | --               | 5,159,207           | 108,417,646           |
| Total capital assets being depreciated      | <u>244,526,850</u>    | <u>4,078,209</u>    | <u>1,174,924</u> | <u>7,749,318</u>    | <u>255,179,453</u>    |
| Less Accumulated Depreciation for:          |                       |                     |                  |                     |                       |
| Land improvements                           | 3,323,808             | 270,452             | --               | 38,956              | 3,633,216             |
| Buildings and improvements                  | 48,779,589            | 3,422,402           | 5,352            | 473,331             | 52,669,970            |
| Motor vehicles                              | 6,077,694             | 767,637             | 578,933          | --                  | 6,266,398             |
| Machinery, equipment and furniture          | 5,132,664             | 799,290             | 590,639          | 13,618              | 5,354,933             |
| Software                                    | 130,000               | --                  | --               | --                  | 130,000               |
| Infrastructure                              | 31,962,322            | 1,485,658           | --               | --                  | 33,447,980            |
| Total accumulated depreciation              | <u>95,406,077</u>     | <u>6,745,439</u>    | <u>1,174,924</u> | <u>525,905</u>      | <u>101,502,497</u>    |
| Total capital assets being depreciated, net | <u>149,120,773</u>    | <u>(2,667,230)</u>  | <u>--</u>        | <u>7,223,413</u>    | <u>153,676,956</u>    |
| Governmental Activities Capital Assets, Net | <u>\$ 167,440,586</u> | <u>\$ 2,554,436</u> | <u>\$ 27,538</u> | <u>\$ 1,458,497</u> | <u>\$ 171,425,981</u> |

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**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 | \$ 295,071          |
| Public Works                                     | 2,125,957           |
| Public Safety                                    | 469,520             |
| Planning and zoning                              | 8,257               |
| Parks and recreation                             | 152,206             |
| Animal Shelter                                   | 47,088              |
| Education  | <u>3,647,340</u>    |
| Total  | <u>\$ 6,745,439</u> |

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 7 - CAPITAL ASSETS (CONTINUED)**

|  | Beginning<br>Balance | Increases           | Decreases           | Transfers             | Ending<br>Balance    |
|--|----------------------|---------------------|---------------------|-----------------------|----------------------|
| Business-type activities                     |                      |                     |                     |                       |                      |
| Capital assets not being depreciated:        |                      |                     |                     |                       |                      |
| Land   | \$ 5,931,635         | \$ --               | \$ --               | \$ --                 | \$ 5,931,635         |
| Construction in progress                     | <u>2,201,646</u>     | <u>1,119,571</u>    | <u>2,461,482</u>    | <u>(190,000)</u>      | <u>669,735</u>       |
| Total capital assets not being depreciated   | <u>8,133,281</u>     | <u>1,119,571</u>    | <u>2,461,482</u>    | <u>(190,000)</u>      | <u>6,601,370</u>     |
| Capital assets being depreciated             |                      |                     |                     |                       |                      |
| Buildings and improvements                   | 26,709,836           | 39,200              | 12                  | (1,971,237)           | 24,777,787           |
| Mains, wells, pumps and hydrants             | 20,180,362           | 2,478,946           | --                  | --                    | 22,659,308           |
| Tanks and structures                         | 14,481,071           | --                  | --                  | --                    | 14,481,071           |
| Machinery and equipment                      | 6,013,486            | 164,196             | 679,862             | 144,541               | 5,642,361            |
| Odor control plant                           | <u>1,024,302</u>     | <u>--</u>           | <u>--</u>           | <u>--</u>             | <u>1,024,302</u>     |
| Total capital assets being depreciated       | <u>68,409,057</u>    | <u>2,682,342</u>    | <u>679,874</u>      | <u>(1,826,696)</u>    | <u>68,584,829</u>    |
| Less accumulated depreciation for:           |                      |                     |                     |                       |                      |
| Buildings and improvements                   | 14,739,330           | 418,348             | --                  | (512,285)             | 14,645,393           |
| Mains, wells, pumps and hydrants             | 8,348,081            | 332,242             | --                  | --                    | 8,680,323            |
| Tanks and structures                         | 6,267,880            | 189,713             | --                  | --                    | 6,457,593            |
| Machinery and equipment                      | 4,101,304            | 306,264             | 619,706             | (45,914)              | 3,741,948            |
| Odor control plant                           | <u>1,024,302</u>     | <u>--</u>           | <u>--</u>           | <u>--</u>             | <u>1,024,302</u>     |
| Total Accumulated Depreciation               | <u>34,480,897</u>    | <u>1,246,567</u>    | <u>619,706</u>      | <u>(558,199)</u>      | <u>34,549,559</u>    |
| Total Capital Assets Being Depreciated, Net  | <u>33,928,160</u>    | <u>1,435,775</u>    | <u>60,168</u>       | <u>(1,268,497)</u>    | <u>34,035,270</u>    |
| Business-Type Activities Capital Assets, Net | <u>\$ 42,061,441</u> | <u>\$ 2,555,346</u> | <u>\$ 2,521,650</u> | <u>\$ (1,458,497)</u> | <u>\$ 40,636,640</u> |

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**NOTE 7 - CAPITAL ASSETS (CONTINUED)**

Depreciation was charged to the following business-type activities:

Business-type activities:

|                  |                     |
|------------------|---------------------|
| Water            | \$ 471,918          |
| Sewer            | 619,072             |
| Transfer Station | <u>155,577</u>      |
| Total            | <u>\$ 1,246,567</u> |

***CONSTRUCTION COMMITMENTS***

The Town has active construction projects as of June 30, 2021. The projects include renovations to public buildings and various demolition and remediation projects.

Interest costs incurred and charged to expense for projects totaled \$2,657,156. No interest costs were capitalized as of June 30, 2021.

The following is a summary of significant capital projects as of June 30, 2021:

| <u>Project</u>                              | <u>Project<br/>Authorization</u> | <u>Expenditures<br/>to June 30, 2021</u> |
|---|----------------------------------|--|
| Town Road Paving, Drainage & Reconstruction | \$ 15,000,000                    | \$ 10,753,809                            |

Expenditures in excess of project authorization were covered within the sewer operating budget for the year ended June 30, 2021.

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

#### NOTE 8 - FUND BALANCE

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

|  | General<br>Fund      | School<br>Restricted<br>Fund | \$15.0 Million<br>Bond<br>Fund | Nonmajor<br>Governmental<br>Fund | Total                |
|--|----------------------|------------------------------|--------------------------------|----------------------------------|----------------------|
| Fund balances:                                       |                      |                              |                                |                                  |                      |
| Nonspendable for:                                    | \$ --                | \$ --                        | \$ --                          | \$ --                            | \$ --                |
| Prepaid expenditures - Town                          | 1,136,219            | --                           | --                             | --                               | 1,136,219            |
| Prepaid expenditures - Schools                       | 68,723               | 74,826                       | --                             | --                               | 143,549              |
| Restricted for:                                      |                      |                              |                                |                                  |                      |
| Educational programs                                 | 4,464,952            | 426,885                      | --                             | --                               | 4,891,837            |
| Neuter surcharge                                     | --                   | --                           | --                             | 3,521                            | 3,521                |
| Historical records preservation grant                | --                   | --                           | --                             | 106,451                          | 106,451              |
| Public safety grant programs                         | --                   | --                           | --                             | 232,591                          | 232,591              |
| Health and welfare grant programs                    | --                   | --                           | --                             | 7,336                            | 7,336                |
| RIIB Refunding                                       | --                   | --                           | --                             | 2,003,150                        | 2,003,150            |
| Road improvement projects                            | --                   | --                           | 4,664,828                      | --                               | 4,664,828            |
| Other capital projects                               | --                   | --                           | --                             | 112,569                          | 112,569              |
| Committed for:                                       |                      |                              |                                |                                  |                      |
| Town capital projects                                | --                   | --                           | --                             | 3,492,695                        | 3,492,695            |
| School fire suppression system upgrades              | 270,000              | --                           | --                             | --                               | 270,000              |
| School parking lot improvements                      | 18,071               | --                           | --                             | --                               | 18,071               |
| Adult day center improvements                        | 25,000               | --                           | --                             | --                               | 25,000               |
| Snow removal   | 54,227               | --                           | --                             | --                               | 54,227               |
| Hospital evaluation                                  | 17,843               | --                           | --                             | --                               | 17,843               |
| Dredging Winnapaug pond                              | 104,650              | --                           | --                             | --                               | 104,650              |
| Canal Street remediation                             | 3,852                | --                           | --                             | --                               | 3,852                |
| Senior center improvements                           | 2,700                | --                           | --                             | --                               | 2,700                |
| Legislative, judicial and general and administrative | 105                  | --                           | --                             | --                               | 105                  |
| Public works   | 2,454                | --                           | --                             | --                               | 2,454                |
| Educational programs                                 | 417,410              | --                           | --                             | --                               | 417,410              |
| FSA program  | 13,887               | --                           | --                             | --                               | 13,887               |
| Revaluation  | 9,866                | --                           | --                             | --                               | 9,866                |
| Public Safety  | 4,948                | --                           | --                             | --                               | 4,948                |
| K-9 donations program                                | 2,551                | --                           | --                             | --                               | 2,551                |
| Security cameras                                     | 16,000               | --                           | --                             | --                               | 16,000               |
| Senior center van                                    | 15,563               | --                           | --                             | --                               | 15,563               |
| Permanent neighbor fund                              | --                   | --                           | --                             | 1,618                            | 1,618                |
| Honor roll fund                                      | --                   | --                           | --                             | 1,313                            | 1,313                |
| Class of 1886  | --                   | --                           | --                             | 1,799                            | 1,799                |
| Other programs                                       | 1,350                | --                           | --                             | --                               | 1,350                |
| Unassigned   | <u>14,865,230</u>    | <u>--</u>                    | <u>--</u>                      | <u>--</u>                        | <u>14,865,230</u>    |
| <b>Total Fund Balances</b>                           | <u>\$ 21,515,601</u> | <u>\$ 501,711</u>            | <u>\$ 4,664,828</u>            | <u>\$ 5,963,043</u>              | <u>\$ 32,645,183</u> |

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 9 - LONG-TERM LIABILITIES**

***CHANGES IN LONG-TERM LIABILITIES***

Changes in the Town’s long-term liabilities for the year ended June 30, 2021 are as follows:

|                                 | Beginning<br>Balance  | Additions            | Reductions           | Ending<br>Balance     | Due within<br>One Year |
|---------------------------------|-----------------------|----------------------|----------------------|-----------------------|------------------------|
| <b>Governmental Activities</b>  |                       |                      |                      |                       |                        |
| Bonds and loans payable         |                       |                      |                      |                       |                        |
| General obligation bonds        | \$ 50,603,000         | \$ 11,205,000        | \$ 4,954,000         | \$ 56,854,000         | \$ 6,475,000           |
| Loan payable                    | 21,286,000            | --                   | 11,935,000           | 9,351,000             | --                     |
| Premium on bond issuance        | <u>2,760,090</u>      | <u>1,933,838</u>     | <u>559,761</u>       | <u>4,134,167</u>      | <u>504,885</u>         |
| Total bonds and notes payable   | 74,649,090            | 13,138,838           | 17,448,761           | 70,339,167            | 6,979,885              |
| Capital lease payable           | 2,140,086             | 723,644              | 763,365              | 2,100,365             | 736,144                |
| Compensated absences            | 1,560,272             | 491,029              | --                   | 2,051,301             | 410,260                |
| Net Pension liability           | 58,777,810            | --                   | 10,133,948           | 48,643,862            | --                     |
| Net OPEB liability              | <u>12,576,507</u>     | <u>--</u>            | <u>2,297,778</u>     | <u>10,278,729</u>     | <u>--</u>              |
| Total Governmental Activities   |                       |                      |                      |                       |                        |
| Long Term Liabilities           | <u>\$ 149,703,765</u> | <u>\$ 14,353,511</u> | <u>\$ 30,643,852</u> | <u>\$ 133,413,424</u> | <u>\$ 8,126,289</u>    |
| <b>Business Type Activities</b> |                       |                      |                      |                       |                        |
| Loans payable                   | \$ 2,529,212          | \$ --                | \$ 776,912           | \$ 1,752,300          | \$ 263,000             |
| Capital lease payable           | \$ 2,479,221          | \$ --                | \$ 291,493           | \$ 2,187,728          | 243,521                |
| Compensated absences            | <u>\$ 240,642</u>     | <u>\$ 35,196</u>     | <u>\$ --</u>         | <u>\$ 275,838</u>     | <u>55,167</u>          |
| Total Business Type Activities  |                       |                      |                      |                       |                        |
| Long-Term Liabilities           | <u>\$ 5,249,075</u>   | <u>\$ 35,196</u>     | <u>\$ 1,068,405</u>  | <u>\$ 4,215,866</u>   | <u>\$ 561,688</u>      |

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

***GENERAL OBLIGATION BONDS***

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. These bonds generally are issued as serial bonds with equal or varying amounts of principal maturing each year with maturities that range from 15 to 20 years. General obligation bonds outstanding at June 30, 2021 are as follows:

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

### 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, 2021 |
|--|---------------|------------------|-------------------|--------------------------|-----------------------------------|
| <b>Governmental Activities</b>             |               |                  |                   |                          |                                   |
| General obligation bonds:                  |               |                  |                   |                          |                                   |
| General obligation bond, 2012 Series A     | 07/03/12      | 07/01/25         | 2.0-4.0%          | \$ 6,500,000             | \$ 4,320,000                      |
| Refunding bonds - 2012 Series B            | 07/03/12      | 08/15/24         | 4.0-5.0%          | 20,073,678               | 7,996,670                         |
| Refunding bonds - 2012 Series B            | 07/03/12      | 08/15/24         | 4.0-5.0%          | 121,322                  | 48,330                            |
| Refunding bonds - 2012 Series C            | 07/03/12      | 10/15/23         | 2.07-3.0%         | 1,290,000                | 355,000                           |
| Refunding bonds - 2012 Series A            | 06/04/14      | 07/01/26         | 3.0-5.0%          | 15,890,000               | 8,985,000                         |
| General obligation bond, 2015 Series A     | 04/15/15      | 04/15/35         | 2.0-3.25%         | 6,000,000                | 4,480,000                         |
| SRF Revenue Bonds 2016B                    | 07/08/16      | 09/01/32         | 0.77-2.07%        | 1,350,000                | 1,101,000                         |
| Refunding bonds - 2017 Series A            | 07/19/17      | 09/15/27         | 2.0-4.0%          | 3,890,000                | 2,665,000                         |
| General obligation efficient building bond | 12/28/17      | 09/01/32         | 0.77-2.07%        | 250,000                  | 205,000                           |
| 2019 RIIB Road and Bridge Bond             | 05/02/19      | 09/01/38         | 1.56-3.62%        | 15,000,000               | 14,493,000                        |
| 2020 RIIB Stormwater Bond                  | 05/05/20      | 09/01/24         | 0.70-0.94%        | 1,000,000                | 1,000,000                         |
| Refunding bonds - 2021 Series E            | 06/22/21      | 04/01/31         | 3.0-5.0%          | 11,205,000               | 11,205,000                        |
| <b>Total General Obligation Bonds</b>      |               |                  |                   | <u>82,570,000</u>        | <u>56,854,000</u>                 |
| Loans:                                     |               |                  |                   |                          |                                   |
| High school renovation loans               | 06/15/10      | 04/01/27         | 5.75%             | 3,855,000                | 3,855,000                         |
| High school renovation loans               | 12/02/10      | 04/01/27         | 6.29%             | 5,496,000                | 5,496,000                         |
| High school renovation loans               | 02/03/11      | 04/01/31         | 4.0-5.5%          | 6,000,000                | --                                |
| High school renovation loans               | 07/14/11      | 04/01/31         | 3.0-5.0%          | 14,645,000               | --                                |
| <b>Total Loans</b>                         |               |                  |                   | <u>29,996,000</u>        | <u>9,351,000</u>                  |
| <b>Total Governmental activities</b>       |               |                  |                   | <u>112,566,000</u>       | <u>66,205,000</u>                 |
| <b>Business Type Activities</b>            |               |                  |                   |                          |                                   |
| Loans Payable:                             |               |                  |                   |                          |                                   |
| Westerly Sewer Fund:                       |               |                  |                   |                          |                                   |
| RICWFA 00 SRF                              | 05/01/00      | 09/01/20         | 3.04%             | 255,000                  | --                                |
| RICWFA 01 SRF                              | 12/19/00      | 09/01/20         | 2.86%             | 7,995,000                | --                                |
| RICWFA 04 SRF                              | 12/16/04      | 09/01/25         | 1.37-1.55%        | 1,724,300                | 434,300                           |
| Sewer improvement bonds 2018               | 04/25/18      | 09/01/27         | 1.01-1.83%        | 1,664,000                | 1,318,000                         |
| <b>Total loans payable</b>                 |               |                  |                   | <u>11,638,300</u>        | <u>1,752,300</u>                  |
| <b>Total Outstanding</b>                   |               |                  |                   | <u>\$ 124,204,300</u>    | <u>\$ 67,957,300</u>              |

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)**

***GENERAL OBLIGATION BONDS (CONTINUED)***

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

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

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

|           | Governmental Activities |                     |                     |                     | Total                |
|-----------|-------------------------|---------------------|---------------------|---------------------|----------------------|
|           | Bonds                   |                     | Loans               |                     |                      |
|           | Principal               | Interest            | Principal           | Interest            |                      |
| 2022      | \$ 6,475,000            | \$ 1,687,973        | \$ --               | \$ 567,141          | \$ 8,730,114         |
| 2023      | 6,700,000               | 1,530,965           | --                  | 567,141             | 8,798,106            |
| 2024      | 6,794,000               | 1,273,508           | --                  | 567,141             | 8,634,649            |
| 2025      | 6,772,000               | 1,041,440           | --                  | 567,141             | 8,380,581            |
| 2026-2030 | 17,437,000              | 3,033,310           | 9,351,000           | 1,134,282           | 30,955,592           |
| 2031-2035 | 8,860,000               | 969,187             | --                  | --                  | 9,829,187            |
| 2036-2039 | 3,816,000               | 178,647             | --                  | --                  | 3,994,647            |
| Total     | <u>\$ 56,854,000</u>    | <u>\$ 9,715,030</u> | <u>\$ 9,351,000</u> | <u>\$ 3,402,846</u> | <u>\$ 79,322,876</u> |

***LOANS PAYABLE***

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

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

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)

#### *CAPITAL LEASES*

The Town has entered into various lease agreements as lessee for financing the acquisition of vehicles, equipment, and land improvements valued at \$10,304,325. The depreciable assets have a three to twenty-year useful life. For the year ended June 30, 2021, \$938,015 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, 2021 are as follows:

| Year Ending June 30,              | Governmental<br>Activities | Business<br>Activities |
|-----------------------------------|----------------------------|------------------------|
| 2022                              | \$ 804,957                 | \$ 330,400             |
| 2023                              | 597,461                    | 330,400                |
| 2024                              | 433,455                    | 246,355                |
| 2025                              | 201,576                    | 206,000                |
| 2026                              | 72,432                     | 206,000                |
| Thereafter                        | 152,494                    | 1,414,013              |
| Total minimum lease payments      | 2,262,375                  | 2,733,168              |
| Less amount representing interest | (162,010)                  | (545,440)              |
| Total                             | \$ 2,100,365               | \$ 2,187,728           |

#### *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 \$195,850,575. As of June 30, 2021, the Town's debt subject to the legal debt margin is \$36,111,110 and the Town is under the debt limit by \$159,739,465. The debt subject to the debt limitation is based on the type of debt that is issued.

#### *AUTHORIZED BUT UNISSUED BOND AUTHORITY*

The Town has remaining authorized but unissued bond authority of \$2,654,000. The unissued bond authority is allocated as follows:

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 9 - LONG-TERM LIABILITIES (CONTINUED)**

***AUTHORIZED BUT UNISSUED BOND AUTHORITY (CONTINUED)***

| Chapter/Section            | Year | Description  | Original<br>Authorization   | Bonds<br>Issued             | BANs<br>Outstanding | Remaining<br>Authority     |
|----------------------------|------|--------------|-----------------------------|-----------------------------|---------------------|----------------------------|
| Public Law 14              | 1988 | Sewer        | \$ 943,000                  | \$ 940,000                  | \$ --               | \$ 3,000                   |
| RI General Laws<br>45-12-2 | 2003 | Open Space   | 4,000,000                   | 2,900,000                   | --                  | 1,100,000                  |
| RI General Laws<br>15-11-6 | 2008 | High School  | 30,000,000                  | 29,999,000                  | --                  | 1,000                      |
| RI General Laws<br>45-12-2 | 2020 | Wastewater   | <u>1,550,000</u>            | <u>--</u>                   | <u>--</u>           | <u>1,550,000</u>           |
|                            |      | <b>Total</b> | <b><u>\$ 34,943,000</u></b> | <b><u>\$ 33,839,000</u></b> | <b><u>\$ --</u></b> | <b><u>\$ 2,654,000</u></b> |

**NOTE 10 - PENSION PLANS**

***SUMMARY OF DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES***

The notes below describe the pension plans that the Town and the School department are participating in. This table summarizes the total deferred outflows and inflows reported on the statement of net position as of June 30, 2021.

|   | Deferred Outflows<br>of Resources | Deferred Inflows of<br>Resources |
|---|-----------------------------------|----------------------------------|
| Employees' Retirement System (ERS)            | \$ 7,493,955                      | \$ (6,534,541)                   |
| Municipal Employees' Retirement System (MERS) | 195,841                           | (6,184)                          |
| Teachers' Survivor Benefit Plan (TSB)         | 1,715,743                         | (1,667,173)                      |
| Police Pension Plan                           | 2,131,071                         | (7,231,712)                      |
| Police Other Postemployment Benefit Plan      | <u>290,075</u>                    | <u>(8,180,405)</u>               |
|   | <b><u>\$ 11,826,685</u></b>       | <b><u>\$ (23,620,015)</u></b>    |

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### NOTE 10 - PENSION PLANS (CONTINUED)

#### *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>.

##### **Benefit Provisions**

The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30,

2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. Members eligible to retire at September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

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

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

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

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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#### NOTE 10 - PENSION PLANS (CONTINUED)

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

##### **General Information about the Pension Plan (Continued)**

At June 30, 2021, the Westerly School Department reported a liability of \$41,298,948 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                             | \$ 41,298,948        |
| State's proportionate share of the net pension liability associated with the Westerly School Department | <u>30,686,130</u>    |
| Total Net Pension Liability   | <u>\$ 71,985,078</u> |

The net pension liability was measured as of June 30, 2020, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020. The 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, 2020 the Westerly School Department's proportion was 1.29260947%.

##### **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 10.75% and 14.50% of annual covered payroll for the fiscal year ended June 30, 2020, for the State and the Westerly School Department, respectively. The Westerly School Department contributed approximately \$3,867,975, \$3,734,519, and \$3,529,793 for the fiscal years ended June 30, 2021, 2020 and 2019, 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, 2021 was \$2,606,081. This amount has been included in the Fund Statements (School Unrestricted Fund) as revenue and education expenditures.

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 10 - PENSION PLANS (CONTINUED)**

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

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

For the year ended June 30, 2021, the Westerly School Department recognized gross pension expense of \$5,924,697 and revenue of \$3,105,472 for support provided by the State. At June 30, 2021, the Westerly School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred<br>Inflows of<br>Resources |
|---|-----------------------------------|-------------------------------------|
| Contributions subsequent to the measurement date  | \$ 3,867,972                      | \$ --                               |
| Differences between expected and actual experience  | 403,793                           | (804,854)                           |
| Changes of assumptions  | 1,843,651                         | (962,403)                           |
| Net difference between projected and actual earnings on pension plan investments                              | 1,378,536                         | (540,084)                           |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | --                                | (4,227,200)                         |
| <b>Total</b>  | <b>\$ 7,493,952</b>               | <b>\$ (6,534,541)</b>               |

The \$3,867,972 reported as deferred outflows of resources related to pensions resulting from the School contributions in fiscal year 2021 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,

|              |                       |
|--------------|-----------------------|
| 2022         | \$ (1,169,206)        |
| 2023         | (514,279)             |
| 2024         | (135,968)             |
| 2025         | (215,420)             |
| 2026         | (560,303)             |
| Thereafter   | (313,385)             |
| <b>Total</b> | <b>\$ (2,908,561)</b> |

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**NOTE 10 - PENSION PLANS (CONTINUED)**

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

**Actuarial Assumptions**

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

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

Mortality – variants of the 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, 2019 valuation rolled forward to June 30, 2020 and the calculation of the total pension liability at June 30, 2020 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

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

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

### NOTE 10 - PENSION PLANS (CONTINUED)

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

#### Actuarial Assumptions (Continued)

| Asset Class                    | Long-Term<br>Target Asset<br>Allocation | Long-Term<br>Expected Arithmetic<br>Real Rate of Return |
|--------------------------------|---|---|
| Global Equity:                 |   |   |
| U.S. Equity                    | 23.00%                                  | 6.31%   |
| International Developed Equity | 12.10%                                  | 6.71%   |
| Emerging Markets Equity        | 4.90%                                   | 8.69%   |
| Private Growth:                |   |   |
| Private Equity                 | 11.25%                                  | 9.71%   |
| Non-Core RE                    | 2.25%                                   | 5.66%   |
| OPP Private Credit             | 1.50%                                   | 9.71%   |
| Income:                        |   |   |
| High Yield Infrastructure      | 1.00%                                   | 3.88%   |
| REITS                          | 1.00%                                   | 5.66%   |
| Equity Options                 | 2.00%                                   | 6.04%   |
| EMD (50/50) Blend              | 2.00%                                   | 2.28%   |
| Liquid Credit                  | 2.80%                                   | 3.88%   |
| Private Credit                 | 3.20%                                   | 3.88%   |
| Crisis Protection Class:       |   |   |
| Treasury Duration              | 5.00%                                   | 0.10%   |
| Systematic Trend               | 5.00%                                   | 3.84%   |
| Inflation Protection:          |   |   |
| Core Real Estate               | 3.60%                                   | 5.66%   |
| Private Infrastructure         | 2.40%                                   | 6.06%   |
| TIPs                           | 2.00%                                   | 0.74%   |
| Volatility Protection:         |   |   |
| IG Corp Credit                 | 3.25%                                   | 1.54%   |
| Securitized Credit             | 3.25%                                   | 1.54%   |
| Absolute Return                | 6.50%                                   | 3.84%   |
| Cash                           | 2.00%                                   | 0.10%   |
| Total                          | 100.00%                                 |   |

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**NOTE 10 - PENSION PLANS (CONTINUED)**

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

**Actuarial Assumptions (Continued)**

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

**Discount Rate**

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

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

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

|                       | 1%<br>Decrease<br>(6.0%) | Current<br>Discount Rate<br>(7.0%) | 1%<br>Increase<br>(8.0%) |
|-----------------------|--------------------------|------------------------------------|--------------------------|
| Net Pension Liability | \$ 49,552,205            | \$ 41,298,948                      | \$ 31,338,622            |

**Pension Plan Fiduciary Net Position**

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

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### 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](http://www.ersri.org).

##### **Benefits Provided**

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

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

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

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

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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#### NOTE 10 - PENSION PLANS (CONTINUED)

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

###### **General Employees**

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

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

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

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

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

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

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

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### NOTE 10 - PENSION PLANS (CONTINUED)

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

##### **Other Benefit Provisions**

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

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

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

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

c. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on 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.

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**NOTE 10 - PENSION PLANS (CONTINUED)**

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

**Employees Covered by Benefit Terms**

At the June 30, 2021 valuation date, the following employees were covered by the benefit terms:

|                              |          |
|------------------------------|----------|
| Retirees and Beneficiaries   | 6        |
| Inactive, Nonretired Members | <u>1</u> |
| Total                        | <u>7</u> |

**Contributions**

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$181,261 in the year ended June 30, 2020. 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, 2019 and rolled forward to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement.

