

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:



6CD8906B3C46428...
Cindy Kirchhoff
Westerly Public Schools
Director of Finance and Operations

TOWN OF WESTERLY, RHODE ISLAND

LIST OF PRINCIPAL OFFICIALS

FISCAL YEAR ENDED JUNE 30, 2021

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

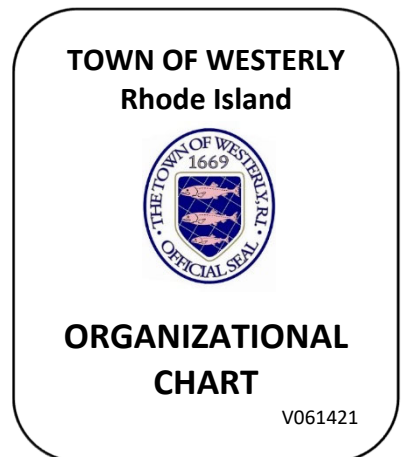
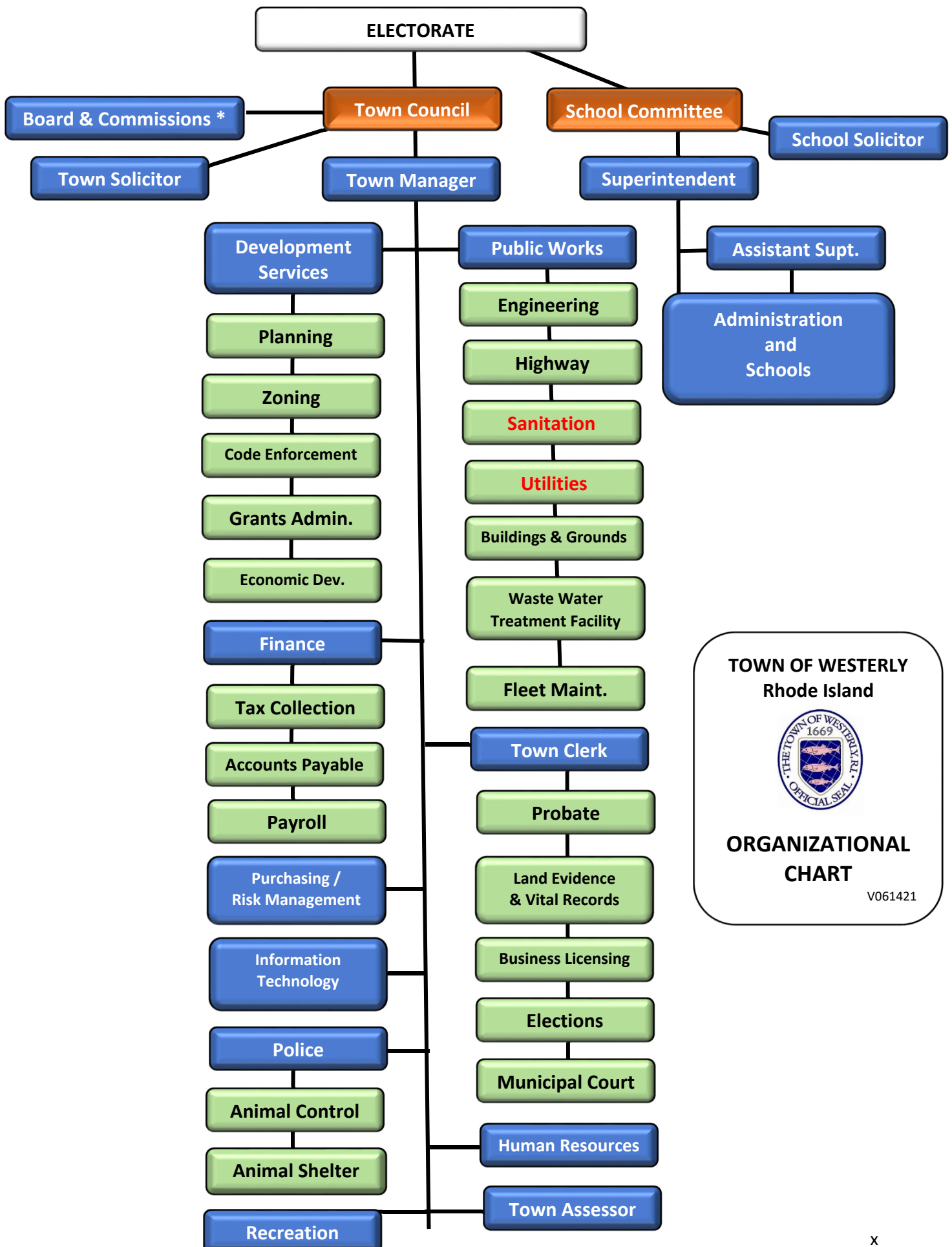
School Superintendent: Mark Garceau, Ed.D.

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

School Director of Finance and Operations: Cindy Kirchhoff

Police Chief: Shawn Lacey