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

#### NOTE 10 - PENSION PLANS (CONTINUED)

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

##### Employees Covered by Benefit Terms (Continued)

| <b>Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2020 measurement date (June 30, 2019 valuation rolled forward to June 30, 2020)</b> |  |
|---|--|
| Actuarial Cost Method   | Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.                                  |
| Amortization Method   | Level Percent of Payroll – Closed  |
| Actuarial Assumptions   |  |
| Investment Rate of Return   | 7.00%  |
| Projected Salary Increases  | General Employees - 3.50% to 7.25% ; Police & Fire Employees - 4.00% to 14.00%                                   |
| Inflation   | 2.50%  |
| Mortality   | Mortality – variants of the PUB (10) Tables for Health and Disabled Retirees, projected with Scale Ultimate MP16 |
| Cost of Living Adjustments  | A 2.1% COLA is assumed for all MERS units with the COLA provision.   |

The actuarial assumptions used in the June 30, 2019 valuation rolled forward to June 30, 2020 and the calculation of the total pension liability at June 30, 2020 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

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

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

### NOTE 10 - PENSION PLANS (CONTINUED)

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

#### Employees Covered by Benefit Terms (Continued)

| Asset Class                    | Long-Term<br>Target Asset<br>Allocation | Long-Term<br>Expected Arithmetic<br>Real Rate of Return |
|--------------------------------|---|---|
| Global Equity:                 |   |   |
| U.S. Equity                    | 23.00%                                  | 6.31%   |
| International Developed Equity | 12.10%                                  | 6.71%   |
| Emerging Markets Equity        | 4.90%                                   | 8.69%   |
| Private Growth:                |   |   |
| Private Equity                 | 11.25%                                  | 9.71%   |
| Non-Core RE                    | 2.25%                                   | 5.66%   |
| OPP Private Credit             | 1.50%                                   | 9.71%   |
| Income:                        |   |   |
| High Yield Infrastructure      | 1.00%                                   | 3.88%   |
| REITS                          | 1.00%                                   | 5.66%   |
| Equity Options                 | 2.00%                                   | 6.04%   |
| EMD (50/50) Blend              | 2.00%                                   | 2.28%   |
| Liquid Credit                  | 2.80%                                   | 3.88%   |
| Private Credit                 | 3.20%                                   | 3.88%   |
| Crisis Protection Class:       |   |   |
| Treasury Duration              | 5.00%                                   | 0.10%   |
| Systematic Trend               | 5.00%                                   | 3.84%   |
| Inflation Protection:          |   |   |
| Core Real Estate               | 3.60%                                   | 5.66%   |
| Private Infrastructure         | 2.40%                                   | 6.06%   |
| TIPs                           | 2.00%                                   | 0.74%   |
| Volatility Protection:         |   |   |
| IG Corp Credit                 | 3.25%                                   | 1.54%   |
| Securitized Credit             | 3.25%                                   | 1.54%   |
| Absolute Return                | 6.50%                                   | 3.84%   |
| Cash                           | 2.00%                                   | 0.10%   |
| Total                          | 100.00%                                 |   |

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

#### 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<br>Pension Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
|---|----------------------------|--------------------------------|--------------------------|
| Balances as of June 30, 2020:                     | \$ 870,172                 | \$ 567,456                     | \$ 302,716               |
| Changes for the Year                              |                            |                                |                          |
| Service cost                                      | --                         | --                             | --                       |
| Interest on the total pension liability           | 57,000                     | --                             | 57,000                   |
| Changes in benefits                               | --                         | --                             | --                       |
| Difference between expected and actual experience | (132,536)                  | --                             | (132,536)                |
| Changes in assumptions                            | (22,230)                   | --                             | (22,230)                 |
| Employer contributions                            | --                         | 181,261                        | (181,261)                |
| Employee contributions                            | --                         | --                             | --                       |
| Net investment income                             | --                         | 24,110                         | (24,110)                 |
| Benefit payments, including employee<br>refunds   | (111,759)                  | (111,759)                      | --                       |
| Administrative expense                            | --                         | (664)                          | 664                      |
| Other changes                                     | --                         | --                             | --                       |
| Net changes                                       | <u>(209,525)</u>           | <u>92,948</u>                  | <u>(302,473)</u>         |
| Balances as of June 30, 2021                      | <u>\$ 660,647</u>          | <u>\$ 660,404</u>              | <u>\$ 243</u>            |

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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%<br>Decrease<br>(6.0%) | Current<br>Discount Rate<br>(7.0%) | 1%<br>Increase<br>(8.0%) |
|-----------------------|--------------------------|------------------------------------|--------------------------|
| Net Pension Liability | \$ 66,607                | \$ 243                             | \$ (79,802)              |

**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, 2021 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<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Contributions subsequent to the measurement date:                                    | \$ 181,261                           | \$ --                               |
| Net difference between projected and actual earnings<br>on pension plan investments: | <u>\$ 14,580</u>                     | <u>\$ (6,184)</u>                   |
| Total  | <u>\$ 195,841</u>                    | <u>\$ (6,184)</u>                   |

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

| <u>Year Ending June 30,</u> | <u>Net Deferred<br/>Outflows (Inflows)<br/>of Resources</u> |
|-----------------------------|---|
| 2022                        | \$ (2,525)  |
| 2023                        | 3,657   |
| 2024                        | 3,659   |
| 2025                        | 3,605   |
| Total                       | <u>\$ 8,396</u>   |

***TEACHERS' SURVIVORS BENEFIT PLAN (TSB)***

**General Information about the Pension Plan**

**Plan Description**

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

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

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**NOTE 10 - PENSION PLANS (CONTINUED)**

***TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)***

**General Information about the Pension Plan (Continued)**

**Eligibility and Plan Benefits**

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

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

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

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

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

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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#### NOTE 10 - PENSION PLANS (CONTINUED)

##### *TEACHERS' SURVIVORS BENEFIT PLAN (TSB) (CONTINUED)*

##### **General Information about the Pension Plan (Continued)**

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

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

##### **Contributions**

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

The Town contributed \$33,461, \$33,672 and \$34,276 for the fiscal years ended June 30, 2021, 2020 and 2019, 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, 2021, the Westerly School Department reported an asset of \$5,328,778 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, 2020, 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, 2019 rolled forward to June 30, 2020. The Westerly School Department proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2020 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2020 the Westerly School Department proportion was 4.48687935%.

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

#### 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, 2021, the Westerly School Department recognized pension expense of \$33,461, an increase in the net pension asset. At June 30, 2021, the Westerly School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Contributions subsequent to the measurement date  | \$ 34,262                            | \$ --                               |
| Differences between expected and actual experience  | 457,034                              | (1,136,301)                         |
| Changes of assumptions  | 359,552                              | (368,233)                           |
| Net difference between projected and actual earnings on pension plan investments                              | 422,683                              | (162,639)                           |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 442,212                              | --                                  |
| <b>Total</b>  | <b>\$ 1,715,743</b>                  | <b>\$ (1,667,173)</b>               |

\$34,262 reported as deferred outflows of resources related to pensions resulting from the Westerly School Department contributions in fiscal year 2021 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30, |                  |
|---------------------|------------------|
| 2022                | \$ 6,570         |
| 2023                | 115,002          |
| 2024                | 142,106          |
| 2025                | 33,936           |
| 2026                | (95,985)         |
| Thereafter          | (187,321)        |
| Total               | <b>\$ 14,308</b> |

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**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, 2019 valuation and the calculation of the total pension liability at June 30, 2020 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

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

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

### 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<br>Target Asset<br>Allocation | Long-Term<br>Expected Arithmetic<br>Real Rate of Return |
|--------------------------------|---|---|
| Global Equity:                 |   |   |
| U.S. Equity                    | 23.00%                                  | 6.31%   |
| International Developed Equity | 12.10%                                  | 6.71%   |
| Emerging Markets Equity        | 4.90%                                   | 8.69%   |
| Private Growth:                |   |   |
| Private Equity                 | 11.25%                                  | 9.71%   |
| Non-Core RE                    | 2.25%                                   | 5.66%   |
| OPP Private Credit             | 1.50%                                   | 9.71%   |
| Income:                        |   |   |
| High Yield Infrastructure      | 1.00%                                   | 3.88%   |
| REITS                          | 1.00%                                   | 5.66%   |
| Equity Options                 | 2.00%                                   | 6.04%   |
| EMD (50/50) Blend              | 2.00%                                   | 2.28%   |
| Liquid Credit                  | 2.80%                                   | 3.88%   |
| Private Credit                 | 3.20%                                   | 3.88%   |
| Crisis Protection Class:       |   |   |
| Treasury Duration              | 5.00%                                   | 0.10%   |
| Systematic Trend               | 5.00%                                   | 3.84%   |
| Inflation Protection:          |   |   |
| Core Real Estate               | 3.60%                                   | 5.66%   |
| Private Infrastructure         | 2.40%                                   | 6.06%   |
| TIPs                           | 2.00%                                   | 0.74%   |
| Volatility Protection:         |   |   |
| IG Corp Credit                 | 3.25%                                   | 1.54%   |
| Securitized Credit             | 3.25%                                   | 1.54%   |
| Absolute Return                | 6.50%                                   | 3.84%   |
| Cash                           | 2.00%                                   | 0.10%   |
| <b>Total</b>                   | <b>100.00%</b>                          |   |

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### 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%<br>Decrease<br>(6.0%) | Current<br>Discount Rate<br>(7.0%) | 1%<br>Increase<br>(8.0%) |
|-------------------|--------------------------|------------------------------------|--------------------------|
| Net Pension Asset | \$ (4,432,504)           | \$ (5,328,778)                     | \$ (6,410,730)           |

#### **Pension Plan Fiduciary Net Position**

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

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### NOTE 10 - PENSION PLANS (CONTINUED)

#### *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.

##### **Plan Description and Benefits Provided**

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

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

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### NOTE 10 - PENSION PLANS (CONTINUED)

#### *POLICE PENSION PLAN (CONTINUED)*

#### **Plan Description and Benefits Provided (Continued)**

At July 1, 2019, Plan membership consisted of the following:

|   |                  |
|---|------------------|
| Retirees and beneficiaries receiving benefits                     | 52               |
| Terminated plan member entitled to but not yet receiving benefits | 1                |
| Active Plan Members   | <u>45</u>        |
| Total   | <u><u>98</u></u> |

#### **Summary of Significant Accounting Policies**

##### **Basis of Accounting**

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

##### **Method Used to Value Investments**

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

##### **Funding Policy**

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

Administrative costs of The Plan are financed through investment earnings.

##### **Pension Trust Funds**

The Town maintains a police pension trust fund to account for its fiduciary responsibility. The following schedules present the net position held in trust for pension benefits and OPEB Trust at June 30, 2021 and the changes in net position for the year then ended. Included in the Police Pension trust funds are OPEB assets related to a medical subaccount. Those assets are not used to offset the total pension liability.

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**NOTE 10 - PENSION PLANS (CONTINUED)**

***POLICE PENSION PLAN (CONTINUED)***

**Schedule of Plan Net Position**

|  | Police Pension<br>Trust | OPEB<br>Trust       | Total                |
|--|-------------------------|---------------------|----------------------|
| Assets:                                  |                         |                     |                      |
| Cash and cash equivalents                | \$ 1,689,364            | \$ 654,966          | \$ 2,344,330         |
| Investments, at fair value               | 48,475,924              | 7,333,796           | 55,809,720           |
| Other accounts receivables               | 81,920                  | 15,326              | 97,246               |
| Total assets                             | <u>50,247,208</u>       | <u>8,004,088</u>    | <u>58,251,296</u>    |
| Liabilities:                             |                         |                     |                      |
| Accounts payable and accrued expenses    | <u>--</u>               | <u>218,868</u>      | <u>218,868</u>       |
| Net Position:                            |                         |                     |                      |
| Restricted for Pension and OPEB Benefits | <u>\$ 50,247,208</u>    | <u>\$ 7,785,220</u> | <u>\$ 58,032,428</u> |

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 10 - PENSION PLANS (CONTINUED)**

***POLICE PENSION PLAN (CONTINUED)***

**Schedule of Changes in Plan Net Position**

|   | Police Pension<br>Trust | OPEB<br>Trust       | Total                |
|---|-------------------------|---------------------|----------------------|
| <b>Additions:</b>                             |                         |                     |                      |
| Contributions                                 |                         |                     |                      |
| Employer                                      | \$ 1,786,470            | \$ 1,258,061        | \$ 3,044,531         |
| Plan members                                  | 504,550                 | --                  | 504,550              |
| <b>Total Contributions</b>                    | <u>2,291,020</u>        | <u>1,258,061</u>    | <u>3,549,081</u>     |
| <b>Net investment income:</b>                 |                         |                     |                      |
| Net appreciation in fair value of investments | 10,208,589              | 1,176,033           | 11,384,622           |
| Interest and dividends                        | 729,833                 | 114,842             | 844,675              |
|   | <u>10,938,422</u>       | <u>1,290,875</u>    | <u>12,229,297</u>    |
| <b>Total Additions</b>                        | <u>13,229,442</u>       | <u>2,548,936</u>    | <u>15,778,378</u>    |
| <b>Deductions:</b>                            |                         |                     |                      |
| Benefits                                      | 2,565,862               | --                  | 2,565,862            |
| Police retiree health care                    | --                      | 854,489             | 854,489              |
| Administration expense                        | 73,166                  | 52,135              | 125,301              |
| <b>Total Deductions</b>                       | <u>2,639,028</u>        | <u>906,624</u>      | <u>3,545,652</u>     |
| <b>Changes in Net Position</b>                | 10,590,414              | 1,642,312           | 12,232,726           |
| <b>Net Position at Beginning of Year</b>      | <u>39,656,794</u>       | <u>6,142,908</u>    | <u>45,799,702</u>    |
| <b>Net Position at End of Year</b>            | <u>\$ 50,247,208</u>    | <u>\$ 7,785,220</u> | <u>\$ 58,032,428</u> |

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### NOTE 10 - PENSION PLANS (CONTINUED)

#### *POLICE PENSION PLAN (CONTINUED)*

##### **Investment Policy**

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

The following was the Board's adopted asset allocation policy as of June 30, 2021:

| Asset Class  | Target<br>Allocation  |
|--------------|-----------------------|
| Equity       | 70.00%                |
| Fixed Income | 29.00%                |
| Cash         | <u>1.00%</u>          |
| Total        | <u><u>100.00%</u></u> |

##### **Rate of Return**

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 27.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**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, 2021 were as follows:

|                             |                     |
|-----------------------------|---------------------|
| Total pension liability     | \$ 57,591,879       |
| Plan fiduciary net position | <u>(50,247,208)</u> |
| Total Net Pension Liability | <u>\$ 7,344,671</u> |

|   |        |
|---|--------|
| Plan fiduciary net position as a percentage<br>of the total pension liability | 87.25% |
|---|--------|

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of July 1, 2019, 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, 2021 (see discussion of the pension plan's investment policy) are summarized in the following table:

| <u>Asset Class</u> | <u>Long-Term<br/>Expected Real<br/>Rate of Return</u> |
|--------------------|---|
| Equity             | 2.61%   |
| Fixed Income       | 0.88%   |
| Cash               | -0.90%  |

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
|---|----------------------------|--------------------------------|--------------------------|
| Balances as of June 30, 2020                      | \$ 55,617,795              | \$ 39,656,794                  | \$ 15,961,001            |
| Changes for the Year                              |                            |                                |                          |
| Service cost                                      | 989,653                    | --                             | 989,653                  |
| Interest on the total pension liability           | 3,872,716                  | --                             | 3,872,716                |
| Difference between expected and actual experience | --                         | --                             | --                       |
| Changes in assumptions                            | (322,423)                  | --                             | (322,423)                |
| Employer contributions                            | --                         | 1,786,470                      | (1,786,470)              |
| Employee contributions                            | --                         | 504,550                        | (504,550)                |
| Net investment income                             | --                         | 10,865,256                     | (10,865,256)             |
| Benefit payments, including employee refunds      | (2,565,862)                | (2,565,862)                    | --                       |
| Net changes                                       | 1,974,084                  | 10,590,414                     | (8,616,330)              |
| Balances as of June 30, 2021                      | <u>\$ 57,591,879</u>       | <u>\$ 50,247,208</u>           | <u>\$ 7,344,671</u>      |

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**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<br>(6.0%) | Current<br>Discount Rate<br>(7.0%) | 1% Increase<br>(8.0%) |
|-----------------------|-----------------------|------------------------------------|-----------------------|
| Net Pension Liability | \$ 14,976,865         | \$ 7,344,671                       | \$ 1,108,111          |

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

For the year ended June 30, 2021, the Town recognized pension expense of \$1,786,470. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience:                                  | \$ 776,899                           | \$ (234,139)                        |
| Changes in assumption:   | 733,408                              | (301,101)                           |
| Net difference between projected and actual earnings<br>on pension plan investments: | 620,764                              | (6,696,472)                         |
| Total  | \$ 2,131,071                         | \$ (7,231,712)                      |

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### 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 outflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30, | Inflows<br>of Resources |
|----------------------|-------------------------|
| 2022                 | \$ (1,060,891)          |
| 2023                 | (1,218,044)             |
| 2024                 | (1,137,443)             |
| 2025                 | (1,684,263)             |
| Total                | <u>\$ (5,100,641)</u>   |

#### *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, 2021 and 2020 were \$422,961 and \$405,870, 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.

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### 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](http://www.lnipf.org).

#### **Eligibility**

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

#### **Benefits**

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

#### **Funding Policy**

The contribution requirements of the Town and employees are established by contract and may be amended by union negotiation. The Town was required to contribute the following amounts for fiscal year ended June 30, 2021; bus drivers and aides – Employer \$2.27, Employee \$.53 per hour; school maintenance, secretarial and clerical employees - Employer \$3.35, Employee \$.35 per hour; town public works and secretarial employees: Employer: \$2.30, Employee \$1.37 per hour. The Town was also required to contribute \$0.06 per hour to an annuity fund (maximum of \$4,000 annually for School employees).

The total contribution for fiscal years ended June 30, 2021, 2020 and 2019 was \$1,022,688, \$927,209, and \$1,014,494, 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, 2021 were \$146,223.

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**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, 2021, the following employees were covered by the benefit terms:

|                  |                   |
|------------------|-------------------|
| Retirees         | 55                |
| Active employees | <u>47</u>         |
| Total            | <u><u>102</u></u> |

**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.

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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#### 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.

##### **Rate of Return**

For the year ended June 30, 2021, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 19.53%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The targeted investment allocation is as follows:

| <u>Asset Class</u>   | <u>Target Allocation</u> |
|----------------------|--------------------------|
| Cash and equivalents | 0 - 10%                  |
| Equities             | 35 - 75%                 |
| Fixed income         | 25 - 50%                 |

##### **Total OPEB Liability**

The Town's total OPEB liability of \$18,063,949 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

##### *POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)*

##### **Actuarial Assumptions**

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                                  |  |
|----------------------------------|--|
| <b>Actuarial Valuation Date:</b> | June 30, 2021, with no adjustments to get to the June 30, 2021 measurement date. Liabilities as of July 1, 2020 are based on an actuarial valuation date of June 30, 2019 projected to July 1, 2020, on a “no loss / no gain” basis. |
| <b>Discount Rate:</b>            | 7.00%  |
| <b>Payroll Growth:</b>           | 2.00% per year for general wage inflation plus merit/productivity increases ranging between 2.25% - 13.00% over 0-15 years of service.   |
| <b>Inflation Rate:</b>           | 2.00% per year   |
| <b>Cost Method:</b>              | Entry Age Normal Level % Salary  |
| <b>Health Care Trend Rates:</b>  | 8.00% for 2021, decreasing by 0.5% per year to an ultimate rate of 4.5% for 2029 and later years.  |

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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, 2021 consisted of the following:

|   | Total OPEB<br>Liability<br>(a) | Plan Fiduciary<br>Net Position<br>(b) | Net OPEB<br>Liability<br>(a) - (b) |
|---|--------------------------------|---------------------------------------|------------------------------------|
| Balance at June 30, 2020                              | <u>\$ 18,719,415</u>           | <u>\$ 6,142,908</u>                   | <u>\$ 12,576,507</u>               |
| Changes for the year:                                 |                                |                                       |                                    |
| Service Cost  | 167,514                        | --                                    | 167,514                            |
| Interest  | 1,292,683                      | --                                    | 1,292,683                          |
| Changes of benefit terms                              | --                             | --                                    | --                                 |
| Changes of assumptions                                | 266,810                        | --                                    | 266,810                            |
| Differences between expected and<br>actual experience | (1,527,984)                    | --                                    | (1,527,984)                        |
| Contributions - employer                              | --                             | 1,258,061                             | (1,258,061)                        |
| Net investment income                                 | --                             | 1,290,874                             | (1,290,874)                        |
| Benefit payments                                      | (854,489)                      | (854,489)                             | --                                 |
| Trust administrative expenses                         | --                             | (52,134)                              | 52,134                             |
| Net Changes   | <u>(655,466)</u>               | <u>1,642,312</u>                      | <u>(2,297,778)</u>                 |
| Balance at June 30, 2021                              | <u>\$ 18,063,949</u>           | <u>\$ 7,785,220</u>                   | <u>\$ 10,278,729</u>               |

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

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

|                      | 1% Decrease<br>(6.0%) | Current<br>Discount Rate<br>(7.0%) | 1% Increase<br>(8.0%) |
|----------------------|-----------------------|------------------------------------|-----------------------|
| Total OPEB liability | <u>\$ 12,288,026</u>  | <u>\$ 10,278,729</u>               | <u>\$ 8,440,866</u>   |

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**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 (7.0% decreasing to 3.5%) or 1-percentage-point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates:

|                      | 1% Decrease<br>(7.0% Decreasing<br>to 3.5%) | Current Health<br>Care Trend Rates<br>(8.0% Decreasing<br>to 4.5%) | 1% Increase<br>(9.0% Decreasing<br>to 5.5%) |
|----------------------|---|--|---|
| Total OPEB liability | \$ 8,489,074                                | \$ 10,278,729  | \$ 12,220,262                               |

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

For the year ended June 30, 2021, the Town recognized negative OPEB expense of \$1,258,061 in the Government-wide Statement of Activities. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                            | \$ 89,968                            | \$ (2,742,510)                      |
| Changes in assumptions  | 200,107                              | (4,748,605)                         |
| Net difference between projected and actual earnings in OPEB plan investments | --                                   | (689,290)                           |
| <b>Total</b>  | <b>\$ 290,075</b>                    | <b>\$ (8,180,405)</b>               |

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

*POLICE OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)*

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

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

| Year Ended June 30, |                       |
|---------------------|-----------------------|
| 2022                | \$ (2,820,202)        |
| 2023                | (2,821,036)           |
| 2024                | (2,079,338)           |
| 2025                | <u>(169,754)</u>      |
|                     | <u>\$ (7,890,330)</u> |

**NOTE 12 - RISK MANAGEMENT**

*CONTINGENCIES*

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

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**NOTE 12 - RISK MANAGEMENT (CONTINUED)**

***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 |
|-------------|--|--|----------------------------------|--------------------------------------|
| 2020-21     | \$ 436,689                                 | \$ 10,665,702                                | \$ 9,908,178                     | \$ 1,194,213                         |
| 2019-20     | \$ 228,106                                 | \$ 9,700,604                                 | \$ 9,492,021                     | \$ 436,689                           |

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### NOTE 13 - ECONOMIC UNCERTAINTIES

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of business across the country for non-essential services. While the disruption is currently expected to be temporary, there is considerable uncertainty about the duration of closings. The Town has been able to continue most of its operations in a remote environment, however, at this point, the extent to which COVID-19 may impact the Town's financial condition or results of operations is uncertain.

### 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, 2021, the Town abated property taxes totaling \$5,688 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<br>abated during the<br>Fiscal Year | Amount of Taxes<br>Abated during the<br>Fiscal Year |
|---------------------------------|---|---|
| Retain company in Westerly area | 30%   | \$ 5,688  |

A twenty year property tax abatement to retain a company within the Town of Westerly. The abatement amounted to \$5,688.

# TOWN OF WESTERLY, RHODE ISLAND

## NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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### NOTE 15 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 26, 2022, which is the date the financial statements were available for issuance. As of October 18, 2021, and pursuant to R.I.G.L. § 45-12-31, the Town rescinded and extinguished the following borrowing authorizations:

#### BONDS AUTHORIZED BUT NOT ISSUED

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

No other events have been identified requiring recognition or disclosure in the financial statements.

### NOTE 16 - RESTATEMENT

The Town implemented GASB Statement No. 84, *Fiduciary Activities*, resulting in the reclassification of certain funds presented as agency funds in the prior year that are now classified as governmental funds. The following reflects the effect of implementation of GASB Statement No. 84:

**TOWN OF WESTERLY, RHODE ISLAND**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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**NOTE 16 - RESTATEMENT (CONTINUED)**

Governmental Activities:

|   |                      |
|---|----------------------|
| Net Position as originally stated at July 1, 2020 | \$ 58,557,949        |
| Adoption of GASB Statement No. 84                 | <u>236,445</u>       |
| Net Position at July 1, 2020, as restated         | <u>\$ 58,794,394</u> |

Governmental Funds:

|   |                      |
|---|----------------------|
| Fund Balance as originally stated at July 1, 2020 | \$ 30,215,966        |
| Adoption of GASB Statement No. 84                 | <u>236,445</u>       |
| Fund Balance at July 1, 2020, as restated         | <u>\$ 30,452,411</u> |

Private Purpose Trust Funds:

|   |                   |
|---|-------------------|
| Net Position as originally stated at July 1, 2020 | \$ 168,395        |
| Adoption of GASB Statement No. 84                 | <u>(3,893)</u>    |
| Fund Balance at July 1, 2020, as restated         | <u>\$ 164,502</u> |

Custodial Funds

|   |                  |
|---|------------------|
| Net Position as originally stated at July 1, 2020 | \$ --            |
| Adoption of GASB Statement No. 84                 | <u>71,738</u>    |
| Fund Balance at July 1, 2020, as restated         | <u>\$ 71,738</u> |

**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, 2021**

|  | Original<br>Budget  | Revised<br>Budget   | Actual              | Variance            |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Revenues</b>  |                     |                     |                     |                     |
| General property taxes and payments in lieu of taxes                           | \$ 74,854,603       | \$ 74,854,603       | \$ 76,154,156       | \$ 1,299,553        |
| Intergovernmental and departmental   | 15,095,268          | 15,095,268          | 15,906,775          | 811,507             |
| Licenses and permits   | 699,976             | 727,176             | 792,680             | 65,504              |
| Fines and penalties  | 214,400             | 214,400             | 279,128             | 64,728              |
| Use of property and money  | 617,000             | 617,000             | 601,837             | (15,163)            |
| Other revenue  | <u>2,065,273</u>    | <u>2,038,073</u>    | <u>2,624,416</u>    | <u>586,343</u>      |
| <b>Total Revenues</b>  | <u>93,546,520</u>   | <u>93,546,520</u>   | <u>96,358,992</u>   | <u>2,812,472</u>    |
| <b>Expenditures</b>  |                     |                     |                     |                     |
| Current:   |                     |                     |                     |                     |
| Legislative, judicial and general administrative                               | 6,728,797           | 6,658,532           | 6,634,588           | 23,944              |
| Public works   | 5,136,751           | 5,120,791           | 4,683,676           | 437,115             |
| Public safety  | 8,331,270           | 8,348,824           | 8,059,481           | 289,343             |
| Health and welfare   | 1,278,084           | 1,278,084           | 1,259,795           | 18,289              |
| Conservation and development   | 29,500              | 29,500              | 12,463              | 17,037              |
| Parks and recreation   | 755,817             | 752,287             | 631,817             | 120,470             |
| Planning   | 1,053,194           | 1,087,767           | 1,028,682           | 59,085              |
| Capital improvements/restricted programs                                       | 2,101,200           | 2,138,828           | 436,921             | 1,701,907           |
| Debt services  | <u>10,042,562</u>   | <u>10,042,562</u>   | <u>9,838,219</u>    | <u>204,343</u>      |
| <b>Total Expenditures</b>  | <u>35,457,175</u>   | <u>35,457,175</u>   | <u>32,585,642</u>   | <u>2,871,533</u>    |
| <b>Excess of Revenues Over Expenditures<br/>Before Other Financing Sources</b> | <u>58,089,345</u>   | <u>58,089,345</u>   | <u>63,773,350</u>   | <u>5,684,005</u>    |
| <b>Other Financing Sources (Uses)</b>  |                     |                     |                     |                     |
| Transfers in   | --                  | --                  | 184,797             | 184,797             |
| Transfers out - other  | (1,331,283)         | (1,331,283)         | (3,136,368)         | (1,805,085)         |
| Transfers out - School unrestricted fund - appropriation                       | <u>(56,758,062)</u> | <u>(56,758,062)</u> | <u>(56,709,343)</u> | <u>48,719</u>       |
| <b>Net Other Financing Sources</b>   | <u>(58,089,345)</u> | <u>(58,089,345)</u> | <u>(59,660,914)</u> | <u>(1,571,569)</u>  |
| <b>Excess of Revenues Over Expenditures<br/>and Other Financing Sources</b>    | <u>\$ --</u>        | <u>\$ --</u>        | <u>\$ 4,112,436</u> | <u>\$ 4,112,436</u> |

*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, 2021**

|  | Original<br>Budgeted<br>Revenues | Revised<br>Budgeted<br>Revenues | Actual<br>Revenues   | Variance            |
|--|----------------------------------|---------------------------------|----------------------|---------------------|
| <b>Property Taxes</b>                            |                                  |                                 |                      |                     |
| Current property taxes                           | \$ 69,502,020                    | \$ 69,502,020                   | \$ 70,388,278        | \$ 886,258          |
| Motor vehicle - excise tax                       | 3,053,426                        | 3,053,426                       | 3,241,104            | 187,678             |
| Personal property taxes                          | 1,459,157                        | 1,459,157                       | 1,396,135            | (63,022)            |
| Prior year property taxes                        | 475,000                          | 475,000                         | 724,960              | 249,960             |
| Pilot - housing authority                        | 15,000                           | 15,000                          | 13,493               | (1,507)             |
| Pro-ration                                       | 50,000                           | 50,000                          | --                   | (50,000)            |
| Tax interest, lien fees and other                | <u>300,000</u>                   | <u>300,000</u>                  | <u>390,186</u>       | <u>90,186</u>       |
| <b>Total Property Taxes</b>                      | <u>74,854,603</u>                | <u>74,854,603</u>               | <u>76,154,156</u>    | <u>1,299,553</u>    |
| <b>Intergovernmental and Departmental</b>        |                                  |                                 |                      |                     |
| State motor vehicle - excise tax phase out       | 1,997,887                        | 1,997,887                       | 720,389              | (1,277,498)         |
| State grant-in-aid - general                     | 2,470,978                        | 2,470,978                       | 2,372,182            | (98,796)            |
| State grant-in-aid - library                     | 307,643                          | 307,643                         | 307,643              | --                  |
| State grant-in-aid - school operation            | 8,298,599                        | 8,298,599                       | 8,249,880            | (48,719)            |
| State grant-in-aid - school housing aid          | 1,707,161                        | 1,707,161                       | 1,707,162            | 1                   |
| Federal Coronavirus Relief Funds (CRF)           | <u>--</u>                        | <u>--</u>                       | <u>2,194,608</u>     | <u>2,194,608</u>    |
| <b>Total Intergovernmental and Departmental</b>  | <u>14,782,268</u>                | <u>14,782,268</u>               | <u>15,551,864</u>    | <u>769,596</u>      |
| Licenses and permits                             | 699,976                          | 727,176                         | 792,680              | 65,504              |
| Fines and penalties                              | 214,400                          | 214,400                         | 279,128              | 64,728              |
| Use of property and money                        | 617,000                          | 617,000                         | 601,837              | (15,163)            |
| Other revenues                                   | 2,065,273                        | 2,038,073                       | 2,624,416            | 586,343             |
| Recreation                                       | 313,000                          | 313,000                         | 354,911              | 41,911              |
| <b>Total Revenues</b>                            | <u>93,546,520</u>                | <u>93,546,520</u>               | <u>96,358,992</u>    | <u>2,812,472</u>    |
| Transfers in                                     | <u>--</u>                        | <u>--</u>                       | <u>184,797</u>       | <u>184,797</u>      |
| <b>Total Revenue and Other Financing Sources</b> | <u>\$ 93,546,520</u>             | <u>\$ 93,546,520</u>            | <u>\$ 96,543,789</u> | <u>\$ 2,997,269</u> |

*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, 2021**

|   | Original<br>Budgeted<br>Expenditures | Revised<br>Budgeted<br>Expenditures | Actual<br>Expenditures | Variance       |
|---|--------------------------------------|-------------------------------------|------------------------|----------------|
| <b>Legislative, Judicial and General Administrative</b>       |                                      |                                     |                        |                |
| Legislative   |                                      |                                     |                        |                |
| Town council  | \$ 62,527                            | \$ 62,527                           | \$ 64,497              | \$ (1,970)     |
| Finance board   | 2,000                                | 2,000                               | 259                    | 1,741          |
| Judicial  |                                      |                                     |                        |                |
| Legal Services  | 355,724                              | 355,724                             | 564,990                | (209,266)      |
| Probate Court   | 95,331                               | 95,331                              | 97,770                 | (2,439)        |
| Municipal Court   | 79,146                               | 79,146                              | 79,311                 | (165)          |
| Administrative  |                                      |                                     |                        |                |
| Board of canvassers   | 159,581                              | 159,263                             | 144,978                | 14,285         |
| Town clerk  | 322,394                              | 321,747                             | 315,564                | 6,183          |
| Town manager  | 374,829                              | 298,523                             | 255,097                | 43,426         |
| Finance department  | 569,150                              | 589,128                             | 535,678                | 53,450         |
| Assessment Administration                                     | 319,458                              | 323,550                             | 258,278                | 65,272         |
| Management information systems                                | 623,333                              | 632,650                             | 596,515                | 36,135         |
| Human resources   | 283,746                              | 256,633                             | 233,492                | 23,141         |
| Tax Collector   | 233,786                              | 234,518                             | 244,677                | (10,159)       |
| Benefits  |                                      |                                     |                        |                |
| Pension and OPEB  | <u>3,247,792</u>                     | <u>3,247,792</u>                    | <u>3,243,482</u>       | <u>4,310</u>   |
| <b>Total Legislative, Judicial and General Administrative</b> | <u>6,728,797</u>                     | <u>6,658,532</u>                    | <u>6,634,588</u>       | <u>23,944</u>  |
| <b>Public Works</b>   |                                      |                                     |                        |                |
| Town buildings  | 792,798                              | 793,635                             | 736,227                | 57,408         |
| Public works administration                                   | 282,235                              | 282,235                             | 208,712                | 73,523         |
| Tree warden   | 1,000                                | 1,000                               | 1,000                  | --             |
| Highway and drainage  | 2,405,328                            | 2,402,442                           | 2,160,398              | 242,044        |
| Snow and ice control  | 254,650                              | 254,650                             | 244,769                | 9,881          |
| Utilities   | 695,600                              | 695,600                             | 745,236                | (49,636)       |
| Equipment maintenance   | 466,351                              | 466,351                             | 421,747                | 44,604         |
| Engineering   | <u>238,789</u>                       | <u>224,878</u>                      | <u>165,587</u>         | <u>59,291</u>  |
| <b>Total Public Works</b>                                     | <u>5,136,751</u>                     | <u>5,120,791</u>                    | <u>4,683,676</u>       | <u>437,115</u> |
| <b>Public Safety</b>  |                                      |                                     |                        |                |
| Police department   | 7,782,004                            | 7,757,466                           | 7,475,293              | 282,173        |
| Animal shelter  | 275,946                              | 310,510                             | 297,427                | 13,083         |
| Technology  | 210,833                              | 217,069                             | 214,746                | 2,323          |
| Harbor master   | 51,787                               | 53,079                              | 59,754                 | (6,675)        |
| Emergency preparedness  | <u>10,700</u>                        | <u>10,700</u>                       | <u>12,261</u>          | <u>(1,561)</u> |
| <b>Total Public Safety</b>                                    | <u>8,331,270</u>                     | <u>8,348,824</u>                    | <u>8,059,481</u>       | <u>289,343</u> |
| <b>Health and Welfare</b>                                     |                                      |                                     |                        |                |
| Subsidies   | <u>1,278,084</u>                     | <u>1,278,084</u>                    | <u>1,259,795</u>       | <u>18,289</u>  |
| <b>Conservation and Development</b>                           |                                      |                                     |                        |                |
| Conservation commission                                       | 19,500                               | 19,500                              | 11,255                 | 8,245          |
| Municipal land trust  | <u>10,000</u>                        | <u>10,000</u>                       | <u>1,208</u>           | <u>8,792</u>   |
| <b>Total Conservation and Development</b>                     | <u>29,500</u>                        | <u>29,500</u>                       | <u>12,463</u>          | <u>17,037</u>  |

*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, 2021**

|   | Original<br>Budget<br>Expenditures | Revised<br>Budgeted<br>Expenditures | Actual<br>Expenditures | Variance            |
|---|------------------------------------|-------------------------------------|------------------------|---------------------|
| <b>Parks and Recreation</b>                           |                                    |                                     |                        |                     |
| Recreation and leisure                                | 747,142                            | 743,612                             | 630,761                | 112,851             |
| Celebration of public events                          | <u>8,675</u>                       | <u>8,675</u>                        | <u>1,056</u>           | <u>7,619</u>        |
| <b>Total Parks and Recreation</b>                     | <u>755,817</u>                     | <u>752,287</u>                      | <u>631,817</u>         | <u>120,470</u>      |
| <b>Planning and Zoning</b>                            |                                    |                                     |                        |                     |
| Planning and zoning/codes/grants                      | <u>1,053,194</u>                   | <u>1,087,767</u>                    | <u>1,028,682</u>       | <u>59,085</u>       |
| <b>Capital Improvements/Restricted Programs</b>       |                                    |                                     |                        |                     |
| Restricted programs                                   | 792,350                            | 812,350                             | 305,893                | 506,457             |
| Capital improvements                                  | <u>1,308,850</u>                   | <u>1,326,478</u>                    | <u>131,028</u>         | <u>1,195,450</u>    |
| <b>Total Capital Improvements/Restricted Programs</b> | <u>2,101,200</u>                   | <u>2,138,828</u>                    | <u>436,921</u>         | <u>1,701,907</u>    |
| <b>Debt Service</b>                                   |                                    |                                     |                        |                     |
| Town debt service                                     | 4,069,843                          | 4,069,843                           | 3,871,047              | 198,796             |
| School debt service                                   | <u>5,972,719</u>                   | <u>5,972,719</u>                    | <u>5,967,172</u>       | <u>5,547</u>        |
| <b>Total Debt Service</b>                             | <u>10,042,562</u>                  | <u>10,042,562</u>                   | <u>9,838,219</u>       | <u>204,343</u>      |
| <b>Education</b>                                      | <u>56,758,062</u>                  | <u>56,758,062</u>                   | <u>56,709,343</u>      | <u>48,719</u>       |
| <b>Total Expenditures</b>                             | <u>92,215,237</u>                  | <u>92,215,237</u>                   | <u>89,294,985</u>      | <u>2,920,252</u>    |
| <b>Transfers to Other Funds</b>                       |                                    |                                     |                        |                     |
| Transfers out   | <u>1,331,283</u>                   | <u>1,331,283</u>                    | <u>3,136,368</u>       | <u>(1,805,085)</u>  |
| <b>Total Expenditures and Other Financing Uses</b>    | <u>\$ 93,546,520</u>               | <u>\$ 93,546,520</u>                | <u>\$ 92,431,353</u>   | <u>\$ 1,115,167</u> |

*See notes to required supplementary information.*

**TOWN OF WESTERLY, RHODE ISLAND**

RSI-4

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUE AND EXPENDITURES (NON-GAAP BUDGETARY BASIS)  
BUDGET AND ACTUAL - SCHOOL UNRESTRICTED FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|   | Original<br>Budget | Revised<br>Budget | Actual              | Variance            |
|---|--------------------|-------------------|---------------------|---------------------|
| <b>Revenues</b>                               |                    |                   |                     |                     |
| Local appropriation                           | \$ 48,459,463      | \$ 48,459,463     | \$ 48,459,463       | \$ --               |
| Tuition preschool                             | 51,500             | 51,500            | 22,210              | (29,290)            |
| Tuition from other districts                  | 52,545             | 52,545            | 33,766              | (18,779)            |
| Transportation revenue                        | 5,000              | 5,000             | 11,500              | 6,500               |
| Community service revenues                    | --                 | --                | 4,095               | 4,095               |
| Rental income                                 | 17,323             | 17,323            | --                  | (17,323)            |
| Miscellaneous                                 | 3,396              | 54,036            | 33,858              | (20,178)            |
| Fund Balance                                  | --                 | --                | 1,265,481           | 1,265,481           |
| Insurance proceeds                            | --                 | --                | 282,506             | 282,506             |
| Unrestricted grant in aid                     | 8,298,599          | 8,298,599         | 8,249,880           | (48,719)            |
| Medicaid reimbursement                        | 1,158,803          | 1,158,803         | 856,102             | (302,701)           |
| <b>Total Revenues</b>                         | <u>58,046,629</u>  | <u>58,097,269</u> | <u>59,218,861</u>   | <u>1,121,592</u>    |
| <b>Expenditures</b>                           |                    |                   |                     |                     |
| Salaries & other compensation                 | 32,658,706         | 32,572,481        | 31,701,097          | 871,384             |
| Employee benefits                             | 13,990,920         | 13,974,978        | 13,304,843          | 670,135             |
| Purchased services                            | 8,212,454          | 8,215,584         | 8,347,069           | (131,485)           |
| Supplies & materials                          | 2,386,311          | 2,387,178         | 2,112,645           | 274,533             |
| Equipment                                     | 699,733            | 846,050           | 1,083,855           | (237,805)           |
| Miscellaneous                                 | 98,505             | 100,998           | 86,632              | 14,366              |
| <b>Total Expenditures</b>                     | <u>58,046,629</u>  | <u>58,097,269</u> | <u>56,636,141</u>   | <u>1,461,128</u>    |
| <b>Excess of Expenditures Over Revenues</b>   |                    |                   |                     |                     |
| <b>Before Other Financing Sources</b>         | <u>--</u>          | <u>--</u>         | <u>2,582,720</u>    | <u>2,582,720</u>    |
| <b>Other Financing Sources</b>                |                    |                   |                     |                     |
| Transfer in                                   | --                 | --                | 80,467              | 80,467              |
| Transfer out                                  | <u>--</u>          | <u>--</u>         | <u>(1,385,694)</u>  | <u>(1,385,694)</u>  |
| <b>Total Other Financing Sources</b>          | <u>--</u>          | <u>--</u>         | <u>(1,305,227)</u>  | <u>(1,305,227)</u>  |
| <b>Excess Revenues and Other Sources Over</b> |                    |                   |                     |                     |
| <b>(Under) Expenditures and Other Sources</b> | <u>--</u>          | <u>--</u>         | <u>1,277,493</u>    | <u>1,277,493</u>    |
| <b>Excess Revenues and Other Sources Over</b> |                    |                   |                     |                     |
| <b>(Under) Expenditure and Other Sources</b>  |                    |                   |                     |                     |
| <b>After Consent Order Transfer from</b>      |                    |                   |                     |                     |
| <b>General Fund for Deficit Reduction</b>     | <u>\$ --</u>       | <u>\$ --</u>      | <u>\$ 1,277,493</u> | <u>\$ 1,277,493</u> |

*See notes to required supplementary information.*

TOWN OF WESTERLY, RHODE ISLAND

RSI-5

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

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

Notes:

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

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSL-6

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

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

RSI-7

## REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-8

REQUIRED SUPPLEMENTARY INFORMATION

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

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

**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

RSI-9

## REQUIRED SUPPLEMENTARY INFORMATION

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

|   | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Total Pension Liability</b>  |               |               |               |               |               |               |               |
| Service cost  | \$ 989,653    | \$ 925,576    | \$ 957,819    | \$ 904,511    | \$ 974,655    | \$ 917,082    | \$ 851,843    |
| Interest on the total pension liability   | 3,872,716     | 3,607,501     | 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  | --            | 1,294,831     | --            | (355,566)     | (978,160)     | 47,387        | (499,006)     |
| Changes of assumptions  | (322,423)     | 404,679       | (107,909)     | 1,399,336     | 1,264,408     | (835,428)     | 991,037       |
| Benefit payments, including refunds of employee contributions                     | (2,565,862)   | (2,449,903)   | (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   | 1,974,084     | 3,782,684     | 1,953,955     | 3,128,992     | 2,332,976     | 1,324,356     | 2,584,221     |
| Total pension liability – beginning   | 55,617,795    | 51,835,111    | 49,881,156    | 46,752,164    | 44,419,188    | 43,094,832    | 40,510,611    |
| Total pension liability – ending (a)  | \$ 57,591,879 | \$ 55,617,795 | \$ 51,835,111 | \$ 49,881,156 | \$ 46,752,164 | \$ 44,419,188 | \$ 43,094,832 |
| <b>Plan Fiduciary Net Position</b>  |               |               |               |               |               |               |               |
| Contributions – employer  | \$ 1,786,470  | \$ 1,759,248  | \$ 1,795,200  | \$ 1,850,000  | \$ 1,720,000  | \$ 1,713,800  | \$ 1,716,400  |
| Contributions – employee  | 504,550       | 465,602       | 473,884       | 447,302       | 388,426       | 382,932       | 384,672       |
| Net investment income   | 10,864,997    | 1,634,808     | 2,781,295     | 2,863,907     | 3,482,244     | 129,896       | 1,255,952     |
| Benefit payments, including refunds of employee contributions                     | (2,565,862)   | (2,449,903)   | (2,371,675)   | (2,194,835)   | (2,248,159)   | (2,029,473)   | (1,795,715)   |
| Other   | 259           | --            | --            | --            | --            | --            | --            |
| Net change in plan fiduciary net position   | 10,590,414    | 1,409,755     | 2,678,704     | 2,966,374     | 3,342,511     | 197,155       | 1,561,309     |
| Plan fiduciary net position – beginning   | 39,656,794    | 38,247,039    | 35,568,335    | 32,601,961    | 29,259,450    | 29,062,295    | 27,500,986    |
| Plan fiduciary net position – ending (b)  | \$ 50,247,208 | \$ 39,656,794 | \$ 38,247,039 | \$ 35,568,335 | \$ 32,601,961 | \$ 29,259,450 | \$ 29,062,295 |
| Net pension liability - ending (a) - (b)  | \$ 7,344,671  | \$ 15,961,001 | \$ 13,588,072 | \$ 14,312,821 | \$ 14,150,203 | \$ 15,159,738 | \$ 14,032,537 |
| <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b> | 87.25%        | 71.30%        | 73.79%        | 71.31%        | 69.73%        | 65.87%        | 67.44%        |
| <b>Covered Employee Payroll</b>   | \$ 3,975,573  | \$ 3,768,316  | \$ 3,866,804  | \$ 3,665,217  | \$ 4,077,370  | \$ 4,077,370  | \$ 3,802,837  |
| <b>Net Pension Liability as a Percentage of Covered-Employee Payroll</b>          | 184.74%       | 423.56%       | 351.40%       | 390.50%       | 347.04%       | 371.80%       | 369.00%       |

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-10

REQUIRED SUPPLEMENTARY INFORMATION

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

|  | 2021             | 2020             | 2019                | 2018                | 2017               | 2016             | 2015             | 2014             | 2013                | 2012             |
|--|------------------|------------------|---------------------|---------------------|--------------------|------------------|------------------|------------------|---------------------|------------------|
| Actuarially determined contribution                                  | \$ 1,786,470     | \$ 1,759,248     | \$ 1,636,400        | \$ 1,610,200        | \$ 1,667,700       | \$ 1,713,800     | \$ 1,716,400     | \$ 1,816,000     | \$ 1,272,700        | \$ 1,225,170     |
| Contributions in relation to the actuarially determined contribution | <u>1,786,470</u> | <u>1,759,248</u> | <u>1,795,200</u>    | <u>1,850,000</u>    | <u>1,720,000</u>   | <u>1,713,800</u> | <u>1,716,400</u> | <u>1,816,000</u> | <u>1,586,044</u>    | <u>1,225,170</u> |
| Contribution deficiency (excess)                                     | \$ <u>--</u>     | \$ <u>--</u>     | \$ <u>(158,800)</u> | \$ <u>(239,800)</u> | \$ <u>(52,300)</u> | \$ <u>--</u>     | \$ <u>--</u>     | \$ <u>--</u>     | \$ <u>(313,344)</u> | \$ <u>--</u>     |
| Covered-employee payroll   | \$ 3,975,573     | \$ 3,768,316     | \$ 3,866,804        | \$ 3,665,217        | \$ 4,077,370       | \$ 4,077,370     | \$ 3,802,837     | \$ 3,497,794     | \$ 3,039,511        | \$ 2,847,036     |
| Contributions as a percentage of covered-employee payroll            | 44.94%           | 46.69%           | 46.43%              | 50.47%              | 42.18%             | 42.03%           | 45.13%           | 51.92%           | 52.18%              | 43.03%           |

Notes:

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

**Notes to Schedule**

Valuation date: July 1, 2019  
Measurement date: June 30, 2021

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

Methods and assumptions used to determine contribution rates:

|                           |  |
|---------------------------|--|
| Actuarial cost method     | Entry age method   |
| Amortization method       | Closed 30-year level dollar amortization of the Unfunded Actuarial Accrued Liability   |
| Asset valuation method    | Fair market value of assets on the measurement date adjusted for a five year phase in of gains and losses of plan assets at 20% per year |
| Inflation                 | 2%   |
| Salary increases          | 4% to 15%  |
| Investment rate of return | 7.00%, net of pension plan investment expenses   |
| Retirement age            | Various based on service years, with separate scales for hires before and after July 1, 2010   |
| Mortality                 | RP2014 Mortality table with generational improvements from 2006 using scale MP-2018  |

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-11

REQUIRED SUPPLEMENTARY INFORMATION

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

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|  | 2021   | 2020  | 2019  | 2018  | 2017   | 2016  | 2015  | 2014   |
|--|--------|-------|-------|-------|--------|-------|-------|--------|
| Annual money-weighted rate of return, net of investment expenses | 27.56% | 3.65% | 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' SURVIVORS BENEFIT PLAN  
 LAST SEVEN FISCAL YEARS

|  | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Town's portion of the net pension asset  | 4.48687935%   | 4.59546894%   | 4.74506999%   | 4.79335383%   | 4.90954266%   | 5.13115531%   | 5.15362918%   |
| Town's proportionate share of the net pension asset  | \$ 5,328,778  | \$ 5,213,368  | \$ 4,233,992  | \$ 3,965,369  | \$ 4,888,524  | \$ 4,790,221  | \$ 6,407,029  |
| Town's covered employee payroll  | \$ 24,590,735 | \$ 24,460,018 | \$ 24,795,819 | \$ 24,882,810 | \$ 24,036,620 | \$ 23,007,389 | \$ 24,523,661 |
| Town's proportionate share of the net pension liability<br>as a percentage of its covered employee payroll | 21.67%        | 21.31%        | 17.08%        | 15.94%        | 20.34%        | 20.82%        | 26.13%        |
| Plan fiduciary net position as a percentage of the total pension liability                                 | 153.10%       | 150.20%       | 137.40%       | 136.10%       | 153.30%       | 146.60%       | 173.30%       |

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

*See notes to required supplementary information.*

TOWN OF WESTERLY, RHODE ISLAND

RSI-13

REQUIRED SUPPLEMENTARY INFORMATION

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

|  | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Actuarially determined contribution                                  | \$ 33,461     | \$ 33,672     | \$ 34,276     | \$ 35,305     | \$ 29,664     | \$ 30,144     | \$ 30,983     |
| Contributions in relation to the actuarially determined contribution | 33,461        | 33,672        | 34,276        | 35,305        | 29,664        | 30,144        | 30,983        |
| Contribution deficiency (excess)                                     | \$ --         | \$ --         | \$ --         | \$ --         | \$ --         | \$ --         | \$ --         |
| Covered-employee payroll   | \$ 24,590,735 | \$ 24,460,018 | \$ 24,795,819 | \$ 24,882,810 | \$ 24,036,620 | \$ 23,007,389 | \$ 24,523,661 |
| Contributions as a percentage of covered-employee payroll            | 0.14%         | 0.14%         | 0.14%         | 0.14%         | 0.12%         | 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 determined contribution rate each year.

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-14

REQUIRED SUPPLEMENTARY INFORMATION

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

|   | 2021          | 2020          | 2019          | 2018          | 2017          |
|---|---------------|---------------|---------------|---------------|---------------|
| <b>Total OPEB Liability:</b>  |               |               |               |               |               |
| Service cost  | \$ 167,514    | \$ 166,945    | \$ 298,837    | \$ 341,151    | \$ 1,254,229  |
| Interest  | 1,292,683     | 1,238,966     | 1,100,334     | 1,106,276     | 1,331,128     |
| Changes in benefit terms  | --            | --            | --            | --            | (11,013,747)  |
| Differences between expected and actual experience                      | (1,527,984)   | 179,938       | (1,605,924)   | (2,380,680)   | (5,228,968)   |
| Changes of assumptions  | 266,810       | --            | (8,040,490)   | (2,185,085)   | 383,434       |
| Benefit payments  | (854,489)     | (784,748)     | (738,632)     | (725,982)     | (691,914)     |
| Net change in total OPEB liability                                      | (655,466)     | 801,101       | (8,985,875)   | (3,844,320)   | (13,965,838)  |
| Total OPEB Liability-beginning  | 18,719,415    | 17,918,314    | 26,904,189    | 30,748,509    | 44,714,347    |
| Total OPEB Liability-ending   | 18,063,949    | 18,719,415    | 17,918,314    | 26,904,189    | 30,748,509    |
| Plan fiduciary net position:  |               |               |               |               |               |
| Contributions-employer  | 1,258,061     | 1,252,893     | 1,535,800     | 1,912,794     | 400,000       |
| Net investment income (loss)  | 1,290,874     | 325,129       | 448,087       | 239,784       | 271,666       |
| Benefit payments  | (854,489)     | (784,748)     | (738,632)     | (725,982)     | (691,914)     |
| Administrative expense  | (51,872)      | (49,940)      | (35,575)      | (37,013)      | (22,640)      |
| Net change in plan fiduciary net position                               | 1,642,574     | 743,334       | 1,209,680     | 1,389,583     | (42,888)      |
| Plan fiduciary net position-beginning                                   | 6,142,646     | 5,399,312     | 4,189,632     | 2,800,049     | 2,842,937     |
| Plan fiduciary net position-ending                                      | 7,785,220     | 6,142,646     | 5,399,312     | 4,189,632     | 2,800,049     |
| Net OPEB Liability  | \$ 10,278,729 | \$ 12,576,769 | \$ 12,519,002 | \$ 22,714,557 | \$ 27,948,460 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 43.10%        | 32.81%        | 30.13%        | 15.57%        | 9.11%         |
| Covered-employee payroll  | 3,911,875     | 3,603,494     | 3,463,796     | 3,778,768     | 3,668,707     |
| Net OPEB liability as a percentage of covered-employee payroll          | 262.76%       | 349.02%       | 361.42%       | 601.11%       | 761.81%       |

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

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-15

REQUIRED SUPPLEMENTARY INFORMATION

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

|  | 2021             | 2020             | 2019                | 2018                | 2017                | 2016                | 2015              | 2014              | 2013              | 2012               |
|--|------------------|------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|--------------------|
| Actuarially determined contribution                                  | \$ 1,275,774     | \$ 1,252,893     | \$ 1,365,184        | \$ 1,501,065        | \$ 1,912,794        | \$ 2,784,810        | \$ 936,800        | \$ 966,300        | \$ 922,800        | \$ 907,830         |
| Contributions in relation to the actuarially determined contribution | <u>1,258,061</u> | <u>1,252,893</u> | <u>1,535,800</u>    | <u>1,912,794</u>    | <u>400,000</u>      | <u>386,000</u>      | <u>429,600</u>    | <u>429,600</u>    | <u>467,920</u>    | <u>985,328</u>     |
| Contribution deficiency (excess)                                     | <u>\$ 17,713</u> | <u>\$ --</u>     | <u>\$ (170,616)</u> | <u>\$ (411,729)</u> | <u>\$ 1,512,794</u> | <u>\$ 2,398,810</u> | <u>\$ 507,200</u> | <u>\$ 536,700</u> | <u>\$ 454,880</u> | <u>\$ (77,498)</u> |
| Percentage contributed   | 99%              | 100%             | 112%                | 127%                | 21%                 | 14%                 | 46%               | 44%               | 51%               | 109%               |
| Employee covered payroll   | \$ 3,911,875     | \$ 3,603,494     | \$ 3,463,796        | \$ 3,778,768        | \$ 3,668,707        | \$ 3,406,417        | \$ 3,307,201      | \$ 3,384,654      | \$ 3,039,511      | \$ 2,847,036       |
| Contribution as a % of covered payroll                               | 32.2%            | 34.8%            | 44.3%               | 50.6%               | 10.9%               | 11.3%               | 13.0%             | 12.7%             | 15.4%             | 34.6%              |

See notes to required supplementary information.

TOWN OF WESTERLY, RHODE ISLAND

RSI-16

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

See notes to required supplementary information.

# TOWN OF WESTERLY, RHODE ISLAND

RSI-17

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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#### Budget preparation and budgetary basis of accounting:

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

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

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

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

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

**TOWN OF WESTERLY, RHODE ISLAND**

**RSI-17**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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*(a) Budgetary to GAAP Basis Reconciliation*

The following reconciliation summarizes the difference for the Town's General Fund between budgetary and GAAP basis accounting principles for the fiscal year ended June 30, 2021:

|  |    |                    |
|--|----|--------------------|
| Total Revenues and Other Financing Sources   | \$ | 96,543,789         |
| Budgetary revenues are different than GAAP revenues because of the following reconciling items:  |    |                    |
| Capital Lease Issue  |    | 615,804            |
| Revenues for funds not reported as budgetary revenues, but included for financial reporting purposes:  |    |                    |
| Self Insurance Fund revenues   |    | 46,146             |
| Revaluation Fund revenues  |    | 6                  |
| FSA Fund revenues  |    | 162                |
| Miscellaneous Donation Fund revenues   |    | 65,232             |
| School Unrestricted Fund revenues  |    | 1,244,038          |
| School Unrestricted Fund transfers in  |    | 80,467             |
| State of Rhode-Island on behalf of the Town payments to the Employee Retirement System   |    | <u>2,606,081</u>   |
| Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - <i>Exhibit IV</i>  | \$ | <u>101,201,725</u> |
|  |    |                    |
| Total Expenditures and Other Financing Uses  | \$ | 92,431,353         |
| Budgetary expenditures are different than GAAP expenditures because of the following reconciling items:  |    |                    |
| Town change in encumbrances  |    | 13,168             |
| School change in encumbrances  |    | 253,839            |
| Equipment purchased through capital lease  |    | 615,804            |
| Expenditures for funds not reported as budgetary expenditures, but are included in GAAP expenditures:  |    |                    |
| Self Insurance Fund expenditures   |    | 696,360            |
| Miscellaneous Donation Fund expenditures   |    | 49,084             |
| Children's Crusade expenditures  |    | 245                |
| School Unrestricted Fund expenditures  |    | 56,636,142         |
| School Unrestricted Fund transfers out   |    | 1,385,694          |
| Town General Fund appropriation to School General Fund   |    | (48,459,463)       |
| Town General Fund transfer out of LEA Aid to School General Fund   |    | (8,249,880)        |
| State of Rhode-Island on behalf of the Town payments to the Employee Retirement System   |    | 2,606,081          |
| Town General Fund transfer out to Self Insurance Fund  |    | <u>(428,000)</u>   |
| Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - <i>Exhibit IV</i> | \$ | <u>97,550,427</u>  |

**TOWN OF WESTERLY, RHODE ISLAND**

**RSI-17**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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Budget compliance:

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

## **OTHER SUPPLEMENTARY INFORMATION**

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

| <u>REVENUE</u>                                     | <u>Municipal</u>     | <u>Education<br/>Department</u> |
|--|----------------------|---------------------------------|
| Current Year Levy Tax Collection                   | \$ 75,065,721        | \$ -                            |
| Last Year's Levy Tax Collection                    | 641,576              | -                               |
| Prior Years Property Tax Collection                | 43,180               | -                               |
| Interest & Penalty                                 | 382,408              | -                               |
| PILOT & Tax Treaty (excluded from levy) Collection | 13,493               | -                               |
| Other Local Property Taxes                         | 87,811               | -                               |
| Licenses and Permits                               | 1,625,342            | -                               |
| Fines and Forfeitures                              | 245,537              | -                               |
| Investment Income                                  | 583,150              | -                               |
| Departmental                                       | 805,551              | -                               |
| Rescue Run Revenue                                 | -                    | -                               |
| Police & Fire Detail                               | 379,302              | -                               |
| Other Local Non-Property Tax Revenues              | 7,758                | -                               |
| Tuition  | -                    | 55,976                          |
| Impact Aid   | -                    | -                               |
| Medicaid   | -                    | 856,102                         |
| Federal Stabilization Funds                        | -                    | -                               |
| Federal Food Service Reimbursement                 | -                    | 569,605                         |
| CDBG   | 8,984                | -                               |
| COPS Grants  | -                    | -                               |
| SAFER Grants                                       | -                    | -                               |
| Other Federal Aid Funds                            | -                    | 1,923,618                       |
| COVID - ESSER                                      | -                    | 604,715                         |
| COVID - CRF  | 2,234,702            | 438,462                         |
| COVID - CDBG                                       | -                    | -                               |
| COVID - FEMA                                       | -                    | -                               |
| COVID - Other                                      | 19,620               | -                               |
| COVID - ARPA                                       | -                    | -                               |
| MV Excise Tax Reimbursement                        | 220,009              | -                               |
| State PILOT Program                                | 84,796               | -                               |
| Distressed Community Relief Fund                   | -                    | -                               |
| Library Resource Aid                               | 307,643              | -                               |
| Library Construction Aid                           | -                    | -                               |
| Public Service Corporation Tax                     | 268,491              | -                               |
| Meals & Beverage Tax / Hotel Tax                   | 1,796,920            | -                               |
| LEA Aid  | -                    | 8,255,040                       |
| Group Home   | -                    | -                               |
| Housing Aid Capital Projects                       | -                    | -                               |
| Housing Aid Bonded Debt                            | 1,707,162            | -                               |
| State Food Service Revenue                         | -                    | 60,201                          |
| Incentive Aid                                      | -                    | -                               |
| Property Revaluation Reimbursement                 | -                    | -                               |
| Other State Revenue                                | 262,226              | 450,690                         |
| Motor Vehicle Phase Out                            | 500,380              | -                               |
| Other Revenue                                      | 934,438              | 724,998                         |
| Local Appropriation for Education                  | -                    | 48,459,463                      |
| Regional Appropriation for Education               | -                    | -                               |
| Supplemental Appropriation for Education           | -                    | -                               |
| Regional Supplemental Appropriation for Education  | -                    | -                               |
| Other Education Appropriation                      | -                    | -                               |
| Rounding   | -                    | -                               |
| <b>Total Revenue</b>                               | <b>\$ 88,226,198</b> | <b>\$ 62,398,869</b>            |
| Financing Sources: Transfer from Capital Funds     | \$ -                 | \$ -                            |
| Financing Sources: Transfer from Other Funds       | 272,469              | 50,640                          |
| Financing Sources: Debt Proceeds                   | -                    | -                               |
| Financing Sources: Other                           | -                    | -                               |
| Rounding   | -                    | -                               |
| <b>Total Other Financing Sources</b>               | <b>\$ 272,469</b>    | <b>\$ 50,640</b>                |

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

| EXPENDITURES                                      | General             |                     | Social            | Centralized       | Planning            | Libraries         | Public              | Parks and         | Police              |
|---|---------------------|---------------------|-------------------|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|
|   | Government          | Finance             | Services          | IT                |                     |                   | Works               | Rec               | Department          |
| Compensation- Group A                             | \$ 702,423          | \$ 734,184          | \$ -              | \$ 286,410        | \$ 665,616          | \$ -              | \$ 1,881,489        | \$ 400,475        | \$ 4,690,841        |
| Compensation - Group B                            | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | 544,736             |
| Compensation - Group C                            | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Compensation -Volunteer                           | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Overtime- Group A                                 | 2,370               | 1,538               | -                 | 4,749             | 202                 | -                 | 135,444             | 7,022             | 496,767             |
| Overtime - Group B                                | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | 23,470              |
| Overtime - Group C                                | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Police & Fire Detail                              | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | 224,655             |
| Active Medical Insurance - Group A                | 119,946             | 131,774             | -                 | 42,854            | 141,038             | -                 | 500,462             | 22,512            | 808,873             |
| Active Medical Insurance- Group B                 | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | 101,820             |
| Active Medical Insurance- Group C                 | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Active Dental insurance- Group A                  | 6,967               | 6,516               | -                 | 2,453             | 7,303               | -                 | 26,397              | 1,294             | 40,703              |
| Active Dental Insurance- Group B                  | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | 6,498               |
| Active Dental Insurance- Group C                  | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Payroll Taxes                                     | 49,381              | 73,603              | -                 | 21,317            | 48,244              | -                 | 145,657             | 30,457            | 137,923             |
| Life Insurance                                    | 19,329              | 2,705               | -                 | 924               | 2,402               | -                 | 5,204               | 450               | 8,223               |
| State Defined Contribution- Group A               | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| State Defined Contribution - Group B              | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| State Defined Contribution - Group C              | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Other Benefits- Group A                           | 6,919               | 1,888               | -                 | 593               | 1,456               | -                 | 4,607               | 289               | 12,850              |
| Other Benefits- Group B                           | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Other Benefits- Group C                           | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Local Defined Benefit Pension- Group A            | 13,115              | -                   | -                 | -                 | -                   | -                 | -                   | -                 | 1,786,470           |
| Local Defined Benefit Pension - Group B           | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Local Defined Benefit Pension - Group C           | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| State Defined Benefit Pension- Group A            | 189,896             | 8,629               | -                 | -                 | 4,309               | -                 | 134,351             | -                 | -                   |
| State Defined Benefit Pension - Group B           | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | 33,241              |
| State Defined Benefit Pension - Group C           | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Other Defined Benefit / Contribution              | 34,212              | 61,627              | -                 | 25,559            | 60,479              | -                 | 36,353              | 10,415            | 56,855              |
| Purchased Services                                | 536,059             | 132,706             | -                 | 54,933            | 77,518              | -                 | 286,579             | 24,422            | 38,418              |
| Materials/Supplies                                | 34,375              | 27,330              | -                 | 81,037            | 5,336               | -                 | 215,934             | 72,592            | 69,439              |
| Software Licenses                                 | 61,921              | 66,537              | -                 | 103,704           | 20,532              | -                 | 14,123              | 1,679             | 49,898              |
| Capital Outlays                                   | 123,000             | -                   | -                 | 11,144            | -                   | -                 | 91,324              | 47,880            | -                   |
| Insurance   | 459,348             | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Maintenance                                       | 8,902               | -                   | 8,774             | -                 | -                   | -                 | 144,359             | 59,248            | -                   |
| Vehicle Operations                                | -                   | -                   | -                 | -                 | -                   | -                 | 326,217             | 29,917            | 190,952             |
| Utilities   | 48,843              | -                   | 42,038            | 22,972            | -                   | -                 | 132,508             | 86,906            | 92,214              |
| Contingency                                       | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Street Lighting                                   | -                   | -                   | -                 | -                 | -                   | -                 | 332,422             | -                 | -                   |
| Revaluation                                       | -                   | 15,937              | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Snow Removal-Raw Material & External Contracts    | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Trash Removal & Recycling                         | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Claims & Settlements                              | 331,218             | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Community Support                                 | 317,807             | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| Other Operation Expenditures                      | 95,011              | 85,941              | 173,627           | 24,738            | 75,762              | 722,643           | 53,800              | 11,508            | 52,776              |
| 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  | -                   | -                   | -                 | -                 | -                   | -                 | -                   | -                 | -                   |
| <b>Total Expenditures</b>                         | <b>\$ 3,161,044</b> | <b>\$ 1,350,916</b> | <b>\$ 224,438</b> | <b>\$ 683,389</b> | <b>\$ 1,110,196</b> | <b>\$ 722,643</b> | <b>\$ 4,467,231</b> | <b>\$ 807,066</b> | <b>\$ 9,467,623</b> |

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

| EXPENDITURES                                      | Fire<br>Department | Centralized<br>Dispatch | Public Safety<br>Other | Education<br>Appropriation | Debt                | OPEB                | Total<br>Municipal   | Education<br>Department |
|---|--------------------|-------------------------|------------------------|----------------------------|---------------------|---------------------|----------------------|-------------------------|
| Compensation- Group A                             | \$ -               | \$ -                    | \$ 170,183             | \$ -                       | \$ -                | \$ -                | \$ 9,531,621         | \$ 22,832,261           |
| Compensation - Group B                            | -                  | -                       | -                      | -                          | -                   | -                   | 544,736              | 2,907,303               |
| Compensation - Group C                            | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 7,517,913               |
| Compensation -Volunteer                           | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Overtime- Group A                                 | -                  | -                       | 2,236                  | -                          | -                   | -                   | 650,329              | -                       |
| Overtime - Group B                                | -                  | -                       | -                      | -                          | -                   | -                   | 23,470               | -                       |
| Overtime - Group C                                | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 65,219                  |
| Police & Fire Detail                              | -                  | -                       | -                      | -                          | -                   | -                   | 224,655              | -                       |
| Active Medical Insurance - Group A                | -                  | -                       | 23,870                 | -                          | -                   | -                   | 1,791,328            | 4,044,310               |
| Active Medical Insurance- Group B                 | -                  | -                       | -                      | -                          | -                   | -                   | 101,820              | 368,697                 |
| Active Medical Insurance- Group C                 | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 2,340,122               |
| Active Dental insurance- Group A                  | -                  | -                       | 1,129                  | -                          | -                   | -                   | 92,764               | 204,668                 |
| Active Dental Insurance- Group B                  | -                  | -                       | -                      | -                          | -                   | -                   | 6,498                | 17,769                  |
| Active Dental Insurance- Group C                  | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 95,242                  |
| Payroll Taxes                                     | -                  | -                       | 13,623                 | -                          | -                   | -                   | 520,205              | 1,248,771               |
| Life Insurance                                    | -                  | -                       | 478                    | -                          | -                   | -                   | 39,714               | 180,251                 |
| State Defined Contribution- Group A               | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 539,977                 |
| State Defined Contribution - Group B              | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 44,739                  |
| State Defined Contribution - Group C              | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Other Benefits- Group A                           | -                  | -                       | 541                    | -                          | -                   | -                   | 29,143               | 150,315                 |
| Other Benefits- Group B                           | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 19,625                  |
| Other Benefits- Group C                           | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 90,846                  |
| Local Defined Benefit Pension- Group A            | -                  | -                       | -                      | -                          | -                   | -                   | 1,799,585            | 2,883                   |
| Local Defined Benefit Pension - Group B           | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 28,578                  |
| Local Defined Benefit Pension - Group C           | -                  | -                       | -                      | -                          | -                   | -                   | -                    | 39,912                  |
| State Defined Benefit Pension- Group A            | -                  | -                       | 6,188                  | -                          | -                   | -                   | 343,374              | 3,343,869               |
| State Defined Benefit Pension - Group B           | -                  | -                       | -                      | -                          | -                   | -                   | 33,241               | 407,746                 |
| State Defined Benefit Pension - Group C           | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Other Defined Benefit / Contribution              | -                  | -                       | 3,716                  | -                          | -                   | -                   | 289,216              | 824,731                 |
| Purchased Services                                | -                  | -                       | 47,279                 | -                          | -                   | -                   | 1,197,914            | 7,797,012               |
| Materials/Supplies                                | -                  | -                       | 71,512                 | -                          | -                   | -                   | 577,555              | 1,516,311               |
| Software Licenses                                 | -                  | -                       | -                      | -                          | -                   | -                   | 318,395              | 388,102                 |
| Capital Outlays                                   | -                  | -                       | -                      | -                          | -                   | -                   | 273,348              | 1,229,426               |
| Insurance   | -                  | -                       | -                      | -                          | -                   | -                   | 459,348              | 361,719                 |
| Maintenance                                       | -                  | -                       | -                      | -                          | -                   | -                   | 221,283              | 2,251,159               |
| Vehicle Operations                                | -                  | -                       | -                      | -                          | -                   | -                   | 547,085              | 255,849                 |
| Utilities   | -                  | -                       | 41,291                 | -                          | -                   | -                   | 466,772              | 1,110,450               |
| Contingency                                       | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Street Lighting                                   | -                  | -                       | -                      | -                          | -                   | -                   | 332,422              | -                       |
| Revaluation                                       | -                  | -                       | -                      | -                          | -                   | -                   | 15,937               | -                       |
| Snow Removal-Raw Material & External Contracts    | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Trash Removal & Recycling                         | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Claims & Settlements                              | -                  | -                       | -                      | -                          | -                   | -                   | 331,218              | 42,000                  |
| Community Support                                 | -                  | -                       | -                      | -                          | -                   | -                   | 317,807              | -                       |
| Other Operation Expenditures                      | -                  | -                       | 25,839                 | -                          | -                   | -                   | 1,321,645            | 340,638                 |
| Tipping Fees                                      | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Local Appropriation for Education                 | -                  | -                       | -                      | 48,459,463                 | -                   | -                   | 48,459,463           | -                       |
| Regional Appropriation for Education              | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Supplemental Appropriation for Education          | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Regional Supplemental Appropriation for Education | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Other Education Appropriation                     | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Municipal Debt- Principal                         | -                  | -                       | -                      | -                          | 2,936,795           | -                   | 2,936,795            | -                       |
| Municipal Debt- Interest                          | -                  | -                       | -                      | -                          | 886,332             | -                   | 886,332              | -                       |
| School Debt- Principal                            | -                  | -                       | -                      | -                          | 4,319,214           | -                   | 4,319,214            | -                       |
| School Debt- Interest                             | -                  | -                       | -                      | -                          | 1,647,878           | -                   | 1,647,878            | -                       |
| Retiree Medical Insurance- Total                  | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| Retiree Dental Insurance- Total                   | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| OPEB Contribution- Total                          | -                  | -                       | -                      | -                          | -                   | 1,258,061           | 1,258,061            | -                       |
| Rounding  | -                  | -                       | -                      | -                          | -                   | -                   | -                    | -                       |
| <b>Total Expenditures</b>                         | <b>\$ -</b>        | <b>\$ -</b>             | <b>\$ 407,884</b>      | <b>\$ 48,459,463</b>       | <b>\$ 9,790,219</b> | <b>\$ 1,258,061</b> | <b>\$ 81,910,172</b> | <b>\$ 62,608,412</b>    |

|  |                      |                     |
|--|----------------------|---------------------|
| Financing Uses: Transfer to Capital Funds                    | \$ -                 | \$ -                |
| Financing Uses: Transfer to Other Funds                      | 2,715,279            | -                   |
| Financing Uses: Payment to Bond Escrow Agent                 | -                    | -                   |
| Financing Uses: Other  | -                    | -                   |
| <b>Total Other Financing Uses</b>                            | <b>\$ 2,715,279</b>  | <b>\$ -</b>         |
| <b>Net Change in Fund Balance<sup>1</sup></b>                | <b>3,873,216</b>     | <b>(158,903)</b>    |
| <b>Fund Balance<sup>1</sup>- beginning of year</b>           | <b>\$12,981,111</b>  | <b>\$5,379,146</b>  |
| Funds removed from Reportable Government Services (RGS)      | -                    | -                   |
| Funds added to Reportable Government Services (RGS)          | 54,222               | -                   |
| Prior period adjustments                                     | -                    | 232,552             |
| Misc. Adjustment   | -                    | -                   |
| <b>Fund Balance<sup>1</sup> - beginning of year adjusted</b> | <b>13,035,333</b>    | <b>5,611,698</b>    |
| Rounding   | -                    | -                   |
| <b>Fund Balance<sup>1</sup> - end of year</b>                | <b>\$ 16,908,549</b> | <b>\$ 5,452,795</b> |

<sup>1</sup> 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, 2021

| Per Audited Fund Financial Statements<br>Fund Description   | Total<br>Revenue     | Total Other<br>Financing<br>Sources | Total<br>Expenditures | Total Other<br>Financing<br>Uses | Net Change<br>in Fund<br>Balance <sup>1</sup> | Beginning Fund<br>Fund Balance <sup>1</sup><br>(Deficit) | Prior Period<br>Adjustment | Restated Beginning<br>Fund Balance <sup>1</sup><br>(Deficit) | Ending<br>Fund Balance <sup>1</sup><br>(Deficit) |
|---|----------------------|-------------------------------------|-----------------------|----------------------------------|---|--|----------------------------|--|--|
| <b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2020</b>  |                      |                                     |                       |                                  |   | \$ 12,981,111  | -                          | \$ 12,981,111  |  |
| <i>No funds removed from RGS for fiscal 2021</i>  |                      |                                     |                       |                                  |   | -  | -                          | -  |  |
| Special Revenue Funds (0860)- Civil Defense Fund was added to RGS for fiscal 2021   |                      |                                     |                       |                                  |   | 54,222   | -                          | 54,222   |  |
| <i>No misc. adjustments made for fiscal 2021</i>  |                      |                                     |                       |                                  |   | -  | -                          | -  |  |
| <b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2021 adjusted</b>   |                      |                                     |                       |                                  |   | <u>\$ 13,035,333</u>                                     | -                          | <u>\$ 13,035,333</u>   |  |
| General Fund  | \$ 96,405,306        | \$ 184,797                          | \$ 33,295,167         | \$ 59,417,711                    | \$ 3,877,225                                  | \$ 12,687,292  | \$ -                       | \$ 12,687,292  | \$ 16,564,517                                    |
| Town Special Revenue Funds - RIIB Bond Winnepaug Dredging Grant Match Fund  | -                    | -                                   | -                     | 6,911                            | (6,911)                                       | 119,480  | -                          | 119,480  | 112,569  |
| Town Special Revenue Funds - Federal Forfeiture Fund  | 2,074                | 2,304                               | 1,475                 | -                                | 2,903   | 174,339  | -                          | 174,339  | 177,242  |
| Town Special Revenue Funds - COVID-19   | -                    | 85,368                              | 85,368                | -                                | -   | -  | -                          | -  | -  |
| Town Special Revenue Funds - CDBG PY16 WARM Shelter   | 407                  | -                                   | 407                   | -                                | -   | -  | -                          | -  | -  |
| Town Special Revenue Funds - CDBG PY19 Microenterprise Stabilization Program  | 1,914                | -                                   | 1,914                 | -                                | -   | -  | -                          | -  | -  |
| Town Capital Projects Funds - CDBG PY17 North End and Granite Hill Accessibility  | 44                   | -                                   | 44                    | -                                | -   | -  | -                          | -  | -  |
| Town Capital Projects Funds - CDBG PY18 Senior Center Improvements and Training   | 341,314              | -                                   | 341,314               | -                                | -   | -  | -                          | -  | -  |
| Town Special Revenue Funds - MEDS PODS (Civil Defense) Fund   | 25,191               | -                                   | 25,165                | -                                | 26  | 54,222   | -                          | 54,222   | 54,248   |
| Town Special Revenue Funds - Miscellaneous Grants Fund  | 24,708               | -                                   | 24,708                | -                                | -   | -  | -                          | -  | -  |
| Town Special Revenue Funds - Take it Outside Fund   | 23,851               | -                                   | 23,851                | -                                | -   | -  | -                          | -  | -  |
| <b>Totals per audited financial statements</b>  | <u>\$ 96,824,809</u> | <u>\$ 272,469</u>                   | <u>\$ 33,799,413</u>  | <u>\$ 59,424,622</u>             | <u>\$ 3,873,243</u>                           | <u>\$ 13,035,333</u>                                     | <u>\$ -</u>                | <u>\$ 13,035,333</u>   | <u>\$ 16,908,576</u>                             |
| <b>Reconciliation from financial statements to MTP2</b>   |                      |                                     |                       |                                  |   |  |                            |  |  |
| Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2   | \$ -                 | \$ -                                | \$ 48,459,462.96      | \$ (48,459,462.96)               | \$ -  | \$ -   | \$ -                       | \$ -   | \$ -   |
| Reclass of LEA Aid reported in audit as use to expense  | -                    | -                                   | 8,249,880             | (8,249,880)                      | -   | -  | -                          | -  | -  |
| Reduction in Other State Revenue for LEA Aid reported in General Fund   | (8,249,880)          | -                                   | (8,249,880)           | -                                | -   | -  | -                          | -  | -  |
| Program activity in CDBG Funds (0163,0177,0174,0176) that are not reported on the MTP2 because they are for program revenues & expenses and not for administration. | (334,694)            | -                                   | (334,694)             | -                                | -   | -  | -                          | -  | -  |
| Activity in Civil Defense Fund (0860) and Miscellaneous Grants Fund (0180) that are not reported on the MTP2 because they are not related to COVID Expenses         | (14,037)             | -                                   | (14,010)              | -                                | (27)  | -  | -                          | -  | (27)   |
| Rounding  | -                    | -                                   | -                     | -                                | -   | -  | -                          | -  | -  |
| <b>Totals Per MTP2</b>  | <u>\$ 88,226,198</u> | <u>\$ 272,469</u>                   | <u>\$ 81,910,172</u>  | <u>\$ 2,715,279</u>              | <u>\$ 3,873,216</u>                           | <u>\$ 13,035,333</u>                                     | <u>\$ -</u>                | <u>\$ 13,035,333</u>   | <u>\$ 16,908,549</u>                             |

<sup>1</sup> 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, 2021

| Per Audited Fund Financial Statements<br>Fund Description   | Total<br>Revenue     | Total Other<br>Financing<br>Sources | Total<br>Expenditures | Total Other<br>Financing<br>Uses | Net Change<br>in Fund<br>Balance <sup>1</sup> | Beginning Fund<br>Fund Balance <sup>1</sup><br>(Deficit) | Prior Period<br>Adjustment | Restated Beginning<br>Fund Balance <sup>1</sup><br>(Deficit) | Ending<br>Fund Balance <sup>1</sup><br>(Deficit) |
|---|----------------------|-------------------------------------|-----------------------|----------------------------------|---|--|----------------------------|--|--|
| <b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2020</b>  |                      |                                     |                       |                                  |   | \$ 5,379,146   | 232,552                    | \$ 5,611,698   |  |
| <i>No miscellaneous adjustments</i>   |                      |                                     |                       |                                  |   | -  |                            | -  |  |
| <b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2021 adjusted</b>   |                      |                                     |                       |                                  |   | <u>\$ 5,379,146</u>                                      | <u>232,552</u>             | <u>\$ 5,611,698</u>  |  |
| School Unrestricted Fund  | \$ 3,915,351         | \$ 57,405,614                       | \$ 60,161,198         | \$ 1,385,694                     | \$ (225,927)                                  | \$ 5,177,011   | \$ -                       | \$ 5,177,011   | \$ 4,951,084                                     |
| School Special Revenue Funds  | 4,389,736            | 1,385,695                           | 5,678,579             | 29,828                           | 67,024  | 202,135  | 232,552                    | 434,687  | 501,711  |
| <b>Totals per audited financial statements</b>  | <u>\$ 8,305,087</u>  | <u>\$ 58,791,309</u>                | <u>\$ 65,839,777</u>  | <u>\$ 1,415,522</u>              | <u>\$ (158,903)</u>                           | <u>\$ 5,379,146</u>                                      | <u>\$ 232,552</u>          | <u>\$ 5,611,698</u>  | <u>\$ 5,452,795</u>                              |
| <b>Reconciliation from financial statements to MTP2</b>   |                      |                                     |                       |                                  |   |  |                            |  |  |
| Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2  | \$ 48,459,463        | \$ (48,459,463)                     | \$ -                  | \$ -                             | \$ -  | \$ -   | \$ -                       | \$ -   | \$ -   |
| Reclass of LEA Aid reported in audit as source to revenue   | 8,249,880            | (8,249,880)                         | -                     | -                                | -   | -  | -                          | -  | -  |
| State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only   | (2,606,081)          | -                                   | (2,606,081)           | -                                | -   | -  | -                          | -  | -  |
| GAAP reporting on loan proceeds for HVAC SBA Loan Project & capital outlay as a Other Source but reported as revenue on MTP2  | -                    | (615,804)                           | (615,804)             | -                                | -   | -  | -                          | -  | -  |
| For financial statements, indirect cost charges and recovery are reported in federal grant funds and also actual expenditures & reimbursement reported in School Unrestricted Fund. | -                    | (29,828)                            | -                     | (29,828)                         | -   | -  | -                          | -  | -  |
| Title III Consortium revenue/expenditures not included in UCOA  | (9,480)              | -                                   | (9,480)               | -                                | -   | -  | -                          | -  | -  |
| Elimination of transfers between school funds   | -                    | (1,385,694)                         | -                     | (1,385,694)                      | -   | -  | -                          | -  | -  |
| Rounding  | -                    | -                                   | -                     | -                                | -   | -  | -                          | -  | -  |
| <b>Totals Per MTP2</b>  | <u>\$ 62,398,869</u> | <u>\$ 50,640</u>                    | <u>\$ 62,608,412</u>  | <u>\$ -</u>                      | <u>\$ (158,903)</u>                           | <u>\$ 5,611,698</u>                                      | <u>\$ 232,552</u>          | <u>\$ 5,611,698</u>  | <u>\$ 5,452,795</u>                              |
| <b>Reconciliation from MTP2 to UCOA</b>   |                      |                                     |                       |                                  |   |  |                            |  |  |
| Miscellaneous variance between MTP2 & UCOA  | \$ 1                 | \$ -                                | \$ (6)                |                                  |   |  |                            |  |  |
| Transfer from town capital  | 50,640               | (50,640)                            | -                     |                                  |   |  |                            |  |  |
| <b>Totals per UCOA Validated Totals Report - Dated 12/24/21</b>   | <u>\$ 62,449,510</u> | <u>\$ -</u>                         | <u>\$ 62,608,406</u>  |                                  |   |  |                            |  |  |

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

# TOWN OF WESTERLY, RHODE ISLAND

A-2

## NOTES TO OTHER SUPPLEMENTARY INFORMATION

### FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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#### **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:

# TOWN OF WESTERLY, RHODE ISLAND

A-2

## NOTES TO OTHER SUPPLEMENTARY INFORMATION

### FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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#### 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

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## COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

|   | Special<br>Revenue<br>Funds | Capital<br>Projects<br>Funds | Total<br>Non-Major<br>Governmental<br>Funds |
|---|-----------------------------|------------------------------|---|
|   |                             |                              |   |
| <b>Assets</b>                             |                             |                              |   |
| Cash and cash equivalents                 | \$ 580,318                  | \$ 3,516,295                 | \$ 4,096,613                                |
| Restricted cash held in escrow            | 2,115,719                   | --                           | 2,115,719                                   |
| Investments                               | 1,794                       | --                           | 1,794                                       |
| Accounts and other receivables            | 37,529                      | --                           | 37,529                                      |
| Due from federal and state governments    | 237,959                     | 92,166                       | 330,125                                     |
| Due from other funds                      | 267,022                     | --                           | 267,022                                     |
| <b>Total Assets</b>                       | \$ 3,240,341                | \$ 3,608,461                 | \$ 6,848,802                                |
| <b>Liabilities</b>                        |                             |                              |   |
| Accounts payable and accrued liabilities  | \$ 121,426                  | \$ 23,600                    | \$ 145,026                                  |
| Due to other funds                        | 633,425                     | 92,166                       | 725,591                                     |
| Unearned Revenue                          | 15,142                      | --                           | 15,142                                      |
| <b>Total Liabilities</b>                  | 769,993                     | 115,766                      | 885,759                                     |
| <b>Fund Balance</b>                       |                             |                              |   |
| Restricted                                | 2,465,618                   | --                           | 2,465,618                                   |
| Committed                                 | 4,730                       | 3,492,695                    | 3,497,425                                   |
| <b>Total Fund Balance</b>                 | 2,470,348                   | 3,492,695                    | 5,963,043                                   |
| <b>Total Liabilities and Fund Balance</b> | \$ 3,240,341                | \$ 3,608,461                 | \$ 6,848,802                                |

**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, 2021**

|   | Special<br>Revenue<br>Funds | Capital<br>Projects<br>Funds | Total<br>Non-Major<br>Governmental<br>Funds |
|---|-----------------------------|------------------------------|---|
| <b>Revenues</b>   |                             |                              |   |
| Intergovernmental   | \$ 976,697                  | \$ 368,611                   | \$ 1,345,308                                |
| Charges for services                                      | 43,885                      | --                           | 43,885                                      |
| Capital grants and contributions                          | 33,110                      | --                           | 33,110                                      |
| Investment income   | 2,127                       | --                           | 2,127                                       |
| <b>Total Revenues</b>                                     | <u>1,055,819</u>            | <u>368,611</u>               | <u>1,424,430</u>                            |
| <b>Expenditures</b>                                       |                             |                              |   |
| Current:  |                             |                              |   |
| Legislative, executive and administrative                 | 38,372                      | 17,563                       | 55,935                                      |
| Public works  | --                          | 89,540                       | 89,540                                      |
| Public safety   | 117,371                     | 1,587                        | 118,958                                     |
| Health and welfare  | 259,393                     | 23,450                       | 282,843                                     |
| Conservation and development                              | 36,946                      | --                           | 36,946                                      |
| Education   | 674,713                     | --                           | 674,713                                     |
| Debt service  | 186,344                     | --                           | 186,344                                     |
| Capital outlay  | --                          | 1,137,326                    | 1,137,326                                   |
| <b>Total Expenditures</b>                                 | <u>1,313,139</u>            | <u>1,269,466</u>             | <u>2,582,605</u>                            |
| <b>Excess (Deficiency) of Revenues Over (Under)</b>       |                             |                              |   |
| <b>Expenditures Before Other Financing Sources (Uses)</b> | <u>(257,320)</u>            | <u>(900,855)</u>             | <u>(1,158,175)</u>                          |
| <b>Other Financing Sources (Uses)</b>                     |                             |                              |   |
| Transfers from other funds                                | 138,770                     | 1,716,902                    | 1,855,672                                   |
| Transfers to other funds                                  | (53,357)                    | (50,640)                     | (103,997)                                   |
| Payment to refunding bond escrow agent                    | (10,949,344)                | --                           | (10,949,344)                                |
| Bond premium  | 1,933,838                   | --                           | 1,933,838                                   |
| Bond proceeds   | 11,205,000                  | --                           | 11,205,000                                  |
| <b>Total Other Financing Sources (Uses)</b>               | <u>2,274,907</u>            | <u>1,666,262</u>             | <u>3,941,169</u>                            |
| <b>Net Change in Fund Balances</b>                        | <u>2,017,587</u>            | <u>765,407</u>               | <u>2,782,994</u>                            |
| <b>Fund Balances - Beginning of Year, as restated</b>     | <u>452,761</u>              | <u>2,727,288</u>             | <u>3,180,049</u>                            |
| <b>Fund Balances - End of Year</b>                        | <u>\$ 2,470,348</u>         | <u>\$ 3,492,695</u>          | <u>\$ 5,963,043</u>                         |

**TOWN OF WESTERLY, RHODE ISLAND**

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**NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2021**

|   | School Lunch<br>Fund | Neuter Surcharge<br>Fund | Town Clerks<br>Fund | Civil Defense<br>Fund | Conservation<br>Grants (NOAA) | Miscellaneous<br>Grants | Take it<br>Outside |
|---|----------------------|--------------------------|---------------------|-----------------------|-------------------------------|-------------------------|--------------------|
| <b>Assets</b>                             |                      |                          |                     |                       |                               |                         |                    |
| Cash and cash equivalents                 | \$ 31,434            | \$ 3,521                 | \$ 106,939          | \$ 41,933             | \$ 11,567                     | \$ --                   | \$ --              |
| Restricted cash held in escrow            | --                   | --                       | --                  | --                    | --                            | --                      | --                 |
| Investments                               | --                   | --                       | --                  | --                    | --                            | --                      | --                 |
| Accounts and other receivables            | 37,529               | --                       | --                  | --                    | --                            | --                      | --                 |
| Due from federal and state governments    | 75,113               | --                       | --                  | 12,665                | 23,687                        | --                      | --                 |
| Due from other funds                      | 267,022              | --                       | --                  | --                    | --                            | --                      | --                 |
| <b>Total Assets</b>                       | <u>\$ 411,098</u>    | <u>\$ 3,521</u>          | <u>\$ 106,939</u>   | <u>\$ 54,598</u>      | <u>\$ 35,254</u>              | <u>\$ --</u>            | <u>\$ --</u>       |
| <b>Liabilities and Fund Balance</b>       |                      |                          |                     |                       |                               |                         |                    |
| Liabilities                               |                      |                          |                     |                       |                               |                         |                    |
| Accounts payable                          | \$ 83,146            | \$ --                    | \$ 488              | \$ 350                | \$ 35,254                     | \$ --                   | \$ --              |
| Due to other funds                        | 327,952              | --                       | --                  | --                    | --                            | --                      | --                 |
| Deferred revenue                          | --                   | --                       | --                  | --                    | --                            | --                      | --                 |
| <b>Total Liabilities</b>                  | <u>411,098</u>       | <u>--</u>                | <u>488</u>          | <u>350</u>            | <u>35,254</u>                 | <u>--</u>               | <u>--</u>          |
| Fund Balance                              |                      |                          |                     |                       |                               |                         |                    |
| Restricted                                | --                   | 3,521                    | 106,451             | 54,248                | --                            | --                      | --                 |
| Committed                                 | --                   | --                       | --                  | --                    | --                            | --                      | --                 |
| <b>Total Fund Balance</b>                 | <u>--</u>            | <u>3,521</u>             | <u>106,451</u>      | <u>54,248</u>         | <u>--</u>                     | <u>--</u>               | <u>--</u>          |
| <b>Total Liabilities and Fund Balance</b> | <u>\$ 411,098</u>    | <u>\$ 3,521</u>          | <u>\$ 106,939</u>   | <u>\$ 54,598</u>      | <u>\$ 35,254</u>              | <u>\$ --</u>            | <u>\$ --</u>       |

**TOWN OF WESTERLY, RHODE ISLAND**

**B-3**

**NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2021**

|   | RIIB Bond<br>Dredging<br>Grant Match | RIIB Bond<br>2011<br>Refunding | CDBG<br>2016 | Solar Recycling<br>Units | Highway Safety<br>Grant | Storms            | Substance<br>Abuse<br>132 |
|---|--------------------------------------|--------------------------------|--------------|--------------------------|-------------------------|-------------------|---------------------------|
| <b>Assets</b>                             |                                      |                                |              |                          |                         |                   |                           |
| Cash and cash equivalents                 | \$ --                                | \$ --                          | \$ --        | \$ --                    | \$ --                   | \$ --             | \$ 7,336                  |
| Restricted cash held in escrow            | 112,569                              | 2,003,150                      | --           | --                       | --                      | --                | --                        |
| Investments                               | --                                   | --                             | --           | --                       | --                      | --                | --                        |
| Accounts and other receivables            | --                                   | --                             | --           | --                       | --                      | --                | --                        |
| Due from federal and state governments    | --                                   | --                             | --           | --                       | 170                     | 111,545           | --                        |
| Due from other funds                      | --                                   | --                             | --           | --                       | --                      | --                | --                        |
| <b>Total Assets</b>                       | <u>\$ 112,569</u>                    | <u>\$ 2,003,150</u>            | <u>\$ --</u> | <u>\$ --</u>             | <u>\$ 170</u>           | <u>\$ 111,545</u> | <u>\$ 7,336</u>           |
| <b>Liabilities and Fund Balance</b>       |                                      |                                |              |                          |                         |                   |                           |
| Liabilities                               |                                      |                                |              |                          |                         |                   |                           |
| Accounts payable                          | \$ --                                | \$ --                          | \$ --        | \$ --                    | \$ --                   | \$ --             | \$ --                     |
| Due to other funds                        | --                                   | --                             | --           | --                       | 170                     | 111,545           | --                        |
| Deferred revenue                          | --                                   | --                             | --           | --                       | --                      | --                | --                        |
| <b>Total Liabilities</b>                  | <u>--</u>                            | <u>--</u>                      | <u>--</u>    | <u>--</u>                | <u>170</u>              | <u>111,545</u>    | <u>--</u>                 |
| Fund Balance                              |                                      |                                |              |                          |                         |                   |                           |
| Restricted                                | 112,569                              | 2,003,150                      | --           | --                       | --                      | --                | 7,336                     |
| Committed                                 | --                                   | --                             | --           | --                       | --                      | --                | --                        |
| <b>Total Fund Balance</b>                 | <u>112,569</u>                       | <u>2,003,150</u>               | <u>--</u>    | <u>--</u>                | <u>--</u>               | <u>--</u>         | <u>7,336</u>              |
| <b>Total Liabilities and Fund Balance</b> | <u>\$ 112,569</u>                    | <u>\$ 2,003,150</u>            | <u>\$ --</u> | <u>\$ --</u>             | <u>\$ 170</u>           | <u>\$ 111,545</u> | <u>\$ 7,336</u>           |

**TOWN OF WESTERLY, RHODE ISLAND**

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**NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2021**

|   | Working Cities<br>Grant | Federal<br>Forfeiture | CDBG PY19<br>MicroE | Substance<br>Abuse<br>Grant | FEMA Public<br>Assistance<br>COVID19 | Pumpout<br>Boat | EMA<br>Grant    |
|---|-------------------------|-----------------------|---------------------|-----------------------------|--------------------------------------|-----------------|-----------------|
| <b>Assets</b>                             |                         |                       |                     |                             |                                      |                 |                 |
| Cash and cash equivalents                 | \$ --                   | \$ 366,870            | \$ --               | \$ 4,520                    | \$ --                                | \$ --           | \$ --           |
| Restricted cash held in escrow            | --                      | --                    | --                  | --                          | --                                   | --              | --              |
| Investments                               | --                      | --                    | --                  | --                          | --                                   | --              | --              |
| Accounts and other receivables            | --                      | --                    | --                  | --                          | --                                   | --              | --              |
| Due from federal and state governments    | --                      | --                    | 600                 | --                          | --                                   | 8,554           | 5,625           |
| Due from other funds                      | --                      | --                    | --                  | --                          | --                                   | --              | --              |
| <b>Total Assets</b>                       | <u>\$ --</u>            | <u>\$ 366,870</u>     | <u>\$ 600</u>       | <u>\$ 4,520</u>             | <u>\$ --</u>                         | <u>\$ 8,554</u> | <u>\$ 5,625</u> |
| <b>Liabilities and Fund Balance</b>       |                         |                       |                     |                             |                                      |                 |                 |
| Liabilities                               |                         |                       |                     |                             |                                      |                 |                 |
| Accounts payable                          | \$ --                   | \$ --                 | \$ 600              | \$ --                       | \$ --                                | \$ 1,171        | \$ 417          |
| Due to other funds                        | --                      | 181,053               | --                  | --                          | --                                   | 7,383           | 5,208           |
| Deferred revenue                          | --                      | 8,575                 | --                  | 4,520                       | --                                   | --              | --              |
| <b>Total Liabilities</b>                  | <u>--</u>               | <u>189,628</u>        | <u>600</u>          | <u>4,520</u>                | <u>--</u>                            | <u>8,554</u>    | <u>5,625</u>    |
| Fund Balance                              |                         |                       |                     |                             |                                      |                 |                 |
| Restricted                                | --                      | 177,242               | --                  | --                          | --                                   | --              | --              |
| Committed                                 | --                      | --                    | --                  | --                          | --                                   | --              | --              |
| <b>Total Fund Balance</b>                 | <u>--</u>               | <u>177,242</u>        | <u>--</u>           | <u>--</u>                   | <u>--</u>                            | <u>--</u>       | <u>--</u>       |
| <b>Total Liabilities and Fund Balance</b> | <u>\$ --</u>            | <u>\$ 366,870</u>     | <u>\$ 600</u>       | <u>\$ 4,520</u>             | <u>\$ --</u>                         | <u>\$ 8,554</u> | <u>\$ 5,625</u> |

**TOWN OF WESTERLY, RHODE ISLAND**

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**NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2021**

|   | Permanent<br>Neighbor<br>Fund | Honor Roll<br>Fund | Class of<br>1886 | Police Misc<br>Grants | Total Special<br>Revenue Funds |
|---|-------------------------------|--------------------|------------------|-----------------------|--------------------------------|
| <b>Assets</b>                             |                               |                    |                  |                       |                                |
| Cash and cash equivalents                 | \$ 1,732                      | \$ 1,313           | \$ 5             | \$ 3,148              | \$ 580,318                     |
| Restricted cash held in escrow            | --                            | --                 | --               | --                    | 2,115,719                      |
| Investments                               | --                            | --                 | 1,794            | --                    | 1,794                          |
| Accounts and other receivables            | --                            | --                 | --               | --                    | 37,529                         |
| Due from federal and state governments    | --                            | --                 | --               | --                    | 237,959                        |
| Due from other funds                      | --                            | --                 | --               | --                    | 267,022                        |
| <b>Total Assets</b>                       | <u>\$ 1,732</u>               | <u>\$ 1,313</u>    | <u>\$ 1,799</u>  | <u>\$ 3,148</u>       | <u>\$ 3,240,341</u>            |
| <b>Liabilities and Fund Balance</b>       |                               |                    |                  |                       |                                |
| Liabilities                               |                               |                    |                  |                       |                                |
| Accounts payable                          | \$ --                         | \$ --              | \$ --            | \$ --                 | \$ 121,426                     |
| Due to other funds                        | 114                           | --                 | --               | --                    | 633,425                        |
| Deferred revenue                          | --                            | --                 | --               | 2,047                 | 15,142                         |
| <b>Total Liabilities</b>                  | <u>114</u>                    | <u>--</u>          | <u>--</u>        | <u>2,047</u>          | <u>769,993</u>                 |
| Fund Balance                              |                               |                    |                  |                       |                                |
| Restricted                                | --                            | --                 | --               | 1,101                 | 2,465,618                      |
| Committed                                 | 1,618                         | 1,313              | 1,799            | --                    | 4,730                          |
| <b>Total Fund Balance</b>                 | <u>1,618</u>                  | <u>1,313</u>       | <u>1,799</u>     | <u>1,101</u>          | <u>2,470,348</u>               |
| <b>Total Liabilities and Fund Balance</b> | <u>\$ 1,732</u>               | <u>\$ 1,313</u>    | <u>\$ 1,799</u>  | <u>\$ 3,148</u>       | <u>\$ 3,240,341</u>            |

TOWN OF WESTERLY, RHODE ISLAND

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NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | School Lunch<br>Fund | Neuter Surcharge<br>Fund | Town Clerks<br>Fund | Civil Defense<br>Fund | Conservation<br>Grants (NOAA) | Miscellaneous<br>Grants | Take it<br>Outside |
|---|----------------------|--------------------------|---------------------|-----------------------|-------------------------------|-------------------------|--------------------|
| <b>Revenues</b>   |                      |                          |                     |                       |                               |                         |                    |
| Intergovernmental   | \$ 624,125           | \$ --                    | \$ --               | \$ 25,191             | \$ 95,229                     | \$ 24,708               | \$ 23,851          |
| Charges for services                                      | --                   | 536                      | 43,349              | --                    | --                            | --                      | --                 |
| Investment Income   | --                   | --                       | --                  | --                    | --                            | --                      | --                 |
| Capital grants and contributions                          | --                   | --                       | --                  | --                    | 30,000                        | --                      | --                 |
| <b>Total Revenues</b>                                     | <u>624,125</u>       | <u>536</u>               | <u>43,349</u>       | <u>25,191</u>         | <u>125,229</u>                | <u>24,708</u>           | <u>23,851</u>      |
| <b>Expenditures</b>                                       |                      |                          |                     |                       |                               |                         |                    |
| Current:  |                      |                          |                     |                       |                               |                         |                    |
| Legislative, executive and administrative                 | --                   | --                       | 15,341              | --                    | --                            | 16,156                  | --                 |
| Public safety   | --                   | --                       | --                  | 25,165                | --                            | --                      | --                 |
| Health and welfare  | --                   | --                       | --                  | --                    | 125,229                       | 8,552                   | 23,851             |
| Conservation and development                              | --                   | --                       | --                  | --                    | --                            | --                      | --                 |
| Education   | 674,713              | --                       | --                  | --                    | --                            | --                      | --                 |
| Debt service  | --                   | --                       | --                  | --                    | --                            | --                      | --                 |
| <b>Total Expenditures</b>                                 | <u>674,713</u>       | <u>--</u>                | <u>15,341</u>       | <u>25,165</u>         | <u>125,229</u>                | <u>24,708</u>           | <u>23,851</u>      |
| <b>Excess (Deficiency) of Revenues Over (Under)</b>       |                      |                          |                     |                       |                               |                         |                    |
| <b>Expenditures Before Other Financing Sources (Uses)</b> | <u>(50,588)</u>      | <u>536</u>               | <u>28,008</u>       | <u>26</u>             | <u>--</u>                     | <u>--</u>               | <u>--</u>          |
| <b>Other Financing Sources (Uses)</b>                     |                      |                          |                     |                       |                               |                         |                    |
| Transfers from other funds                                | 50,588               | --                       | --                  | --                    | --                            | --                      | --                 |
| Transfers to other funds                                  | --                   | --                       | --                  | --                    | --                            | --                      | --                 |
| Payment to refunding bond escrow agent                    | --                   | --                       | --                  | --                    | --                            | --                      | --                 |
| Bond premium  | --                   | --                       | --                  | --                    | --                            | --                      | --                 |
| Bond proceeds   | --                   | --                       | --                  | --                    | --                            | --                      | --                 |
| <b>Total Other Financing Sources (Uses)</b>               | <u>50,588</u>        | <u>--</u>                | <u>--</u>           | <u>--</u>             | <u>--</u>                     | <u>--</u>               | <u>--</u>          |
| <b>Net Change in Fund Balances</b>                        | <u>--</u>            | <u>536</u>               | <u>28,008</u>       | <u>26</u>             | <u>--</u>                     | <u>--</u>               | <u>--</u>          |
| <b>Fund Balances - Beginning of Year, as restated</b>     | <u>--</u>            | <u>2,985</u>             | <u>78,443</u>       | <u>54,222</u>         | <u>--</u>                     | <u>--</u>               | <u>--</u>          |
| <b>Fund Balances - End of Year</b>                        | <u>\$ --</u>         | <u>\$ 3,521</u>          | <u>\$ 106,451</u>   | <u>\$ 54,248</u>      | <u>\$ --</u>                  | <u>\$ --</u>            | <u>\$ --</u>       |

TOWN OF WESTERLY, RHODE ISLAND

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NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | RIB Bond<br>Dredging<br>Grant Match | RIB Bond<br>2011<br>Refunding | CDBG<br>2016 | Solar Recycling<br>Units | Highway Safety<br>Grant | Storms          | Substance<br>Abuse<br>132 |
|---|-------------------------------------|-------------------------------|--------------|--------------------------|-------------------------|-----------------|---------------------------|
| <b>Revenues</b>   |                                     |                               |              |                          |                         |                 |                           |
| Intergovernmental   | \$ --                               | \$ --                         | \$ 407       | \$ --                    | \$ 88,025               | \$ 46,446       | \$ --                     |
| Charges for services                                      | --                                  | --                            | --           | --                       | --                      | --              | --                        |
| Investment Income   | --                                  | --                            | --           | --                       | --                      | --              | --                        |
| Capital grants and contributions                          | --                                  | --                            | --           | 3,110                    | --                      | --              | --                        |
| <b>Total Revenues</b>                                     | <u>--</u>                           | <u>--</u>                     | <u>407</u>   | <u>3,110</u>             | <u>88,025</u>           | <u>46,446</u>   | <u>--</u>                 |
| <b>Expenditures</b>                                       |                                     |                               |              |                          |                         |                 |                           |
| Current:  |                                     |                               |              |                          |                         |                 |                           |
| Legislative, executive and administrative                 | --                                  | --                            | --           | --                       | --                      | --              | --                        |
| Public safety   | --                                  | --                            | --           | --                       | 88,025                  | --              | --                        |
| Health and welfare  | --                                  | --                            | 407          | 3,110                    | --                      | --              | --                        |
| Conservation and development                              | --                                  | --                            | --           | --                       | --                      | --              | --                        |
| Education   | --                                  | --                            | --           | --                       | --                      | --              | --                        |
| Debt service  | --                                  | 186,344                       | --           | --                       | --                      | --              | --                        |
| <b>Total Expenditures</b>                                 | <u>--</u>                           | <u>186,344</u>                | <u>407</u>   | <u>3,110</u>             | <u>88,025</u>           | <u>--</u>       | <u>--</u>                 |
| <b>Excess (Deficiency) of Revenues Over (Under)</b>       |                                     |                               |              |                          |                         |                 |                           |
| <b>Expenditures Before Other Financing Sources (Uses)</b> | <u>--</u>                           | <u>(186,344)</u>              | <u>--</u>    | <u>--</u>                | <u>--</u>               | <u>46,446</u>   | <u>--</u>                 |
| <b>Other Financing Sources (Uses)</b>                     |                                     |                               |              |                          |                         |                 |                           |
| Transfers from other funds                                | --                                  | --                            | --           | --                       | --                      | --              | --                        |
| Transfers to other funds                                  | (6,911)                             | --                            | --           | --                       | --                      | (46,446)        | --                        |
| Payment to refunding bond escrow agent                    | --                                  | (10,949,344)                  | --           | --                       | --                      | --              | --                        |
| Bond premium  | --                                  | 1,933,838                     | --           | --                       | --                      | --              | --                        |
| Bond proceeds   | --                                  | 11,205,000                    | --           | --                       | --                      | --              | --                        |
| <b>Total Other Financing Sources (Uses)</b>               | <u>(6,911)</u>                      | <u>2,189,494</u>              | <u>--</u>    | <u>--</u>                | <u>--</u>               | <u>(46,446)</u> | <u>--</u>                 |
| <b>Net Change in Fund Balances</b>                        | <u>(6,911)</u>                      | <u>2,003,150</u>              | <u>--</u>    | <u>--</u>                | <u>--</u>               | <u>--</u>       | <u>--</u>                 |
| <b>Fund Balances - Beginning of Year, as restated</b>     | <u>119,480</u>                      | <u>--</u>                     | <u>--</u>    | <u>--</u>                | <u>--</u>               | <u>--</u>       | <u>7,336</u>              |
| <b>Fund Balances - End of Year</b>                        | <u>\$ 112,569</u>                   | <u>\$ 2,003,150</u>           | <u>\$ --</u> | <u>\$ --</u>             | <u>\$ --</u>            | <u>\$ --</u>    | <u>\$ 7,336</u>           |

TOWN OF WESTERLY, RHODE ISLAND

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NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | Working Cities<br>Grant | Federal<br>Forfeiture | CDBG PY 19<br>MicroE | Substance<br>Abuse<br>Grant | FEMA Public<br>Assistance<br>COVID19 | Pumpout<br>Boat | EMA<br>Grant |
|---|-------------------------|-----------------------|----------------------|-----------------------------|--------------------------------------|-----------------|--------------|
| <b>Revenues</b>   |                         |                       |                      |                             |                                      |                 |              |
| Intergovernmental   | \$ --                   | \$ 274                | \$ 1,914             | \$ --                       | \$ --                                | \$ 36,946       | \$ 6,875     |
| Charges for services                                      | --                      | --                    | --                   | --                          | --                                   | --              | --           |
| Investment Income   | --                      | 1,800                 | --                   | --                          | --                                   | --              | --           |
| Capital grants and contributions                          | --                      | --                    | --                   | --                          | --                                   | --              | --           |
| <b>Total Revenues</b>                                     | <u>--</u>               | <u>2,074</u>          | <u>1,914</u>         | <u>--</u>                   | <u>--</u>                            | <u>36,946</u>   | <u>6,875</u> |
| <b>Expenditures</b>                                       |                         |                       |                      |                             |                                      |                 |              |
| Current:  |                         |                       |                      |                             |                                      |                 |              |
| Legislative, executive and administrative                 | --                      | --                    | --                   | --                          | --                                   | --              | 6,875        |
| Public safety   | --                      | 1,475                 | --                   | --                          | --                                   | --              | --           |
| Health and welfare  | 10,962                  | --                    | 1,914                | --                          | 85,368                               | --              | --           |
| Conservation and development                              | --                      | --                    | --                   | --                          | --                                   | 36,946          | --           |
| Education   | --                      | --                    | --                   | --                          | --                                   | --              | --           |
| Debt service  | --                      | --                    | --                   | --                          | --                                   | --              | --           |
| <b>Total Expenditures</b>                                 | <u>10,962</u>           | <u>1,475</u>          | <u>1,914</u>         | <u>--</u>                   | <u>85,368</u>                        | <u>36,946</u>   | <u>6,875</u> |
| <b>Excess (Deficiency) of Revenues Over (Under)</b>       |                         |                       |                      |                             |                                      |                 |              |
| <b>Expenditures Before Other Financing Sources (Uses)</b> | <u>(10,962)</u>         | <u>599</u>            | <u>--</u>            | <u>--</u>                   | <u>(85,368)</u>                      | <u>--</u>       | <u>--</u>    |
| <b>Other Financing Sources (Uses)</b>                     |                         |                       |                      |                             |                                      |                 |              |
| Transfers from other funds                                | --                      | 2,304                 | --                   | --                          | 85,368                               | --              | --           |
| Transfers to other funds                                  | --                      | --                    | --                   | --                          | --                                   | --              | --           |
| Payment to refunding bond escrow agent                    | --                      | --                    | --                   | --                          | --                                   | --              | --           |
| Bond premium  | --                      | --                    | --                   | --                          | --                                   | --              | --           |
| Bond proceeds   | --                      | --                    | --                   | --                          | --                                   | --              | --           |
| <b>Total Other Financing Sources (Uses)</b>               | <u>--</u>               | <u>2,304</u>          | <u>--</u>            | <u>--</u>                   | <u>85,368</u>                        | <u>--</u>       | <u>--</u>    |
| <b>Net Change in Fund Balances</b>                        | <u>(10,962)</u>         | <u>2,903</u>          | <u>--</u>            | <u>--</u>                   | <u>--</u>                            | <u>--</u>       | <u>--</u>    |
| <b>Fund Balances - Beginning of Year, as restated</b>     | <u>10,962</u>           | <u>174,339</u>        | <u>--</u>            | <u>--</u>                   | <u>--</u>                            | <u>--</u>       | <u>--</u>    |
| <b>Fund Balances - End of Year</b>                        | <u>\$ --</u>            | <u>\$ 177,242</u>     | <u>\$ --</u>         | <u>\$ --</u>                | <u>\$ --</u>                         | <u>\$ --</u>    | <u>\$ --</u> |

TOWN OF WESTERLY, RHODE ISLAND

B-4

NON-MAJOR GOVERNMENTAL - SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | Permanent Neighbor Fund | Honor Roll Fund | Class of 1886   | Police Misc Grants | Total Special Revenue Funds |
|---|-------------------------|-----------------|-----------------|--------------------|-----------------------------|
| <b>Revenues</b>   |                         |                 |                 |                    |                             |
| Intergovernmental   | \$ --                   | \$ --           | \$ --           | \$ 2,706           | \$ 976,697                  |
| Charges for services                                      | --                      | --              | --              | --                 | 43,885                      |
| Investment Income   | --                      | 1               | 326             | --                 | 2,127                       |
| Capital grants and contributions                          | --                      | --              | --              | --                 | 33,110                      |
| <b>Total Revenues</b>                                     | <u>--</u>               | <u>1</u>        | <u>326</u>      | <u>2,706</u>       | <u>1,055,819</u>            |
| <b>Expenditures</b>                                       |                         |                 |                 |                    |                             |
| Current:  |                         |                 |                 |                    |                             |
| Legislative, executive and administrative                 | --                      | --              | --              | --                 | 38,372                      |
| Public safety   | --                      | --              | --              | 2,706              | 117,371                     |
| Health and welfare  | --                      | --              | --              | --                 | 259,393                     |
| Conservation and development                              | --                      | --              | --              | --                 | 36,946                      |
| Education   | --                      | --              | --              | --                 | 674,713                     |
| Debt service  | --                      | --              | --              | --                 | 186,344                     |
| <b>Total Expenditures</b>                                 | <u>--</u>               | <u>--</u>       | <u>--</u>       | <u>2,706</u>       | <u>1,313,139</u>            |
| <b>Excess (Deficiency) of Revenues Over (Under)</b>       |                         |                 |                 |                    |                             |
| <b>Expenditures Before Other Financing Sources (Uses)</b> | <u>--</u>               | <u>1</u>        | <u>326</u>      | <u>--</u>          | <u>(257,320)</u>            |
| <b>Other Financing Sources (Uses)</b>                     |                         |                 |                 |                    |                             |
| Transfers from other funds                                | 110                     | 400             | --              | --                 | 138,770                     |
| Transfers to other funds                                  | --                      | --              | --              | --                 | (53,357)                    |
| Payment to refunding bond escrow agent                    | --                      | --              | --              | --                 | (10,949,344)                |
| Bond premium  | --                      | --              | --              | --                 | 1,933,838                   |
| Bond proceeds   | --                      | --              | --              | --                 | 11,205,000                  |
| <b>Total Other Financing Sources (Uses)</b>               | <u>110</u>              | <u>400</u>      | <u>--</u>       | <u>--</u>          | <u>2,274,907</u>            |
| <b>Net Change in Fund Balances</b>                        | <u>110</u>              | <u>401</u>      | <u>326</u>      | <u>--</u>          | <u>2,017,587</u>            |
| <b>Fund Balances - Beginning of Year, as restated</b>     | <u>1,508</u>            | <u>912</u>      | <u>1,473</u>    | <u>1,101</u>       | <u>452,761</u>              |
| <b>Fund Balances - End of Year</b>                        | <u>\$ 1,618</u>         | <u>\$ 1,313</u> | <u>\$ 1,799</u> | <u>\$ 1,101</u>    | <u>\$ 2,470,348</u>         |

TOWN OF WESTERLY, RHODE ISLAND

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NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS  
 COMBINING BALANCE SHEETS  
 JUNE 30, 2021

|   | Capital Projects<br>Fund | DEM Chapman Pond<br>Boat<br>Launch | DEM Riverfront<br>Park | Accessibility<br>CDBG PY17 | Improvements &<br>Training<br>CDBG FY18 | Capital<br>Projects<br>Funds<br>Totals |
|---|--------------------------|------------------------------------|------------------------|----------------------------|---|--|
| <b>Assets</b>                             |                          |                                    |                        |                            |   |  |
| Cash and cash equivalents                 | \$ 3,470,495             | \$ --                              | \$ 45,800              | \$ --                      | \$ --                                   | \$ 3,516,295                           |
| Due from federal and state governments    | --                       | 27,253                             | --                     | 300                        | 64,613                                  | 92,166                                 |
| <b>Total Assets</b>                       | <u>\$ 3,470,495</u>      | <u>\$ 27,253</u>                   | <u>\$ 45,800</u>       | <u>\$ 300</u>              | <u>\$ 64,613</u>                        | <u>\$ 3,608,461</u>                    |
| <b>Liabilities and Fund Balance</b>       |                          |                                    |                        |                            |   |  |
| Liabilities                               |                          |                                    |                        |                            |   |  |
| Accounts payable                          | \$ 23,600                | \$ --                              | \$ --                  | \$ --                      | \$ --                                   | \$ 23,600                              |
| Due to other funds                        | --                       | 27,253                             | --                     | 300                        | 64,613                                  | 92,166                                 |
| <b>Total Liabilities</b>                  | <u>23,600</u>            | <u>27,253</u>                      | <u>--</u>              | <u>300</u>                 | <u>64,613</u>                           | <u>115,766</u>                         |
| Fund Balance                              |                          |                                    |                        |                            |   |  |
| Committed                                 | <u>3,446,895</u>         | <u>--</u>                          | <u>45,800</u>          | <u>--</u>                  | <u>--</u>                               | <u>3,492,695</u>                       |
| <b>Total Fund Balance</b>                 | <u>3,446,895</u>         | <u>--</u>                          | <u>45,800</u>          | <u>--</u>                  | <u>--</u>                               | <u>3,492,695</u>                       |
| <b>Total Liabilities and Fund Balance</b> | <u>\$ 3,470,495</u>      | <u>\$ 27,253</u>                   | <u>\$ 45,800</u>       | <u>\$ 300</u>              | <u>\$ 64,613</u>                        | <u>\$ 3,608,461</u>                    |

TOWN OF WESTERLY, RHODE ISLAND

B-6

NON-MAJOR GOVERNMENTAL - CAPITAL PROJECTS FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | Capital Projects<br>Fund | DEM Chapman<br>Pond Boat<br>Launch | DEM Riverfront<br>Park | Accessibility<br>CDBG PY17 | Improvements &<br>Training<br>CDBG FY18 | Capital<br>Projects<br>Funds<br>Totals |
|---|--------------------------|------------------------------------|------------------------|----------------------------|---|--|
| <b>Revenues</b>                                     |                          |                                    |                        |                            |   |  |
| Intergovernmental                                   | \$ --                    | \$ 27,253                          | \$ --                  | \$ 44                      | \$ 341,314                              | \$ 368,611                             |
| <b>Total Revenues</b>                               | <u>--</u>                | <u>27,253</u>                      | <u>--</u>              | <u>44</u>                  | <u>341,314</u>                          | <u>368,611</u>                         |
| <b>Expenditures</b>                                 |                          |                                    |                        |                            |   |  |
| Legislative, executive and administrative           | 17,519                   | --                                 | --                     | 44                         | --                                      | 17,563                                 |
| Public works  | 89,540                   | --                                 | --                     | --                         | --                                      | 89,540                                 |
| Public safety                                       | 1,587                    | --                                 | --                     | --                         | --                                      | 1,587                                  |
| Health and welfare                                  | 15,222                   | --                                 | --                     | --                         | 8,228                                   | 23,450                                 |
| Capital outlay                                      | <u>776,987</u>           | <u>27,253</u>                      | <u>--</u>              | <u>--</u>                  | <u>333,086</u>                          | <u>1,137,326</u>                       |
| <b>Total Expenditures</b>                           | <u>900,855</u>           | <u>27,253</u>                      | <u>--</u>              | <u>44</u>                  | <u>341,314</u>                          | <u>1,269,466</u>                       |
| <b>Excess (Deficiency) of Revenues Over (Under)</b> |                          |                                    |                        |                            |   |  |
| Expenditures Before Other Financing Sources (Uses)  | <u>(900,855)</u>         | <u>--</u>                          | <u>--</u>              | <u>--</u>                  | <u>--</u>                               | <u>(900,855)</u>                       |
| <b>Other Financing Sources (Uses)</b>               |                          |                                    |                        |                            |   |  |
| Transfers from other funds                          | 1,716,902                | --                                 | --                     | --                         | --                                      | 1,716,902                              |
| Transfers to other funds                            | <u>(50,640)</u>          | <u>--</u>                          | <u>--</u>              | <u>--</u>                  | <u>--</u>                               | <u>(50,640)</u>                        |
| <b>Total Other Financing Sources (Uses)</b>         | <u>1,666,262</u>         | <u>--</u>                          | <u>--</u>              | <u>--</u>                  | <u>--</u>                               | <u>1,666,262</u>                       |
| <b>Net Change in Fund Balances</b>                  | <u>765,407</u>           | <u>--</u>                          | <u>--</u>              | <u>--</u>                  | <u>--</u>                               | <u>765,407</u>                         |
| <b>Fund Balances - Beginning of Year</b>            | <u>2,681,488</u>         | <u>--</u>                          | <u>45,800</u>          | <u>--</u>                  | <u>--</u>                               | <u>2,727,288</u>                       |
| <b>Fund Balances - End of Year</b>                  | <u>\$ 3,446,895</u>      | <u>\$ --</u>                       | <u>\$ 45,800</u>       | <u>\$ --</u>               | <u>\$ --</u>                            | <u>\$ 3,492,695</u>                    |

TOWN OF WESTERLY, RHODE ISLAND

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FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2021

|   | Lois B. Stillment<br>Fund | Richmond Brewer<br>Fund | Irene Vose<br>Fund | Martha C.<br>Babcock<br>Memorial | Premio L. Russo<br>Memorial | Otis P. Chapman<br>Fund | Francis Pat Coyle<br>Memorial |
|---|---------------------------|-------------------------|--------------------|----------------------------------|-----------------------------|-------------------------|-------------------------------|
| <b>Assets</b>                             |                           |                         |                    |                                  |                             |                         |                               |
| Cash and cash equivalents                 | \$ --                     | \$ --                   | \$ 1,534           | \$ --                            | \$ --                       | \$ --                   | \$ --                         |
| Investments                               | 15,661                    | 56,042                  | 79,271             | 4,872                            | 2,485                       | 3,085                   | 1,676                         |
| <b>Total Assets</b>                       | <u>\$ 15,661</u>          | <u>\$ 56,042</u>        | <u>\$ 80,805</u>   | <u>\$ 4,872</u>                  | <u>\$ 2,485</u>             | <u>\$ 3,085</u>         | <u>\$ 1,676</u>               |
| <b>Liabilities and Net Position</b>       |                           |                         |                    |                                  |                             |                         |                               |
| Liabilities                               |                           |                         |                    |                                  |                             |                         |                               |
| Accounts payable                          | \$ --                     | \$ --                   | \$ --              | \$ --                            | \$ --                       | \$ --                   | \$ --                         |
| Due to other funds                        | 10,993                    | 1,126                   | --                 | 147                              | 420                         | 102                     | 1,050                         |
| <b>Total Liabilities</b>                  | <u>10,993</u>             | <u>1,126</u>            | <u>--</u>          | <u>147</u>                       | <u>420</u>                  | <u>102</u>              | <u>1,050</u>                  |
| Net Position                              |                           |                         |                    |                                  |                             |                         |                               |
| Net position held in trust                | 4,668                     | 54,916                  | 80,805             | 4,725                            | 2,065                       | 2,983                   | 626                           |
| <b>Net Position</b>                       | <u>4,668</u>              | <u>54,916</u>           | <u>80,805</u>      | <u>4,725</u>                     | <u>2,065</u>                | <u>2,983</u>            | <u>626</u>                    |
| <b>Total Liabilities and Net Position</b> | <u>\$ 15,661</u>          | <u>\$ 56,042</u>        | <u>\$ 80,805</u>   | <u>\$ 4,872</u>                  | <u>\$ 2,485</u>             | <u>\$ 3,085</u>         | <u>\$ 1,676</u>               |

TOWN OF WESTERLY, RHODE ISLAND

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FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2021

|   | Betty Zerbarini<br>Fund | Berardinelli Trust<br>Fund | John J. & Mary C.<br>Smith Scholarship | Robert F. Serra<br>Fund | Interfund<br>Eliminations | Private-Purpose<br>Trust Funds<br>Totals |
|---|-------------------------|----------------------------|--|-------------------------|---------------------------|--|
| <b>Assets</b>                             |                         |                            |  |                         |                           |  |
| Cash and cash equivalents                 | \$ --                   | \$ 8                       | \$ --                                  | \$ --                   | \$ --                     | \$ 1,542                                 |
| Investments                               | 1,802                   | 30,679                     | 20,014                                 | 2,862                   | --                        | 218,449                                  |
| <b>Total Assets</b>                       | <u>\$ 1,802</u>         | <u>\$ 30,687</u>           | <u>\$ 20,014</u>                       | <u>\$ 2,862</u>         | <u>\$ --</u>              | <u>\$ 219,991</u>                        |
| <b>Liabilities and Net Position</b>       |                         |                            |  |                         |                           |  |
| Liabilities                               |                         |                            |  |                         |                           |  |
| Accounts payable                          | \$ 100                  | \$ --                      | \$ --                                  | \$ --                   | \$ --                     | \$ 100                                   |
| Due to other funds                        | 525                     | --                         | 1,094                                  | 474                     | --                        | 15,931                                   |
| <b>Total Liabilities</b>                  | <u>625</u>              | <u>--</u>                  | <u>1,094</u>                           | <u>474</u>              | <u>--</u>                 | <u>16,031</u>                            |
| Net Position                              |                         |                            |  |                         |                           |  |
| Net position held in trust                | 1,177                   | 30,687                     | 18,920                                 | 2,388                   | --                        | 203,960                                  |
| <b>Net Position</b>                       | <u>1,177</u>            | <u>30,687</u>              | <u>18,920</u>                          | <u>2,388</u>            | <u>--</u>                 | <u>203,960</u>                           |
| <b>Total Liabilities and Net Position</b> | <u>\$ 1,802</u>         | <u>\$ 30,687</u>           | <u>\$ 20,014</u>                       | <u>\$ 2,862</u>         | <u>\$ --</u>              | <u>\$ 219,991</u>                        |

TOWN OF WESTERLY, RHODE ISLAND

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FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | Lois B. Stillment<br>Fund | Richmond Brewer<br>Fund | Irene Vose<br>Fund | Martha C. Babcock<br>Memorial | Premio L. Russo<br>Memorial | Otis P. Chapman<br>Fund | Francis Pat Coyle<br>Memorial |
|--|---------------------------|-------------------------|--------------------|-------------------------------|-----------------------------|-------------------------|-------------------------------|
| <b>Revenues</b>                                      |                           |                         |                    |                               |                             |                         |                               |
| Operating grants & contributions                     | \$ --                     | \$ --                   | \$ 3,143           | \$ --                         | \$ --                       | \$ --                   | \$ --                         |
| Investment income                                    | 2,848                     | 10,190                  | 14,413             | 886                           | 452                         | 561                     | 305                           |
| <b>Total Revenues</b>                                | <u>2,848</u>              | <u>10,190</u>           | <u>17,556</u>      | <u>886</u>                    | <u>452</u>                  | <u>561</u>              | <u>305</u>                    |
| <b>Expenditures</b>                                  |                           |                         |                    |                               |                             |                         |                               |
| Miscellaneous  | --                        | 60                      | 3,060              | 50                            | 35                          | --                      | --                            |
| <b>Total Expenditures</b>                            | <u>--</u>                 | <u>60</u>               | <u>3,060</u>       | <u>50</u>                     | <u>35</u>                   | <u>--</u>               | <u>--</u>                     |
| <b>Excess (Deficiency) of Revenues Over (Under)</b>  |                           |                         |                    |                               |                             |                         |                               |
| Expenditures Before Other Financing Sources (Uses)   | 2,848                     | 10,130                  | 14,496             | 836                           | 417                         | 561                     | 305                           |
| <b>Net Change in Net Position</b>                    | <u>2,848</u>              | <u>10,130</u>           | <u>14,496</u>      | <u>836</u>                    | <u>417</u>                  | <u>561</u>              | <u>305</u>                    |
| <b>Net Position - Beginning of Year, as restated</b> | <u>1,820</u>              | <u>44,786</u>           | <u>66,309</u>      | <u>3,889</u>                  | <u>1,648</u>                | <u>2,422</u>            | <u>321</u>                    |
| <b>Net Position - End of Year</b>                    | <u>\$ 4,668</u>           | <u>\$ 54,916</u>        | <u>\$ 80,805</u>   | <u>\$ 4,725</u>               | <u>\$ 2,065</u>             | <u>\$ 2,983</u>         | <u>\$ 626</u>                 |

TOWN OF WESTERLY, RHODE ISLAND

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FIDUCIARY FUNDS - PRIVATE-PURPOSE TRUST FUNDS  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | Betty Zerbarini<br>Fund | Berardinelli Trust<br>Fund | John J. & Mary C.<br>Smith Scholarship | Robert F. Serra<br>Fund | Interfund<br>Eliminations | Private-Purpose<br>Trust Funds<br>Totals |
|---|-------------------------|----------------------------|--|-------------------------|---------------------------|--|
| <b>Revenues</b>   |                         |                            |  |                         |                           |  |
| Operating grants & contributions                          | \$ --                   | \$ --                      | \$ --                                  | \$ --                   | \$ --                     | \$ 3,143                                 |
| Investment income   | 328                     | 5,578                      | 3,639                                  | 520                     | --                        | 39,720                                   |
| <b>Total Revenues</b>                                     | <u>328</u>              | <u>5,578</u>               | <u>3,639</u>                           | <u>520</u>              | <u>--</u>                 | <u>42,863</u>                            |
| <b>Expenditures</b>                                       |                         |                            |  |                         |                           |  |
| Miscellaneous   | 100                     | --                         | 100                                    | --                      | --                        | 3,405                                    |
| <b>Total Expenditures</b>                                 | <u>100</u>              | <u>--</u>                  | <u>100</u>                             | <u>--</u>               | <u>--</u>                 | <u>3,405</u>                             |
| <b>Excess (Deficiency) of Revenues Over (Under)</b>       |                         |                            |  |                         |                           |  |
| <b>Expenditures Before Other Financing Sources (Uses)</b> | <u>228</u>              | <u>5,578</u>               | <u>3,539</u>                           | <u>520</u>              | <u>--</u>                 | <u>39,458</u>                            |
| <b>Net Change in Net Position</b>                         | <u>228</u>              | <u>5,578</u>               | <u>3,539</u>                           | <u>520</u>              | <u>--</u>                 | <u>39,458</u>                            |
| <b>Net Position - Beginning of Year, as restated</b>      | <u>949</u>              | <u>25,109</u>              | <u>15,381</u>                          | <u>1,868</u>            | <u>--</u>                 | <u>164,502</u>                           |
| <b>Net Position - End of Year</b>                         | <u>\$ 1,177</u>         | <u>\$ 30,687</u>           | <u>\$ 18,920</u>                       | <u>\$ 2,388</u>         | <u>\$ --</u>              | <u>\$ 203,960</u>                        |

TOWN OF WESTERLY, RHODE ISLAND

D-1

FIDUCIARY FUNDS - CUSTODIAL FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2021

|   | Title II<br>P.W.E.A | Probate<br>Escrow | Construction<br>Escrow Deposits<br>Fund | Interfund<br>Eliminations | Custodial Funds<br>Totals |
|---|---------------------|-------------------|---|---------------------------|---------------------------|
| <b>Assets</b>                             |                     |                   |   |                           |                           |
| Cash and cash equivalents                 | \$ 1                | \$ 35,242         | \$ 10,633                               | \$ --                     | \$ 45,876                 |
| Investments                               | 4,390               | --                | --                                      | --                        | 4,390                     |
| <b>Total Assets</b>                       | <u>\$ 4,391</u>     | <u>\$ 35,242</u>  | <u>\$ 10,633</u>                        | <u>\$ --</u>              | <u>\$ 50,266</u>          |
| <b>Liabilities and Net Position</b>       |                     |                   |   |                           |                           |
| Liabilities                               |                     |                   |   |                           |                           |
| Due to other funds                        | \$ --               | \$ --             | \$ 2,479                                | \$ --                     | \$ 2,479                  |
| <b>Total Liabilities</b>                  | <u>--</u>           | <u>--</u>         | <u>2,479</u>                            | <u>--</u>                 | <u>2,479</u>              |
| Net Position                              |                     |                   |   |                           |                           |
| Net position held in trust                | 4,391               | 35,242            | 8,154                                   | --                        | 47,787                    |
| <b>Net Position</b>                       | <u>4,391</u>        | <u>35,242</u>     | <u>8,154</u>                            | <u>--</u>                 | <u>47,787</u>             |
| <b>Total Liabilities and Net Position</b> | <u>\$ 4,391</u>     | <u>\$ 35,242</u>  | <u>\$ 10,633</u>                        | <u>\$ --</u>              | <u>\$ 50,266</u>          |

TOWN OF WESTERLY, RHODE ISLAND

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FIDUCIARY FUNDS - CUSTODIAL FUNDS  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | Title II<br>P.W.E.A | Probate<br>Escrow | Construction<br>Escrow<br>Deposits | Interfund<br>Eliminations | Custodial Funds<br>Totals |
|--|---------------------|-------------------|------------------------------------|---------------------------|---------------------------|
| <b>Revenues</b>                                      |                     |                   |                                    |                           |                           |
| Operating grants & contributions                     | \$ --               | \$ 6,927          | \$ --                              | \$ --                     | \$ 6,927                  |
| Investment income                                    | 798                 | 14                | 10                                 | --                        | 822                       |
| <b>Total Revenues</b>                                | <u>798</u>          | <u>6,941</u>      | <u>10</u>                          | <u>--</u>                 | <u>7,749</u>              |
| <b>Expenditures</b>                                  |                     | --                |                                    |                           |                           |
| Benefits paid  | --                  | --                | 31,700                             | --                        | 31,700                    |
| <b>Total Expenditures</b>                            | <u>--</u>           | <u>--</u>         | <u>31,700</u>                      | <u>--</u>                 | <u>31,700</u>             |
| <b>Excess (Deficiency) of Revenues Over (Under)</b>  |                     |                   |                                    |                           |                           |
| Expenditures Before Other Financing Sources (Uses)   | 798                 | 6,941             | (31,690)                           | --                        | (23,951)                  |
| <b>Net Change in Net Position</b>                    | <u>798</u>          | <u>6,941</u>      | <u>(31,690)</u>                    | <u>--</u>                 | <u>(23,951)</u>           |
| <b>Net Position - Beginning of Year, as restated</b> | <u>3,593</u>        | <u>28,301</u>     | <u>39,844</u>                      | <u>--</u>                 | <u>71,738</u>             |
| <b>Net Position - End of Year</b>                    | <u>\$ 4,391</u>     | <u>\$ 35,242</u>  | <u>\$ 8,154</u>                    | <u>\$ --</u>              | <u>\$ 47,787</u>          |

TOWN OF WESTERLY, RHODE ISLAND

E-1

BALANCE SHEET  
GOVERNMENTAL FUNDS - DETAIL OF GENERAL FUND  
JUNE 30, 2021

|   | General<br>Fund      | School<br>General<br>Fund | Total<br>General<br>Funds |
|---|----------------------|---------------------------|---------------------------|
| <b>Assets</b>   |                      |                           |                           |
| Cash and cash equivalents   | \$ 10,148,979        | \$ 6,139,046              | \$ 16,288,025             |
| Real estate and personal property tax receivable                              | 754,442              | --                        | 754,442                   |
| Due from federal and state governments  | 898,704              | --                        | 898,704                   |
| Due from other funds  | 12,782,023           | 952,898                   | 13,734,921                |
| Other receivables   | 306,226              | 481,471                   | 787,697                   |
| Prepaid items   | 1,136,218            | 68,723                    | 1,204,941                 |
| <b>Total Assets</b>   | <b>\$ 26,026,592</b> | <b>\$ 7,642,138</b>       | <b>\$ 33,668,730</b>      |
| <b>Liabilities, Deferred Inflows and Fund Balances</b>                        |                      |                           |                           |
| <b>Liabilities</b>  |                      |                           |                           |
| Accounts payable and accrued liabilities                                      | \$ 1,475,757         | \$ 2,592,625              | \$ 4,068,382              |
| Due to other funds  | 6,835,223            | 98,428                    | 6,933,651                 |
| <b>Total Liabilities</b>  | <b>8,310,980</b>     | <b>2,691,053</b>          | <b>11,002,033</b>         |
| <b>Deferred Inflows of Resources</b>  |                      |                           |                           |
| Unavailable revenue - property taxes  | 1,151,096            | --                        | 1,151,096                 |
| <b>Total Deferred Inflows of Resources</b>                                    | <b>1,151,096</b>     | <b>--</b>                 | <b>1,151,096</b>          |
| <b>Fund Balances</b>  |                      |                           |                           |
| Non-spendable   | 1,136,218            | 68,723                    | 1,204,941                 |
| Restricted  | --                   | 4,464,952                 | 4,464,952                 |
| Committed   | 563,068              | 417,410                   | 980,478                   |
| Unassigned  | 14,865,230           | --                        | 14,865,230                |
| <b>Total Fund Balances</b>  | <b>16,564,516</b>    | <b>4,951,085</b>          | <b>21,515,601</b>         |
| <b>Total Liabilities, Deferred Inflows of Resources<br/>and Fund Balances</b> | <b>\$ 26,026,592</b> | <b>\$ 7,642,138</b>       | <b>\$ 33,668,730</b>      |

**TOWN OF WESTERLY, RHODE ISLAND**

E-2

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS - DETAIL OF GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|   | General<br>Fund      | School<br>General<br>Fund | Total<br>General<br>Funds |
|---|----------------------|---------------------------|---------------------------|
| <b>Revenues</b>   |                      |                           |                           |
| General property taxes and payments in lieu of taxes  | \$ 76,154,156        | \$ --                     | \$ 76,154,156             |
| Intergovernmental and departmental  | 15,906,937           | 1,275,712                 | 17,182,649                |
| Licenses and permits  | 792,566              | --                        | 792,566                   |
| Fines and forfeitures   | 279,242              | --                        | 279,242                   |
| Charges for service   | 2,074,255            | --                        | 2,074,255                 |
| Investment income   | 121,761              | --                        | 121,761                   |
| On behalf pension contribution  | --                   | 2,606,081                 | 2,606,081                 |
| Other revenues  | 1,076,389            | 33,558                    | 1,109,947                 |
| <b>Total revenues</b>   | <u>96,405,306</u>    | <u>3,915,351</u>          | <u>100,320,657</u>        |
| <b>Expenditures</b>   |                      |                           |                           |
| Legislative and executive   | 7,330,907            | --                        | 7,330,907                 |
| Parks and recreation  | 638,917              | --                        | 638,917                   |
| Planning  | 1,028,682            | --                        | 1,028,682                 |
| Public safety   | 8,060,237            | --                        | 8,060,237                 |
| Public works  | 4,681,840            | --                        | 4,681,840                 |
| Health, welfare and community development   | 1,258,445            | --                        | 1,258,445                 |
| Conservation and development  | 12,463               | --                        | 12,463                    |
| Education   | --                   | 56,939,313                | 56,939,313                |
| Debt service  | 9,838,220            | --                        | 9,838,220                 |
| Capital outlay  | 445,456              | 615,804                   | 1,061,260                 |
| On behalf pension contribution  | --                   | 2,606,081                 | 2,606,081                 |
| <b>Total expenditures</b>   | <u>33,295,167</u>    | <u>60,161,198</u>         | <u>93,456,365</u>         |
| <b>Excess of revenues over (under) expenditures<br/>before other financing sources (uses)</b> | <u>63,110,139</u>    | <u>(56,245,847)</u>       | <u>6,864,292</u>          |
| <b>Other financing sources (uses)</b>   |                      |                           |                           |
| Transfers from other funds  | 184,797              | 56,789,810                | 265,264                   |
| Transfers to other funds  | (59,417,711)         | (1,385,694)               | (4,094,062)               |
| Capital lease proceeds  | --                   | 615,804                   | 615,804                   |
| <b>Total other financing sources (uses)</b>   | <u>(59,232,914)</u>  | <u>56,019,920</u>         | <u>(3,212,994)</u>        |
| <b>Net change in fund balances</b>  | 3,877,225            | (225,927)                 | 3,651,298                 |
| <b>Fund balances (deficit) - beginning of year</b>  | <u>12,687,291</u>    | <u>5,177,012</u>          | <u>17,864,303</u>         |
| <b>Fund balances - end of year</b>  | <u>\$ 16,564,516</u> | <u>\$ 4,951,085</u>       | <u>\$ 21,515,601</u>      |

# **STATISTICAL SECTION**

TOWN OF WESTERLY, RHODE ISLAND

TABLE 1

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

|  | FISCAL YEAR           |                       |                      |                      |                      |                      |                      |                      |                       |                       |
|--|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
|  | 2012                  | 2013                  | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                  | 2021                  |
| <b>Governmental Activities</b>                     |                       |                       |                      |                      |                      |                      |                      |                      |                       |                       |
| Net investment in capital assets                   | \$ 71,011,628         | \$ 72,528,400         | \$ 82,591,557        | \$ 83,443,820        | \$ 86,169,198        | \$ 91,221,136        | \$ 91,523,267        | \$ 85,256,075        | \$ 92,791,496         | \$ 96,776,891         |
| Restricted   | 4,289,962             | 2,542,513             | 6,519,002            | 7,790,677            | 7,601,874            | 6,453,686            | 6,744,578            | 19,168,409           | 18,144,714            | 16,832,687            |
| Unrestricted                                       | 10,051,174            | 14,787,475            | (37,643,132)         | (35,741,526)         | (42,181,757)         | (42,281,476)         | (60,982,992)         | (54,669,124)         | (52,378,261)          | (36,159,494)          |
| <b>Total Governmental Activities net position</b>  | <u>85,352,764</u>     | <u>89,858,388</u>     | <u>51,467,427</u>    | <u>55,492,971</u>    | <u>51,589,315</u>    | <u>55,393,346</u>    | <u>37,284,853</u>    | <u>49,755,360</u>    | <u>58,557,949</u>     | <u>77,450,084</u>     |
| <b>Business-Type Activities</b>                    |                       |                       |                      |                      |                      |                      |                      |                      |                       |                       |
| Net investment in capital assets                   | 30,194,723            | 30,714,945            | 29,236,676           | 29,485,916           | 30,030,849           | 31,019,004           | 31,789,291           | 34,632,105           | 35,268,483            | 35,444,002            |
| Unrestricted                                       | 5,376,027             | 5,751,583             | 7,163,504            | 8,059,250            | 8,357,137            | 8,257,819            | 10,831,669           | 9,106,258            | 9,313,578             | 10,560,328            |
| <b>Total Business-Type Activities net position</b> | <u>35,570,750</u>     | <u>36,466,528</u>     | <u>36,400,180</u>    | <u>37,545,166</u>    | <u>38,387,986</u>    | <u>39,276,823</u>    | <u>42,620,960</u>    | <u>43,738,363</u>    | <u>44,582,061</u>     | <u>46,004,330</u>     |
| <b>Total</b>                                       |                       |                       |                      |                      |                      |                      |                      |                      |                       |                       |
| Net investment in capital assets                   | 101,206,351           | 103,243,345           | 111,828,233          | 112,929,736          | 116,200,047          | 122,240,140          | 123,312,558          | 119,888,180          | 128,059,979           | 132,220,893           |
| Restricted   | 4,289,962             | 2,542,513             | 6,519,002            | 7,790,677            | 7,601,874            | 6,453,686            | 6,744,578            | 19,168,409           | 18,144,714            | 16,832,687            |
| Unrestricted                                       | 15,427,201            | 20,539,058            | (30,479,628)         | (27,682,276)         | (33,824,620)         | (34,023,657)         | (50,151,323)         | (45,562,866)         | (43,064,683)          | (25,599,166)          |
| <b>Total Net Position</b>                          | <u>\$ 120,923,514</u> | <u>\$ 126,324,916</u> | <u>\$ 87,867,607</u> | <u>\$ 93,038,137</u> | <u>\$ 89,977,301</u> | <u>\$ 94,670,169</u> | <u>\$ 79,905,813</u> | <u>\$ 93,493,723</u> | <u>\$ 103,140,010</u> | <u>\$ 123,454,414</u> |

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          |                      |                      |                      |                       |                      |                       |                       |                       |                       |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2012                 | 2013                 | 2014                 | 2015                 | 2016                  | 2017                 | 2018                  | 2019                  | 2020                  | 2021                  |
| <b>Expenses</b>                                       |                      |                      |                      |                      |                       |                      |                       |                       |                       |                       |
| <b>Governmental Activities</b>                        |                      |                      |                      |                      |                       |                      |                       |                       |                       |                       |
| Legislative, judicial & general administrative        | \$ 3,112,646         | \$ 4,331,225         | \$ 5,047,531         | \$ 4,708,957         | \$ 4,707,273          | \$ 6,148,593         | \$ 20,376,569         | \$ 19,339,909         | \$ 17,729,465         | \$ 18,702,398         |
| Public works  | 7,954,858            | 8,421,798            | 7,634,376            | 7,891,734            | 8,030,694             | 6,962,464            | 5,313,151             | 5,994,189             | 6,285,256             | 6,897,337             |
| Public safety   | 8,214,392            | 7,641,412            | 8,569,273            | 10,097,782           | 11,395,743            | 9,023,890            | 6,300,762             | 3,739,044             | 5,849,362             | 4,041,929             |
| Health and welfare                                    | 944,618              | 2,648,904            | 1,193,857            | 932,767              | 1,625,117             | 1,444,325            | 1,598,964             | 1,304,095             | 1,399,797             | 1,541,288             |
| Conservation and development                          | 66,841               | 13,723               | 8,058                | 24,852               | 18,168                | 44,730               | 948,771               | 287,270               | 933,919               | 49,409                |
| Parks and recreation                                  | 855,819              | 835,358              | 1,162,690            | 1,400,753            | 1,295,865             | 1,309,351            | 1,266,933             | 846,809               | 834,164               | 791,124               |
| Planning and zoning                                   | 328,874              | 659,533              | 762,142              | 743,772              | 782,652               | 198,784              | 800,231               | 851,445               | 994,532               | 1,036,939             |
| Public education                                      | 59,863,127           | 60,152,421           | 61,614,560           | 60,242,455           | 62,732,292            | 62,428,690           | 68,507,646            | 69,042,392            | 68,366,203            | 66,829,820            |
| Other   |                      |                      |                      |                      |                       |                      |                       |                       |                       |                       |
| Capital improvements/restricted programs              |                      |                      |                      |                      |                       |                      |                       |                       |                       |                       |
| Interest  | 4,161,148            | 3,417,931            | 2,131,894            | 4,597,122            | 3,898,458             | 3,435,937            | 1,857,957             | 2,117,781             | 1,932,042             | 2,038,437             |
| <b>Total Governmental Activities</b>                  | <b>85,502,323</b>    | <b>88,122,305</b>    | <b>88,124,381</b>    | <b>90,640,194</b>    | <b>94,486,262</b>     | <b>90,996,764</b>    | <b>106,970,984</b>    | <b>103,522,934</b>    | <b>104,324,740</b>    | <b>101,928,681</b>    |
| <b>Business-Type Activities</b>                       |                      |                      |                      |                      |                       |                      |                       |                       |                       |                       |
| Water   | 4,126,250            | 4,040,375            | 4,255,925            | 4,087,550            | 4,274,095             | 4,239,920            | 4,185,008             | 4,419,105             | 4,627,534             | 4,927,301             |
| Sewer   | 3,549,839            | 3,428,731            | 3,437,290            | 3,577,374            | 3,758,100             | 3,719,113            | 3,508,531             | 3,570,498             | 4,052,068             | 3,649,601             |
| Transfer station                                      | --                   | --                   | --                   | --                   | --                    | --                   | 1,953,345             | 2,601,240             | 2,836,332             | 2,757,179             |
| Other nonmajor  | --                   | --                   | --                   | --                   | --                    | --                   | 368,562               | 451,069               | 392,975               | 7,540                 |
| Beach   | 275,930              | 279,307              | --                   | --                   | --                    | --                   | --                    | --                    | --                    | --                    |
| <b>Total Business-Type Activities</b>                 | <b>7,952,019</b>     | <b>7,748,413</b>     | <b>7,693,215</b>     | <b>7,664,924</b>     | <b>8,032,195</b>      | <b>7,959,033</b>     | <b>10,015,446</b>     | <b>11,041,912</b>     | <b>11,908,909</b>     | <b>11,341,621</b>     |
| <b>Total Expenses</b>                                 | <b>\$ 93,454,342</b> | <b>\$ 95,870,718</b> | <b>\$ 95,817,596</b> | <b>\$ 98,305,118</b> | <b>\$ 102,518,457</b> | <b>\$ 98,955,797</b> | <b>\$ 116,986,430</b> | <b>\$ 114,564,846</b> | <b>\$ 116,233,649</b> | <b>\$ 113,270,302</b> |
| <b>Program Revenues</b>                               |                      |                      |                      |                      |                       |                      |                       |                       |                       |                       |
| <b>Governmental Activities</b>                        |                      |                      |                      |                      |                       |                      |                       |                       |                       |                       |
| Charges for services:                                 |                      |                      |                      |                      |                       |                      |                       |                       |                       |                       |
| Legislative, judicial & general administrative        | \$ 1,072,310         | \$ 2,064,851         | \$ 1,170,950         | \$ 1,004,773         | \$ 1,211,251          | \$ 1,164,508         | \$ 11,654,047         | \$ 12,677,812         | \$ 13,129,554         | \$ 13,066,479         |
| Public works  | 2,230,461            | 2,539,006            | 2,451,873            | 2,369,581            | 2,561,957             | 2,901,374            | 31,471                | 32,563                | 36,239                | 34,475                |
| Public safety   | 236,944              | 331,011              | 261,017              | 384,141              | 361,958               | 507,607              | 980,614               | 945,592               | 782,544               | 2,926,061             |
| Health and welfare                                    | --                   | 46,226               | 51,367               | 49,498               | 38,606                | 95,320               | 12,489                | 5,167                 | 1,926                 | 3,646                 |
| Conservation and development                          | 22,512               | 18,914               | 34,504               | 11,876               | 16,759                | 7,577                | --                    | --                    | --                    | --                    |
| Parks and recreation                                  | 176,045              | 132,186              | 223,944              | 226,461              | 300,888               | 239,660              | 351,884               | 311,411               | 319,168               | 354,911               |
| Planning and zoning                                   | 62,967               | 68,532               | 75,703               | 67,330               | 65,508                | 52,239               | 557,855               | 605,677               | 728,532               | 725,434               |
| Public education                                      | 1,561,476            | 885,397              | 794,130              | 825,349              | 822,436               | 836,314              | 2,165,528             | 1,866,086             | 1,239,646             | 1,558,316             |
| Other activities                                      |                      |                      |                      |                      |                       |                      | 475,878               | 476,899               | 478,682               | 480,752               |
| Operating grants and contributions                    | 14,632,146           | 19,613,142           | 17,480,083           | 18,292,668           | 15,552,575            | 16,052,500           | 14,577,457            | 13,700,087            | 12,194,415            | 13,725,293            |
| Capital grants and contributions                      | 577,744              | --                   | 129,017              | 482,120              | 91,443                | 147,507              | 2,845,247             | 2,431,095             | 191,118               | 368,611               |
| <b>Total Governmental Activities Program Revenues</b> | <b>20,572,605</b>    | <b>25,699,265</b>    | <b>22,672,588</b>    | <b>23,713,797</b>    | <b>21,023,381</b>     | <b>22,004,606</b>    | <b>33,652,470</b>     | <b>33,052,389</b>     | <b>29,101,824</b>     | <b>33,243,978</b>     |
| <b>Business-Type Activities</b>                       |                      |                      |                      |                      |                       |                      |                       |                       |                       |                       |
| Charges for services:                                 |                      |                      |                      |                      |                       |                      |                       |                       |                       |                       |
| Water   | 4,151,082            | 4,263,283            | 4,724,623            | 4,481,837            | 4,856,600             | 4,867,342            | 4,134,104             | 4,297,693             | 4,323,065             | 5,002,900             |
| Sewer   | 3,283,137            | 3,707,640            | 3,750,359            | 3,738,352            | 3,757,947             | 3,661,087            | 3,390,651             | 3,633,827             | 3,754,515             | 3,813,804             |
| Transfer station                                      | --                   | --                   | --                   | --                   | --                    | --                   | 1,964,107             | 2,450,499             | 2,750,959             | 3,115,091             |
| Other non major funds                                 | --                   | --                   | --                   | --                   | --                    | --                   | 91,104                | 123,847               | 81,854                | --                    |
| Beach   | 124,256              | 66,577               | --                   | --                   | --                    | --                   | --                    | --                    | --                    | --                    |
| Operating grants and contributions                    | --                   | --                   | --                   | --                   | --                    | --                   | --                    | --                    | --                    | --                    |
| Capital grants and contributions                      | 385,000              | --                   | --                   | --                   | --                    | --                   | --                    | --                    | --                    | --                    |
| <b>Total Business-Type Activities</b>                 | <b>7,943,475</b>     | <b>8,037,500</b>     | <b>8,474,982</b>     | <b>8,220,189</b>     | <b>8,614,547</b>      | <b>8,528,429</b>     | <b>9,579,966</b>      | <b>10,505,866</b>     | <b>10,910,393</b>     | <b>11,931,795</b>     |
| <b>Total Program Revenues</b>                         | <b>\$ 28,516,080</b> | <b>\$ 33,736,765</b> | <b>\$ 31,147,570</b> | <b>\$ 31,933,986</b> | <b>\$ 29,637,928</b>  | <b>\$ 30,533,035</b> | <b>\$ 43,232,436</b>  | <b>\$ 43,558,255</b>  | <b>\$ 40,012,217</b>  | <b>\$ 45,175,773</b>  |

TOWN OF WESTERLY, RHODE ISLAND

TABLE 2

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

|   | FISCAL YEAR            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|   | 2012                   | 2013                   | 2014                   | 2015                   | 2016                   | 2017                   | 2018                   | 2019                   | 2020                   | 2021                   |
| <b>Net (Expenses) Revenues</b>                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities                                   | \$ (64,929,718)        | \$ (62,423,040)        | \$ (65,451,793)        | \$ (66,926,397)        | \$ (73,462,881)        | \$ (68,992,158)        | \$ (73,318,514)        | \$ (70,470,545)        | \$ (75,222,916)        | \$ (68,684,703)        |
| Business-type activities                                  | (8,544)                | 289,087                | 781,767                | 555,265                | 582,352                | 569,396                | (435,480)              | (536,046)              | (998,516)              | 590,174                |
| <b>Total Net Expense</b>                                  | <u>\$ (64,938,262)</u> | <u>\$ (62,133,953)</u> | <u>\$ (64,670,026)</u> | <u>\$ (66,371,132)</u> | <u>\$ (72,880,529)</u> | <u>\$ (68,422,762)</u> | <u>\$ (73,753,994)</u> | <u>\$ (71,006,591)</u> | <u>\$ (76,221,432)</u> | <u>\$ (68,094,529)</u> |
| <b>General Revenues and other Changes in Net Position</b> |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities                                   |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Property taxes  | \$ 64,031,797          | \$ 65,108,718          | \$ 65,605,977          | \$ 68,528,551          | \$ 68,367,279          | \$ 70,244,120          | \$ 71,442,426          | \$ 74,137,027          | \$ 73,224,033          | \$ 77,500,103          |
| On-behalf pension contributions                           | --                     | --                     | --                     | --                     | --                     | --                     | 5,141,470              | 4,960,954              | 6,048,306              | 5,711,553              |
| State aid and in lieu of taxes not restricted             | 1,841,526              | 1,927,032              | 2,400,544              | 2,519,706              | 2,737,650              | 2,735,220              | 1,393,019              | 1,747,784              | 2,268,079              | 1,178,723              |
| Unrestricted investment earnings                          | 33,906                 | 55,779                 | 30,786                 | 32,886                 | 50,854                 | 71,802                 | 165,931                | 257,337                | 331,867                | 123,888                |
| Miscellaneous   | 127,607                | 84,964                 | 133,290                | 247,693                | 146,118                | 31,120                 | 2,494,828              | 2,629,567              | 3,118,131              | 2,141,660              |
| Transfers   | (629,388)              | (604,580)              | 850,232                | (376,895)              | (369,522)              | (316,002)              | (817,699)              | (791,617)              | (964,911)              | (771,844)              |
| Residual equity on transfer                               | --                     | --                     | --                     | --                     | --                     | --                     | (2,125,451)            | --                     | --                     | 1,456,309              |
| Loss on disposal of capital assets                        | --                     | --                     | --                     | --                     | --                     | --                     | --                     | --                     | --                     | --                     |
| <b>Total Governmental Activities</b>                      | <u>65,405,448</u>      | <u>66,571,913</u>      | <u>69,020,829</u>      | <u>70,951,941</u>      | <u>70,932,379</u>      | <u>72,766,260</u>      | <u>77,694,524</u>      | <u>82,941,052</u>      | <u>84,025,505</u>      | <u>87,340,392</u>      |
| <b>Business-Type Activities</b>                           |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Unrestricted investment earnings                          | 2,049                  | 2,111                  | 2,121                  | 6,826                  | 3,434                  | 3,439                  | 3,457                  | 3,471                  | 1,952                  | 871                    |
| Miscellaneous   | --                     | --                     | --                     | --                     | --                     | --                     | 734,277                | 858,361                | 875,351                | 1,515,689              |
| Residual equity on transfer                               | --                     | --                     | --                     | --                     | --                     | --                     | 2,125,451              | --                     | --                     | (1,456,309)            |
| Transfers   | 629,388                | 604,580                | (850,232)              | 376,895                | 369,522                | 316,002                | 817,699                | 791,617                | 964,911                | 771,844                |
| <b>Total Business-Type Activities</b>                     | <u>631,437</u>         | <u>606,691</u>         | <u>(848,111)</u>       | <u>383,721</u>         | <u>372,956</u>         | <u>319,441</u>         | <u>3,680,884</u>       | <u>1,653,449</u>       | <u>1,842,214</u>       | <u>832,095</u>         |
| <b>Total</b>  | <u>66,036,885</u>      | <u>67,178,604</u>      | <u>68,172,718</u>      | <u>71,335,662</u>      | <u>71,305,335</u>      | <u>73,085,701</u>      | <u>81,375,408</u>      | <u>84,594,501</u>      | <u>85,867,719</u>      | <u>88,172,487</u>      |
| <b>Change in Net Position</b>                             |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental activities                                   | 475,730                | 4,148,873              | 3,569,036              | 4,025,544              | (2,530,502)            | 3,774,102              | 4,376,010              | 12,470,507             | 8,802,589              | 18,655,689             |
| Business-type activities                                  | 622,893                | 895,778                | (66,344)               | 938,986                | 955,308                | 888,837                | 3,245,404              | 1,117,403              | 843,698                | 1,422,269              |
| <b>Total</b>  | <u>\$ 1,098,623</u>    | <u>\$ 5,044,651</u>    | <u>\$ 3,502,692</u>    | <u>\$ 4,964,530</u>    | <u>\$ (1,575,194)</u>  | <u>\$ 4,662,939</u>    | <u>\$ 7,621,414</u>    | <u>\$ 13,587,910</u>   | <u>\$ 9,646,287</u>    | <u>\$ 20,077,958</u>   |

**TOWN OF WESTERLY, RHODE ISLAND**

**TABLE 3**

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

|   | FISCAL YEAR         |                     |                     |                     |                     |                     |                     |                     |                      |                      |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
|   | 2012                | 2013                | 2014                | 2015                | 2016                | 2017                | 2018                | 2019                | 2020                 | 2021                 |
| <b>General Fund</b>                       |                     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Reserved                                  | \$ --               | \$ --               | \$ --               | \$ --               | \$ --               | \$ --               | \$ --               | \$ --               | \$ --                | \$ --                |
| Unreserved                                | --                  | --                  | --                  | --                  | --                  | --                  | --                  | --                  | --                   | --                   |
| Nonspendable                              | 1,424,796           | 2,443,435           | 840,328             | 3,727,798           | 2,481,536           | 1,964,480           | 65,142              | 1,160,288           | 1,074,747            | 1,204,941            |
| Restricted                                | 3,812,873           | 2,410,035           | 2,651,915           | 899,551             | 2,016,389           | 2,962,109           | 2,553,308           | 2,934,327           | 4,446,897            | 4,464,952            |
| Committed                                 | 222,802             | 188,496             | 187,137             | 631,100             | 1,023,198           | 999,360             | 1,428,760           | 1,194,821           | 1,251,351            | 980,478              |
| Assigned                                  | 785,000             | 642,000             | 500,000             | 275,000             | 475,000             | --                  | --                  | --                  | --                   | --                   |
| Unassigned                                | <u>7,811,214</u>    | <u>7,542,061</u>    | <u>8,606,291</u>    | <u>5,873,316</u>    | <u>5,498,327</u>    | <u>8,565,108</u>    | <u>10,148,541</u>   | <u>9,421,232</u>    | <u>11,091,308</u>    | <u>14,865,230</u>    |
| <b>Total General Fund</b>                 | <u>14,056,685</u>   | <u>13,226,027</u>   | <u>12,785,671</u>   | <u>11,406,765</u>   | <u>11,494,450</u>   | <u>14,491,057</u>   | <u>14,195,751</u>   | <u>14,710,668</u>   | <u>17,864,303</u>    | <u>21,515,601</u>    |
| <b>All Other Governmental Funds</b>       |                     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Reserved                                  | --                  | --                  | --                  | --                  | --                  | --                  | --                  | --                  | --                   | --                   |
| Unreserved, reported in:                  |                     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
| Special revenue funds                     | --                  | --                  | --                  | --                  | --                  | --                  | --                  | --                  | --                   | --                   |
| Capital project funds                     | --                  | --                  | --                  | --                  | --                  | --                  | --                  | --                  | --                   | --                   |
| Nonspendable                              | --                  | --                  | --                  | --                  | --                  | --                  | --                  | --                  | 26,522               | 74,826               |
| Restricted                                | 4,250,044           | 4,250,044           | 4,350,125           | 6,891,126           | 5,585,485           | 3,491,577           | 2,459,251           | 14,378,168          | 9,597,853            | 7,557,331            |
| Committed                                 | 2,718,537           | 2,718,537           | 2,829,358           | 1,993,649           | 2,052,305           | 3,176,002           | 2,741,307           | 2,587,070           | 2,727,288            | 3,497,425            |
| Unassigned                                | <u>(34,313)</u>     | <u>(34,313)</u>     | <u>(644,817)</u>    | <u>(56,941)</u>     | <u>(86,125)</u>     | <u>(296,685)</u>    | <u>(15,470)</u>     | --                  | --                   | --                   |
| <b>Total All Other Governmental Funds</b> | <u>\$ 6,934,268</u> | <u>\$ 6,934,268</u> | <u>\$ 6,534,666</u> | <u>\$ 8,827,834</u> | <u>\$ 7,551,665</u> | <u>\$ 6,370,894</u> | <u>\$ 5,185,088</u> | <u>\$16,965,238</u> | <u>\$ 12,351,663</u> | <u>\$ 11,129,582</u> |

Notes

- 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

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, |                     |                     |                    |                       |                     |                       |                      |                       |                     |
|--|------------------------------------|---------------------|---------------------|--------------------|-----------------------|---------------------|-----------------------|----------------------|-----------------------|---------------------|
|  | 2012                               | 2013                | 2014                | 2015               | 2016                  | 2017                | 2018                  | 2019                 | 2020                  | 2021                |
| <b>Revenues</b>  |                                    |                     |                     |                    |                       |                     |                       |                      |                       |                     |
| General property taxes   | \$ 62,722,274                      | \$ 65,284,340       | \$ 67,111,282       | \$ 67,701,397      | \$ 68,353,018         | \$ 71,006,084       | \$ 71,539,943         | \$ 73,698,475        | \$ 75,129,029         | \$ 76,154,156       |
| Intergovernmental revenue                                      | 20,545,204                         | 23,610,581          | 21,714,929          | 23,507,224         | 23,605,520            | 23,674,677          | 22,850,796            | 21,775,419           | 18,377,181            | 21,960,082          |
| Operating grants and contributions                             | --                                 | --                  | --                  | --                 | --                    | --                  | --                    | 3,802                | --                    | --                  |
| Capital grants and contributions                               | --                                 | --                  | --                  | --                 | --                    | --                  | 425,766               | 333,300              | 178,156               | 33,110              |
| Licenses and permits   | 433,773                            | 987,140             | 924,890             | 892,998            | 1,004,702             | 957,454             | 560,357               | 654,952              | 802,626               | 792,566             |
| Charges for services   | --                                 | --                  | --                  | --                 | --                    | --                  | 2,219,786             | 2,203,092            | 1,997,505             | 2,118,140           |
| Fines and penalties  | 165,168                            | 170,433             | 164,292             | 189,849            | 248,243               | 257,925             | 256,321               | 170,452              | 186,060               | 279,242             |
| Interest on investments  | 33,906                             | 52,418              | 27,407              | 29,172             | 49,446                | 70,392              | 165,931               | 257,337              | 331,867               | 123,888             |
| On behalf pension contribution                                 | --                                 | --                  | --                  | --                 | --                    | --                  | 2,428,738             | 2,452,730            | 2,515,237             | 2,606,081           |
| Other revenues   | 1,482,937                          | 2,848,970           | 2,341,541           | 2,246,949          | 1,703,633             | 2,183,082           | 624,886               | 645,411              | 987,855               | 1,443,433           |
| <b>Total Revenues</b>  | <u>85,383,262</u>                  | <u>92,953,882</u>   | <u>92,284,341</u>   | <u>94,567,589</u>  | <u>94,964,562</u>     | <u>98,149,614</u>   | <u>101,072,524</u>    | <u>102,194,970</u>   | <u>100,505,516</u>    | <u>105,510,698</u>  |
| <b>Expenditures</b>  |                                    |                     |                     |                    |                       |                     |                       |                      |                       |                     |
| Current:   |                                    |                     |                     |                    |                       |                     |                       |                      |                       |                     |
| Legislative, judicial and general administrative               | 6,525,866                          | 4,246,621           | 4,210,763           | 4,071,190          | 3,632,451             | 5,315,071           | 8,373,194             | 8,193,359            | 7,469,708             | 7,386,842           |
| Public works   | 4,911,750                          | 8,007,654           | 6,622,126           | 6,410,305          | 6,380,205             | 6,192,932           | 3,991,546             | 4,643,131            | 4,533,140             | 4,771,380           |
| Public safety  | 4,550,663                          | 7,419,524           | 8,087,246           | 8,797,203          | 8,475,679             | 6,859,372           | 7,265,723             | 7,199,836            | 7,482,934             | 8,179,195           |
| Health and welfare   | 906,923                            | 2,633,209           | 3,189,709           | 1,509,542          | 1,572,619             | 1,436,949           | 1,598,964             | 1,304,095            | 1,399,797             | 1,541,288           |
| Conservation and development                                   | 51,311                             | 20,724              | 8,058               | 28,591             | 16,756                | 43,642              | 948,771               | 287,270              | 933,919               | 49,409              |
| Parks and recreation   | 722,607                            | 853,703             | 988,760             | 1,169,251          | 1,431,213             | 1,130,853           | 1,084,395             | 615,498              | 662,115               | 638,917             |
| Planning and zoning  | 226,453                            | 680,536             | 784,507             | 749,471            | 771,227               | 654,428             | 788,633               | 836,315              | 986,275               | 1,028,682           |
| Public education   | 56,474,037                         | 57,657,340          | 58,575,405          | 59,794,583         | 59,884,514            | 60,841,322          | 59,568,409            | 60,505,306           | 58,678,106            | 61,914,837          |
| On behalf pension contribution                                 | --                                 | --                  | --                  | --                 | --                    | --                  | 2,428,738             | 2,452,730            | 2,515,237             | 2,606,081           |
| Other  |                                    |                     |                     |                    |                       |                     |                       |                      |                       |                     |
| Capital improvement/restricted programs                        | 14,246,132                         | 4,880,804           | 4,005,779           | 7,468,346          | 3,875,406             | 5,879,811           | 7,918,267             | 9,290,338            | 8,887,777             | 7,210,185           |
| Debt service:  |                                    |                     |                     |                    |                       |                     |                       |                      |                       |                     |
| Principal  | 5,426,586                          | 5,874,438           | 5,874,438           | 5,874,438          | 5,874,438             | 5,874,438           | 9,449,364             | 9,897,806            | 9,854,483             | 10,024,564          |
| Interest   | 4,092,441                          | 3,894,578           | 4,004,773           | 4,557,382          | 5,269,860             | 4,178,583           | --                    | --                   | --                    | --                  |
| <b>Total Expenditures</b>                                      | <u>98,134,769</u>                  | <u>96,169,131</u>   | <u>96,351,564</u>   | <u>100,430,302</u> | <u>97,184,368</u>     | <u>98,407,401</u>   | <u>103,416,004</u>    | <u>105,225,684</u>   | <u>103,403,491</u>    | <u>105,351,380</u>  |
| <b>Excess of revenues over (under) expenditures</b>            | <u>(12,751,507)</u>                | <u>(3,215,249)</u>  | <u>(4,067,223)</u>  | <u>(5,862,713)</u> | <u>(2,219,806)</u>    | <u>(257,787)</u>    | <u>(2,343,480)</u>    | <u>(3,030,714)</u>   | <u>(2,897,975)</u>    | <u>159,318</u>      |
| <b>Other Financing Sources (Uses)</b>                          |                                    |                     |                     |                    |                       |                     |                       |                      |                       |                     |
| Bond and loan proceeds   | 14,645,000                         | 6,500,000           | --                  | --                 | --                    | 1,350,000           | --                    | 15,000,000           | 1,000,000             | 11,205,000          |
| Lease proceeds   | 761,413                            | 1,208,876           | 2,347,516           | 778,992            | 1,194,433             | 1,039,625           | 1,254,864             | 1,117,398            | 1,402,946             | 615,804             |
| Premium on debt  | 200,395                            | 1,933,872           | 2,136,371           | 145,374            | --                    | --                  | 366,446               | --                   | --                    | 1,933,838           |
| 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)           | --                   | --                    | (10,949,344)        |
| Transfers from other funds                                     | 424,566                            | 1,210,145           | 1,264,685           | 1,174,147          | 1,248,986             | 1,137,099           | 1,511,463             | 1,244,623            | 1,525,748             | 3,456,043           |
| Transfers to other funds                                       | (1,068,954)                        | (1,814,725)         | (1,922,137)         | (1,321,542)        | (1,273,508)           | (1,453,101)         | (2,329,162)           | (2,036,240)          | (2,490,659)           | (4,227,887)         |
| <b>Total Other Financing Sources</b>                           | <u>14,962,420</u>                  | <u>7,297,870</u>    | <u>3,227,265</u>    | <u>6,776,971</u>   | <u>1,169,911</u>      | <u>2,073,623</u>    | <u>764,225</u>        | <u>15,325,781</u>    | <u>1,438,035</u>      | <u>2,033,454</u>    |
| <b>Net Change in Fund Balances</b>                             | <u>\$ 2,210,913</u>                | <u>\$ 4,082,621</u> | <u>\$ (839,958)</u> | <u>\$ 914,258</u>  | <u>\$ (1,049,895)</u> | <u>\$ 1,815,836</u> | <u>\$ (1,579,255)</u> | <u>\$ 12,295,067</u> | <u>\$ (1,459,940)</u> | <u>\$ 2,192,772</u> |
| <b>Debt Service as a Percentage of Noncapital Expenditures</b> | <u>11.35%</u>                      | <u>10.70%</u>       | <u>10.70%</u>       | <u>11.22%</u>      | <u>11.94%</u>         | <u>10.86%</u>       | <u>9.89%</u>          | <u>10.32%</u>        | <u>10.43%</u>         | <u>10.21%</u>       |

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<br>Year<br>Ended<br>June 30 | Real<br>Property | Tangible<br>Property | Motor<br>Vehicles | Less<br>Exemptions | Total Taxable<br>Assessed Value | Total Direct<br>Tax Rate<br>Real | Total Direct<br>Tax Rate<br>MV |
|------------------------------------|------------------|----------------------|-------------------|--------------------|---------------------------------|----------------------------------|--------------------------------|
| 2021                               | \$ 6,344,781,480 | \$ 133,872,207       | \$ 180,057,582    | \$ 130,358,756     | \$ 6,528,352,513                | 11.31                            | 29.67                          |
| 2020                               | \$ 6,299,240,580 | \$ 131,163,952       | \$ 186,792,202    | \$ 117,406,794     | \$ 6,499,789,940                | 11.20                            | 29.67                          |
| 2019                               | \$ 5,718,629,930 | \$ 125,509,234       | \$ 189,482,508    | \$ 101,133,577     | \$ 5,932,488,095                | 11.88                            | 29.67                          |
| 2018                               | \$ 5,668,135,260 | \$ 119,592,185       | \$ 220,615,299    | \$ 100,261,288     | \$ 5,908,081,456                | 11.59                            | 29.67                          |
| 2017                               | \$ 5,618,394,130 | \$ 121,142,653       | \$ 218,935,856    | \$ 102,135,031     | \$ 5,856,337,608                | 11.36                            | 29.67                          |
| 2016                               | \$ 5,767,432,015 | \$ 115,459,093       | \$ 215,176,591    | \$ 108,693,817     | \$ 5,989,373,882                | 10.82                            | 29.67                          |
| 2015                               | \$ 5,720,353,700 | \$ 117,617,714       | \$ 208,705,482    | \$ 109,796,164     | \$ 5,936,880,732                | 10.64                            | 29.67                          |
| 2014                               | \$ 5,681,316,650 | \$ 113,754,910       | \$ 206,850,868    | \$ 187,685,148     | \$ 5,814,237,280                | 10.53                            | 29.67                          |
| 2013                               | \$ 6,029,044,940 | \$ 111,092,881       | \$ 207,200,816    | \$ 123,833,594     | \$ 6,223,505,043                | 9.74                             | 29.67                          |
| 2012                               | \$ 6,003,921,400 | \$ 109,834,014       | \$ 199,010,668    | \$ 125,761,643     | \$ 6,187,004,439                | 9.74                             | 29.67                          |

**TOWN OF WESTERLY, RHODE ISLAND**

**TABLE 6**

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

---

| Fiscal Year Ended<br>June 30 | Real Estate<br>and Personal<br>Property | Motor Vehicle |
|------------------------------|---|---------------|
| 2012                         | 9.74                                    | 29.67         |
| 2013                         | 9.74                                    | 29.67         |
| 2014                         | 10.53                                   | 29.67         |
| 2015                         | 10.64                                   | 29.67         |
| 2016                         | 10.82                                   | 29.67         |
| 2017                         | 11.36                                   | 29.67         |
| 2018                         | 11.59                                   | 29.67         |
| 2019                         | 11.88                                   | 29.67         |
| 2020                         | 11.20                                   | 29.67         |
| 2021                         | 11.31                                   | 29.67         |

Source: Finance Department, Westerly, Rhode Island

**TOWN OF WESTERLY, RHODE ISLAND**

**TABLE 7**

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

| 2020                            |                |      |                          | 2011                            |                |      |                          |
|---------------------------------|----------------|------|--------------------------|---------------------------------|----------------|------|--------------------------|
| Name                            | Assessed Value | Rank | % Net Taxable Grand List | Name                            | Assessed Value | Rank | % Net Taxable Grand List |
| National Grid                   | \$ 40,859,398  | 1    | 0.609%                   | Ocean House Hotel Partners, LLC | \$ 25,688,700  | 1    | 0.405%                   |
| Ocean House Hotel Partners, LLC | \$ 27,812,400  | 2    | 0.415%                   | Washington Trust Company        | \$ 24,182,753  | 2    | 0.381%                   |
| Westerly Ventures, LLC          | \$ 22,302,400  | 3    | 0.333%                   | National Grid                   | \$ 22,536,780  | 3    | 0.355%                   |
| Washington Trust Co. (The)      | \$ 22,064,249  | 4    | 0.329%                   | Franklin Plaza, LLC             | \$ 19,877,780  | 4    | 0.313%                   |
| Kahuna Rhode Island, LLC        | \$ 19,130,000  | 5    | 0.285%                   | Westerly Ventures, LLC          | \$ 19,076,200  | 5    | 0.301%                   |
| Misquamicut Club (The)          | \$ 18,994,829  | 6    | 0.283%                   | Royce, Charles M.               | \$ 17,837,900  | 6    | 0.281%                   |
| Wall, Thomas R. IV              | \$ 18,502,900  | 7    | 0.276%                   | Kahuna Rhode Island, LLC        | \$ 17,744,400  | 7    | 0.280%                   |
| Westerly Associates, LLC        | \$ 17,023,016  | 8    | 0.254%                   | Misquamicut Club                | \$ 16,803,170  | 8    | 0.265%                   |
| George W. Whitney RT et al      | \$ 16,530,200  | 9    | 0.246%                   | Bluff Avenue, LLC               | \$ 15,306,100  | 9    | 0.241%                   |
| Weekapaug Inn & Cottages, LLC   | \$ 15,990,300  | 10   | 0.238%                   | Home Depot USA, Inc.            | \$ 15,275,200  | 10   | 0.241%                   |

GROSS ASSESSED VALUE AS OF 12/31/20: \$6,706,925,697

GROSS ASSESSED VALUE AS OF 12/31/11: \$6,347,338,637

**TOWN OF WESTERLY, RHODE ISLAND**

**TABLE 8**

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

| Year Ended | Taxes Levied<br>(net abatements) | Collected<br>within the<br>Fiscal Year<br>Amount | % of Levy | Collected in<br>Subsequent<br>Years | Total<br>Collections<br>Amount | Balance<br>Remaining | % of Levy |
|------------|----------------------------------|--|-----------|-------------------------------------|--------------------------------|----------------------|-----------|
| 2012       | \$ 63,528,578                    | \$ 61,369,984                                    | 96.60%    | \$ 2,158,594                        | \$ 63,528,578                  | \$ -                 | 99.76%    |
| 2013       | \$ 65,309,604                    | \$ 63,930,910                                    | 97.89%    | \$ 1,220,848                        | \$ 65,151,758                  | \$ 157,846           | 99.75%    |
| 2014       | \$ 67,067,280                    | \$ 64,645,348                                    | 96.39%    | \$ 2,279,751                        | \$ 66,925,099                  | \$ 142,181           | 99.78%    |
| 2015       | \$ 67,067,280                    | \$ 66,274,258                                    | 98.82%    | \$ 680,976                          | \$ 66,955,234                  | \$ 112,046           | 99.76%    |
| 2016       | \$ 69,019,265                    | \$ 67,949,144                                    | 98.45%    | \$ 955,022                          | \$ 68,904,166                  | \$ 115,099           | 99.82%    |
| 2017       | \$ 70,419,912                    | \$ 70,062,864                                    | 99.49%    | \$ 242,229                          | \$ 70,305,093                  | \$ 114,819           | 99.83%    |
| 2018       | \$ 71,870,646                    | \$ 71,490,180                                    | 99.47%    | \$ 277,394                          | \$ 71,767,574                  | \$ 103,072           | 99.85%    |
| 2019       | \$ 73,984,340                    | \$ 73,737,407                                    | 99.67%    | \$ 135,964                          | \$ 73,873,371                  | \$ 110,969           | 99.82%    |
| 2020       | \$ 76,259,195                    | \$ 75,457,592                                    | 98.95%    | \$ 620,736                          | \$ 76,078,328                  | \$ 180,867           | 98.95%    |
| 2021       | \$ 76,863,404                    | \$ 76,230,890                                    | 99.18%    | \$ --                               | \$ 76,230,890                  | \$ 632,514           | 99.18%    |

**TOWN OF WESTERLY, RHODE ISLAND**

**TABLE 9**

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

| Year | Governmental Activities        |                              |                   | Business Type Activities       |                  |                   | Total<br>Primary<br>Government | Percentage<br>of Personal<br>Income | Per<br>Capita |
|------|--------------------------------|------------------------------|-------------------|--------------------------------|------------------|-------------------|--------------------------------|-------------------------------------|---------------|
|      | General<br>Obligation<br>Bonds | Notes and<br>Loan<br>Payable | Capital<br>Leases | General<br>Obligation<br>Bonds | Loans<br>Payable | Capital<br>Leases |                                |                                     |               |
| 2021 | \$ 56,854,000                  | \$ 9,351,000                 | \$ 2,100,365      | \$ --                          | \$ 1,752,300     | \$ 2,187,728      | \$ 72,245,393                  | 7.88%                               | \$ 3,231      |
| 2020 | \$ 50,603,000                  | \$ 21,286,000                | \$ 2,140,086      | \$ --                          | \$ 2,529,212     | \$ 2,479,221      | \$ 79,037,519                  | 8.55%                               | \$ 3,506      |
| 2019 | \$ 54,323,000                  | \$ 22,371,000                | \$ 1,957,708      | \$ --                          | \$ 3,289,610     | \$ 2,714,859      | \$ 84,656,177                  | 9.13%                               | \$ 3,742      |
| 2018 | \$ 43,840,000                  | \$ 23,456,000                | \$ 2,121,462      | \$ --                          | \$ 3,863,915     | \$ 2,692,776      | \$ 75,974,153                  | 8.65%                               | \$ 3,358      |
| 2017 | \$ 48,160,000                  | \$ 24,541,000                | \$ 2,190,137      | \$ --                          | \$ 2,760,519     | \$ 2,459,388      | \$ 80,111,045                  | 9.48%                               | \$ 3,541      |
| 2016 | \$ 51,145,000                  | \$ 22,703,812                | \$ 2,342,516      | \$ --                          | \$ 3,307,808     | \$ 2,491,760      | \$ 81,990,896                  | 10.25%                              | \$ 3,620      |
| 2015 | \$ 59,347,000                  | \$ 20,476,250                | \$ 2,503,007      | \$ --                          | \$ 3,944,878     | \$ 2,594,000      | \$ 88,865,135                  | 10.98%                              | \$ 3,918      |
| 2014 | \$ 52,955,000                  | \$ 26,052,688                | \$ 2,844,049      | \$ --                          | \$ 4,569,370     | \$ 20,000         | \$ 86,441,107                  | 10.74%                              | \$ 3,803      |
| 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      |

**TOWN OF WESTERLY, RHODE ISLAND**

**TABLE 10**

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

| Fiscal<br>Year | General<br>Obligation<br>Bonds | Notes and<br>Loan<br>Payable | Total         | (a)<br>Percentage<br>of Actual<br>Taxable<br>Value of Property | Per<br>Capita |
|----------------|--------------------------------|------------------------------|---------------|--|---------------|
| 2021           | \$ 56,854,000                  | \$ 9,351,000                 | \$ 66,205,000 | 1.01%  | \$ 2,965      |
| 2020           | \$ 50,603,000                  | \$ 21,286,000                | \$ 71,889,000 | 1.11%  | \$ 3,189      |
| 2019           | \$ 54,323,000                  | \$ 22,371,000                | \$ 76,694,000 | 1.29%  | \$ 3,402      |
| 2018           | \$ 43,840,000                  | \$ 23,456,000                | \$ 67,296,000 | 1.14%  | \$ 2,975      |
| 2017           | \$ 48,160,000                  | \$ 24,541,000                | \$ 72,701,000 | 1.24%  | \$ 3,213      |
| 2016           | \$ 51,145,000                  | \$ 22,703,812                | \$ 73,848,812 | 1.23%  | \$ 3,260      |
| 2015           | \$ 59,347,000                  | \$ 20,476,250                | \$ 79,823,250 | 1.34%  | \$ 3,519      |
| 2014           | \$ 52,955,000                  | \$ 26,052,688                | \$ 79,007,688 | 1.34%  | \$ 3,476      |
| 2013           | \$ 56,233,678                  | \$ 27,732,124                | \$ 83,965,802 | 1.35%  | \$ 3,696      |
| 2012           | \$ 53,710,000                  | \$ 29,411,562                | \$ 83,121,562 | 1.34%  | \$ 3,648      |

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)

|   | 2012             | 2013             | 2014             | 2015             | 2016             | 2017             | 2018             | 2019             | 2020             | 2021             |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Total assessed value                                | \$ 6,187,004,439 | \$ 6,223,505,043 | \$ 5,887,246,189 | \$ 5,936,880,732 | \$ 5,989,385,500 | \$ 5,856,336,030 | \$ 5,908,081,456 | \$ 5,932,488,094 | \$ 6,499,753,939 | \$ 6,528,352,513 |
| Debt Limit (1)                                      | \$ 185,610,133   | \$ 186,705,151   | \$ 176,617,386   | \$ 178,106,422   | \$ 179,681,565   | \$ 175,690,081   | \$ 177,242,444   | \$ 177,974,643   | \$ 194,992,618   | \$ 195,850,575   |
| Amount of Debt Subject to Limit                     | 34,592,621       | 32,446,768       | 29,787,516       | 28,597,811       | 28,598,118       | 28,834,874       | 28,825,852       | 41,875,272       | 38,296,170       | 36,111,110       |
| Legal Debt Margin                                   | \$ 151,017,512   | \$ 154,258,383   | \$ 146,829,870   | \$ 149,508,611   | \$ 151,083,447   | \$ 146,855,207   | \$ 148,416,592   | \$ 136,099,371   | \$ 156,696,448   | \$ 159,739,465   |
| Legal Debt Margin as a Percentage of the Debt Limit | 81.36%           | 82.62%           | 83.13%           | 83.94%           | 84.08%           | 83.59%           | 83.74%           | 76.47%           | 80.36%           | 81.56%           |

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

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

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

|                                 | 2021  | 2020  | 2019  | 2018  | 2017  | 2016  | 2015  | 2014  | 2013  | 2012  |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Public School Enrollment</b> | 2,431 | 2,639 | 2,730 | 2,775 | 2,851 | 3,007 | 2,997 | 2,996 | 3,037 | 3,021 |

Source: Westerly Public Schools

|                          | 2021 | 2020  | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013  | 2012  |
|--------------------------|------|-------|------|------|------|------|------|------|-------|-------|
| <b>Unemployment Rate</b> | 6.2% | 11.8% | 3.9% | 5.1% | 5.1% | 6.1% | 7.2% | 9.2% | 10.6% | 11.6% |

Source: Rhode Island Department of Labor and Training

**TOWN OF WESTERLY, RHODE ISLAND**

**TABLE 13**

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

|                           | For the Fiscal Year Ended June 30, 2021 |      |      |      |      |      |      |      |      |      |
|---------------------------|---|------|------|------|------|------|------|------|------|------|
|                           | 2021                                    | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| <b>General Government</b> |   |      |      |      |      |      |      |      |      |      |
| Town Manager              | 2                                       | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| Town Solicitor            | -                                       | -    | -    | -    | -    | -    | -    | -    | -    | -    |
| Finance                   | 8                                       | 8    | 8    | 6    | 7    | 9    | 9    | 9    | 9    | 9    |
| Town Clerk                | 6                                       | 6    | 7    | 7    | 7    | 7    | 7    | 7    | 5    | 5    |
| Development Services      | 11                                      | 10.5 | 10   | 9.5  | 10   | 4    | 4    | 4    | 4    | 4    |
| Assessment                | 4                                       | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    |
| Other                     | -                                       | -    | -    | -    | -    | 16   | 16   | 16   | 16   | 16   |
| Human Resources           | 2                                       | 2    | 2    | 3.5  | 3.5  | -    | -    | -    | -    | -    |
| Information Technology    | 4                                       | 3.5  | 4    | 3    | 3.0  | -    | -    | -    | -    | -    |
| Animal Shelter            | 1                                       | 1.5  | 2    | 3    | 3.0  | -    | -    | -    | -    | -    |
| Tax Collections           | 4                                       | 4    | 4    | 4    | 4.0  | -    | -    | -    | -    | -    |
| Purchasing                | 1                                       | 1    | 1    | 1.0  | 0.5  | -    | -    | -    | -    | -    |
| <b>Public Safety</b>      |   |      |      |      |      |      |      |      |      |      |
| Sworn Officers            | 51                                      | 52   | 53   | 50   | 50   | 45   | 50   | 50   | 48   | 50   |
| Support                   | 16                                      | 13   | 13   | 12   | 11   | 11   | 11   | 11   | 12   | 12   |
| <b>Public Health</b>      |   |      |      |      |      |      |      |      |      |      |
| Public Works              | 47                                      | 43   | 49   | 46   | 45   | 45   | 45   | 45   | 43   | 43   |
| Water & Sewer             | 29                                      | 25   | 31   | 27   | 28   | 28   | 28   | 29   | 29   | 29   |
| <b>Public Welfare</b>     |   |      |      |      |      |      |      |      |      |      |
| Recreation                | 2                                       | 2    | 2    | 1.5  | 2    | 2    | 2    | 2    | 1    | 1    |
| <b>Public Education</b>   |   |      |      |      |      |      |      |      |      |      |
| Teachers                  | 281                                     | 276  | 278  | 286  | 297  | 302  | 302  | 310  | 307  | 304  |
| Pupil Support             | 221                                     | 261  | 263  | 236  | 230  | 234  | 234  | 233  | 235  | 208  |
| Administration            | 22                                      | 19   | 23   | 36   | 39   | 38   | 38   | 34   | 38   | 37   |

**TOWN OF WESTERLY, RHODE ISLAND**

**TABLE 14**

**OPERATING INDICATORS BY FUNCTION/PROGRAM  
(UNAUDITED)**

|   | For the Fiscal Year Ended June 30, 2021 |            |            |            |            |            |            |            |                |            |
|---|---|------------|------------|------------|------------|------------|------------|------------|----------------|------------|
|   | 2021                                    | 2020       | 2019       | 2018       | 2017       | 2016       | 2015       | 2014       | 2013 (Revised) | 2012       |
| <b>General Government</b>                       |   |            |            |            |            |            |            |            |                |            |
| Marriage Licenses Issued                        | 177                                     | 165        | 197        | 188        | 219        | 195        | 185        | 212        | 212            | 178        |
| Death Certificates Recorded                     | 468                                     | 426        | 340        | 309        | 313        | 357        | 368        | 287        | 325            | 310        |
| Land Records Recorded                           | 7,762                                   | 5,565      | 5,282      | 5,594      | 5,907      | 5,764      | 5,450      | 6,302      | 7,162          | 6,559      |
| Registered Voters                               | 19,535                                  | 19,134     | 18,477     | 18,296     | 18,014     | 17,728     | 17,224     | 17,729     | 17,422         | 16,724     |
| Elections & Referenda                           | 4                                       | 2          | 2          | 2          | 2          | 2          | 2          | 1          | 2              | 1          |
| <b>Planning &amp; Development</b>               |   |            |            |            |            |            |            |            |                |            |
| Building Permits Issued                         | 2,809                                   | 2,466      | 2,416      | 2,310      | 2,230      | 2,399      | 1,984      | 2,482      | 976            | 693        |
| Cost of Construction                            | 76,193,467                              | 77,780,036 | 68,950,851 | 55,964,294 | 54,592,394 | 69,905,961 | 47,232,404 | 52,404,978 | 40,874,909     | 32,886,917 |
| <b>Police</b>                                   |   |            |            |            |            |            |            |            |                |            |
| Arrest  | 1,369                                   | 998        | 918        | 953        | 1,316      | 1,099      | 1,198      | 1,061      | 972            | 997        |
| Parking Violations                              | 2,295                                   | 1,813      | 1,642      | 1,918      | 626        | 1,754      | 1,860      | 1,196      | 1,223          | 1,232      |
| Calls for Service                               | 69,581                                  | 49,722     | 48,120     | 46,882     | 42,793     | 34,704     | 30,948     | 28,825     | 30,139         | 27,355     |
| <b>Public Works</b>                             |   |            |            |            |            |            |            |            |                |            |
| Street Resurfacing (miles)                      | 3                                       | 5          | 1          | 3          | 1          | 9          | 6          | 7          | 7              | 7          |
| Transfer station refuse (tons)                  | 17,398                                  | 12,587     | 12,208     | 10,674     | 9,760      | 10,077     | 12,692     | 13,383     | 11,881         | 18,251     |
| Transfer station recyclables (tons)             | 5,140                                   | 3,573      | 4,435      | 4,401      | 5,093      | 4,410      | 4,343      | 4,159      | 3,739          | 3,528      |
| <b>Parks &amp; Recreation</b>                   |   |            |            |            |            |            |            |            |                |            |
| Programs Offered                                | 71                                      | 77         | 78         | 101        | 70         | 68         | 63         | 61         | 61             | 63         |
| Beach Passes Issued                             | 3,470                                   | 3,429      | 3,085      | 2,972      | 2,756      | 2,591      | 2,552      | 2,454      | 2,061          | 2,206      |
| <b>Education</b>                                |   |            |            |            |            |            |            |            |                |            |
| Number of Students                              | 2,431                                   | 2,639      | 2,730      | 2,775      | 2,851      | 3,007      | 2,997      | 2,996      | 3,037          | 3,021      |
| <b>Water</b>                                    |   |            |            |            |            |            |            |            |                |            |
| New Connections                                 | 20                                      | 80         | 64         | 65         | 59         | 69         | 76         | 86         | 46             | 49         |
| Water Main Breaks                               | 12                                      | 34         | 20         | 18         | 22         | 22         | 38         | 18         | 17             | 25         |
| Avg daily consumption (thousands of gallons)    | 3,695                                   | 2,951      | 3,270      | 3,965      | 3,477      | 3,559      | 3,287      | 3,440      | 3,321          | 3,297      |
| <b>Sewer</b>                                    |   |            |            |            |            |            |            |            |                |            |
| Average daily treatment (thousands of gallons)  | 2,020                                   | 2,573      | 2,743      | 2,634      | 2,167      | 2,195      | 2,060      | 2,227      | 2,120          | 2,020      |
| Sewer treatment capacity (thousands of gallons) | 3,300                                   | 3,300      | 3,300      | 3,300      | 3,300      | 3,300      | 3,300      | 3,300      | 3,300          | 3,300      |

**TOWN OF WESTERLY, RHODE ISLAND**

**TABLE 15**

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
(UNAUDITED)**

| Function/Program   | For the Fiscal Year Ended June 30, 2021 |      |      |      |      |      |      |      |      |       |
|--|---|------|------|------|------|------|------|------|------|-------|
|  | 2021                                    | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012  |
| <b>Police</b>  |   |      |      |      |      |      |      |      |      |       |
| Stations   | 1                                       | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1     |
| Patrol Units   | 60                                      | 60   | 60   | 60   | 55   | 52   | 47   | 46   | 46   | 46    |
| <b>Fire</b>  |   |      |      |      |      |      |      |      |      |       |
| Fire Prevention is covered by five separate self-taxing Fire Districts |   |      |      |      |      |      |      |      |      |       |
| <b>Public Works</b>  |   |      |      |      |      |      |      |      |      |       |
| Streets (miles)  | 136                                     | 136  | 136  | 156  | 156  | 156  | 156  | 145  | 145  | 145   |
| Street Lights  | 3348                                    | 3348 | 3348 | 3028 | 3028 | 3153 | 3152 | 3150 | 3150 | 3,150 |
| Register Vehicles  | 100                                     | 109  | 122  | 113  | 115  | 103  | 107  | 103  | 103  | 103   |
| <b>Parks &amp; Recreation</b>  |   |      |      |      |      |      |      |      |      |       |
| Acreage  | 88                                      | 85   | 85   | 85   | 85   | 85   | 85   | 85   | 85   | 85    |
| Parks & Playing Fields   | 7                                       | 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     |
| <b>Public Libraries</b>  |   |      |      |      |      |      |      |      |      |       |
| Libraries  | 1                                       | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1     |
| <b>Schools</b>   |   |      |      |      |      |      |      |      |      |       |
| Elementary Schools   | 3                                       | 3    | 3    | 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   | 42                                      | 40   | 54   | 54   | 47   | 48   | 48   | 43   | 49   | 49    |
| <b>Water</b>   |   |      |      |      |      |      |      |      |      |       |
| Water Mains (miles)  | 207                                     | 207  | 207  | 207  | 207  | 207  | 207  | 207  | 207  | 207   |
| Fire Hydrants  | 1092                                    | 1092 | 1092 | 1092 | 1092 | 1091 | 1091 | 1091 | 1085 | 1085  |
| <b>Sewer</b>   |   |      |      |      |      |      |      |      |      |       |
| 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

TAX COLLECTORS REPORT  
JUNE 30, 2021

TABLE 16

*FY 2021 Cash Collections Summary*

| <i>July - August<br/>2020 Collections<br/>Subject to 60-day<br/>FY 20 Accrual</i> | <i>September - June<br/>2021 Collections</i> | <i>Total FY 2021<br/>Cash Collections</i> | <i>July - August 2021<br/>(FY 22) Cash<br/>Collections<br/>Subject to 60-day<br/>FY 21 Accrual</i> |
|---|--|---|--|
| \$ 416,619  | \$ 75,814,271                                | \$ 76,230,890                             | \$ 228,689   |
| 6,005   | 606,924                                      | 612,929                                   | 34,652   |
| 1,686   | 18,254                                       | 19,940                                    | 1,333  |
| 2,056   | 2,746  | 4,802                                     | 648  |
| 6,008   | 452  | 6,460                                     | 1,170  |
| 896   | 5,404  | 6,300                                     | 538  |
| 896   | 8,996  | 9,892                                     | 255  |
| 7,454   | (2,909)                                      | 4,545                                     | 444  |
| 452   | 2,817  | 3,269                                     | 985  |
| 229   | 2,048  | 2,277                                     | --   |
| <u>442,301</u>  | <u>76,459,002</u>                            | <u>76,901,303</u>                         | <u>268,714</u>   |

| Tax Roll<br>List Year | Fiscal Year | Balance<br>July 1, 2020 | Current year<br>Assessment | Additions        | Adjustments &<br>Abatements | over 10 yr old<br>Receivables | Amount<br>to be<br>Collected | Current<br>Year<br>Collections | Balance<br>June 30, 2021                  |
|-----------------------|-------------|-------------------------|----------------------------|------------------|-----------------------------|-------------------------------|------------------------------|--------------------------------|---|
| 2020                  | 2021        |                         | \$ 76,931,058              | \$ 47,768        | \$ (115,422)                |                               | \$ 76,863,404                | \$ 76,230,890                  | \$ 632,515                                |
| 2019                  | 2020        | 801,603                 |                            | 4,380            | (12,187)                    |                               | 793,796                      | 612,929                        | 180,867                                   |
| 2018                  | 2019        | 136,716                 |                            | 120              | (5,926)                     |                               | 130,910                      | 19,940                         | 110,969                                   |
| 2017                  | 2018        | 109,135                 |                            | 143              | (1,405)                     | --                            | 107,873                      | 4,802                          | 103,072                                   |
| 2016                  | 2017        | 121,282                 |                            | 66               | (69)                        | --                            | 121,279                      | 6,460                          | 114,819                                   |
| 2015                  | 2016        | 121,410                 |                            | 3                | (14)                        | --                            | 121,399                      | 6,300                          | 115,099                                   |
| 2014                  | 2015        | 161,286                 |                            | 5                | (39,353)                    | --                            | 121,938                      | 9,892                          | 112,046                                   |
| 2013                  | 2014        | 146,747                 |                            | 0                | (22)                        | --                            | 146,725                      | 4,545                          | 142,181                                   |
| 2012                  | 2013        | 161,983                 |                            | 4                | (872)                       | --                            | 161,115                      | 3,269                          | 157,846                                   |
| 2011                  | 2012        | 152,011                 |                            | 2                | (40)                        | 149,696                       | 151,973                      | 2,277                          | --  |
|                       |             | <u>\$ 1,912,172</u>     | <u>\$ 76,931,058</u>       | <u>\$ 52,492</u> | <u>\$ (175,309)</u>         | <u>\$ 149,696</u>             | <u>\$ 78,720,413</u>         | <u>\$ 76,901,303</u>           | <u>1,669,414</u>                          |
|                       |             |                         |                            |                  |                             |                               |                              |                                | Allowance for Doubtful Accounts (908,184) |
|                       |             |                         |                            |                  |                             |                               |                              |                                | <u>\$ 761,230</u>                         |

per cert \$ 76,931,058  
per QDS 76,931,058  
\$ --

Reconciliation of Current Year Property Tax Revenue

|  |                        |
|--|------------------------|
| Current Year Collections   | \$ 76,901,303          |
| July - August 2021 Collections Subject to<br>60-day FY21 Accrual | <u>268,714</u>         |
|  | 77,170,017             |
| July - August 2020 Collections Subject to<br>60-day FY20 Accrual | <u>(442,301)</u>       |
|  | <u>\$ 76,727,716</u> * |

\* Total revenues include property tax and sewer assessment revenues.

Schedule of Net Assessed Property, Value by Category

| Description of<br>Property | Valuations December<br>31, 2019 | Levy July 1, 2020    |
|----------------------------|---------------------------------|----------------------|
| Real Property              | \$ 6,344,781,480                | \$ 71,959,883        |
| Motor Vehicle              | 180,057,582                     | 3,409,555            |
| Tangible                   | <u>133,872,207</u>              | <u>1,561,620</u>     |
| <b>Total</b>               | <u>6,658,711,269</u>            | <u>76,931,058</u>    |
| Exemptions                 | <u>(130,358,756)</u>            | <u>--</u>            |
| <b>Net Assessed Value</b>  | <u>\$ 6,528,352,513</u>         | <u>\$ 76,931,058</u> |

**TOWN OF WESTERLY, RHODE ISLAND**

**INDEPENDENT AUDITORS' REPORTS REQUIRED BY TITLE 2 U.S. CODE OF  
FEDERAL REGULATIONS PART 200, *UNIFORM ADMINISTRATIVE  
REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL  
AWARDS* (UNIFORM GUIDANCE) AND *GOVERNMENT AUDITING STANDARDS***

**FOR THE YEAR ENDED JUNE 30, 2021**

# TOWN OF WESTERLY, RHODE ISLAND

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westerly as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Westerly's basic financial statements and have issued our report thereon dated January 26, 2022.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Town of Westerly's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Westerly's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Westerly's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Town of Westerly's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Marcum LLP*

Providence, RI  
January 26, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

***Report on Compliance for Each Major Federal Program***

We have audited the Town of Westerly's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Westerly's major federal programs for the year ended June 30, 2021. The Town of Westerly's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town of Westerly's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Westerly's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for major federal programs. However, our audit does not provide a legal determination of the Town of Westerly's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Town of Westerly complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### ***Report on Internal Control Over Compliance***

Management of the Town of Westerly is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Westerly's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Westerly's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westerly, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Westerly's basic financial statements and have issued our report thereon dated January 26, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Marcum LLP*

Providence, RI  
February 28, 2022 except for the report on the  
schedule of expenditures of federal awards  
which is dated January 26, 2022

**TOWN OF WESTERLY, RHODE ISLAND**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u>                                      | <u>Federal<br/>CFDA<br/>Number</u> | <u>Pass-Through<br/>Entity Identifying<br/>Number</u> | <u>Passed<br/>Through to<br/>Subrecipients</u> | <u>Federal<br/>Expenditures<br/>Incurred</u> |
|--|------------------------------------|---|--|--|
| <b><i>U.S. Department of Agriculture</i></b>   |                                    |   |  |  |
| Passed through the Rhode Island Department of Education:                                       |                                    |   |  |  |
| Child Nutrition Cluster  |                                    |   |  |  |
| National School Lunch Program  | 10.555                             |   | \$ --  | \$ 68,831                                    |
| Summer Food Service Program for Children   | 10.559                             |   | --   | 549,923                                      |
| <b><i>Total Child Nutrition Cluster</i></b>  |                                    |   | --   | 618,754                                      |
| Fresh Fruit and Vegetable Program  | 10.582                             | 2725-17602-030  | --   | 5,416  |
| <b><i>Total U.S. Department of Agriculture</i></b>   |                                    |   | --   | 624,170                                      |
| <b><i>U.S. Department of Housing and Urban Development</i></b>                                 |                                    |   |  |  |
| Passed through Rhode Island Division of Planning, Office of Housing and Community Development: |                                    |   |  |  |
| Community Development Block Grants   | 14.228                             | 16/36/35, 17/38/35, 18/38/35,<br>19/38/36             | --   | 343,679                                      |
| <b><i>Total Community Development Block Grants/Entitlement Grants Cluster</i></b>              |                                    |   | --   | 343,679                                      |
| <b><i>Total U.S. Department of Housing and Urban Development</i></b>                           |                                    |   | --   | 343,679                                      |
| <b><i>U.S. Department of Education</i></b>   |                                    |   |  |  |
| Passed through the Rhode Island Department of Education:                                       |                                    |   |  |  |
| Special Education Cluster (IDEA)   |                                    |   |  |  |
| Special Education - Grants to States   | 84.027A                            | 2725132.02.02/03                                      | --   | 925,265                                      |
| Special Education - Preschool Grants   | 84.173A                            | 2725135.02.02   | --   | 23,055                                       |
| <b><i>Total Special Education Cluster</i></b>  |                                    |   | --   | 948,320                                      |
| School Support and Academic Enrichment   | 84.424A                            | 2725208.02.02   | --   | 59,288                                       |
| Improving Teacher Quality State Grants   | 84.367A                            | 2725164.02.02   | --   | 160,619                                      |
| English Language Acquisition State Grants  | 84.365A                            | 2725165.02.02   | 1,032  | 16,566                                       |
| School Climate Transformation Grant  | 84.184F                            | 2725-21302-001  | --   | 5,250  |
| Title I Grants to Local Education Agencies   | 84.010A                            | 2725117.02.02   | --   | 578,845                                      |
| Preschool Development Grants   | 93.434                             | 2725221.02  | --   | 234  |
| Education Innovation and Research  | 84.411C                            | 2725219.02  | --   | 26,366                                       |
| Comprehensive Literacy Development   | 84.371C                            | 2725-22002-111  | --   | 93,639                                       |
| Career and Technical Education - Basic Grants to States  | 84.048A                            | 2725-15302-101  | --   | 27,519                                       |
| Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act      | 84.425D                            | 4672-10502/60602-101                                  | --   | 604,715                                      |
| <b><i>Total U.S. Department of Education</i></b>   |                                    |   | 1,032  | 2,521,361                                    |
| <b><i>U.S. Department of Commerce</i></b>  |                                    |   |  |  |
| Passed through the National Oceanic and Atmospheric Administration:                            |                                    |   |  |  |
| Habitat Conservation   | 11.463                             |   | --   | 95,229                                       |
| <b><i>Total U.S. Department of Commerce</i></b>  |                                    |   | --   | 95,229                                       |
| <b><i>U.S. Department of Transportation</i></b>  |                                    |   |  |  |
| Passed through the Rhode Island Department of Transportation:                                  |                                    |   |  |  |
| National Highway Traffic Safety Administration Discretionary Safety Grants                     | 20.614                             |   | --   | 88,025                                       |
|  |                                    |   | --   | 88,025                                       |

*See notes to schedule of expenditures of federal awards.*

# TOWN OF WESTERLY, RHODE ISLAND

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

**FOR THE YEAR ENDED JUNE 30, 2021**

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u>                                 | Federal<br>CFDA<br>Number | Pass-Through<br>Entity Identifying<br>Number | Passed<br>Through to<br>Subrecipients | Federal<br>Expenditures<br>Incurred |
|---|---------------------------|--|---------------------------------------|-------------------------------------|
| <b><i>U.S. Department of Treasury</i></b>   |                           |  |                                       |                                     |
| Passed through the Rhode Island Department of Education:                                  |                           |  |                                       |                                     |
| COVID-19 - Coronavirus Relief Fund  | 21.019                    | 4672-20902-101<br>4672-20202-111             | --                                    | 438,462                             |
| Passed through the Rhode Island Commerce Corporation:                                     |                           |  |                                       |                                     |
| COVID-19 - Coronavirus Relief Fund  | 21.019                    |  | --                                    | 23,851                              |
| Passed through the Medical Emergency Distribution System (MEDS):                          |                           |  |                                       |                                     |
| COVID-19 - Coronavirus Relief Fund  | 21.019                    |  | --                                    | 16,243                              |
| Passed through the Rhode Island Department of Revenue:                                    |                           |  |                                       |                                     |
| COVID-19 - Coronavirus Relief Fund  | 21.019                    |  | --                                    | 2,194,608                           |
| <b><i>Total U.S. Department of Treasury</i></b>   |                           |  | --                                    | <u>2,673,164</u>                    |
| <b><i>U.S. Department of Interior</i></b>   |                           |  |                                       |                                     |
| Passed through Connecticut Department of Energy & Environmental Protection:               |                           |  |                                       |                                     |
| Clean Vessel Act Program - Pumpout Boat   | 15.616                    | 2021-32                                      | --                                    | 36,946                              |
| <b><i>Total U.S. Department of Interior</i></b>   |                           |  | --                                    | <u>36,946</u>                       |
| <b><i>U.S. Department of Homeland Security</i></b>  |                           |  |                                       |                                     |
| Passed through the State of Rhode Island:   |                           |  |                                       |                                     |
| Emergency Management Performance Grants   | 97.042                    | 41-04-2020 EMPG                              | --                                    | 6,875                               |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters)                   | 97.036                    | DR-4089-RI                                   | --                                    | 46,446                              |
| <b><i>Total U.S. Department of Homeland Security</i></b>                                  |                           |  | --                                    | <u>53,321</u>                       |
| <b><i>U.S. Environmental Protection Agency</i></b>  |                           |  |                                       |                                     |
| Passed through the Rhode Island Department of Environmental Management:                   |                           |  |                                       |                                     |
| Performance Partnership Grants  | 66.605                    | 2019 GR-40251                                | --                                    | 27,253                              |
| <b><i>Total U.S. Environmental Protection Agency</i></b>                                  |                           |  | --                                    | <u>27,253</u>                       |
| <b><i>U.S. Department of Justice</i></b>  |                           |  |                                       |                                     |
| Direct Programs:  |                           |  |                                       |                                     |
| Equitable Sharing Program   | 16.922                    |  | --                                    | 1,475                               |
| Bulletproof Vest Partnership Program  | 16.607                    |  | --                                    | 1,587                               |
| <b><i>Total U.S. Department of Justice</i></b>  |                           |  | --                                    | <u>3,062</u>                        |
| <b><i>U.S. Election Assistance Commission</i></b>   |                           |  |                                       |                                     |
| Passed through the Rhode Island Division of Purchases:                                    |                           |  |                                       |                                     |
| 2018 HAVA Election Security Grants  | 90.404                    |  | --                                    | 1,402                               |
| <b><i>Total U.S. Election Assistance Commission</i></b>                                   |                           |  | --                                    | <u>1,402</u>                        |
| <b><i>U.S. Department of Health and Human Services</i></b>                                |                           |  |                                       |                                     |
| Passed through the Rhode Island Department of Health:                                     |                           |  |                                       |                                     |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243                    |  | --                                    | 1,118                               |
| <b><i>Total U.S. Department of Health and Human Services</i></b>                          |                           |  | --                                    | <u>1,118</u>                        |
| <b><i>Total Expenditures of Federal Awards</i></b>  |                           |  | \$ 1,032                              | \$ 6,468,730                        |

*See notes to schedule of expenditures of federal awards.*

**TOWN OF WESTERLY, RHODE ISLAND**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “schedule”) includes the federal award activity of the Town of Westerly, Rhode Island under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Town of Westerly, Rhode Island, it is not intended to and does not present the financial position, changes in net position/fund balance, or cash flows of the Town of Westerly.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 – SCHOOL LUNCH COMMODITIES**

Nonmonetary assistance is reported in the schedule of expenditures of federal awards at the cost of commodities provided to the School Lunch Program. The total federal share of these commodities and donations was \$49,150 for the year ended June 30, 2021. The amounts have been included in the schedule of expenditures of federal awards under CFDA 10.555.

**NOTE 4 – INDIRECT COST RATE**

Town of Westerly, Rhode Island has elected not to use the 10-percent de Minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance.

**NOTE 5 – CORONAVIRUS RELIEF FUNDS**

The Town was allocated funds as a sub recipient through the Rhode Island Department of Revenue in the amount of \$2,194,608. These funds reimbursed costs with a period of performance ranging from March 1, 2020 through December 31, 2020. However, these funds were not received until fiscal year 2021, therefore Coronavirus Relief Funds related to this award are composed of costs from both fiscal year 2020 and 2021 on this year’s Schedule of Expenditures of Federal Awards.

**TOWN OF WESTERLY, RHODE ISLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

Type of auditors’ report issued on whether the financial statements audited were prepared in accordance with GAAP:

*Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified not considered to be material weaknesses?

\_\_\_\_\_ Yes   X   None Reported

Non-compliance material to financial statements noted?

\_\_\_\_\_ Yes   X   No

**Federal Awards**

Internal control over major federal award programs:

Material weakness(es) identified?

\_\_\_\_\_ Yes   X   No

Significant deficiency(ies) identified not considered to be material weakness(es)?

\_\_\_\_\_ Yes   X   None reported

Type of auditors’ report issued on compliance for major federal award programs:

*Unmodified Opinion*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes   X   No

Identification of Major Federal Programs:

CFDA Number

Name of Federal Program or Cluster

84.027 & 84.173  
21.019

Special Education Cluster  
Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low risk auditee?

\_\_\_\_\_ Yes   X   No

**TOWN OF WESTERLY, RHODE ISLAND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2021**

---

**SECTION II FINDINGS – RELATED TO AUDIT OF FINANCIAL STATEMENTS**

*CURRENT YEAR FINDINGS:*

No matters were reported.

**SECTION III FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

*CURRENT YEAR FINDINGS:*

No matters were reported.

**TOWN OF WESTERLY, RHODE ISLAND**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Prior Year Findings:**

None reported

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Prior Year Findings:**

None reported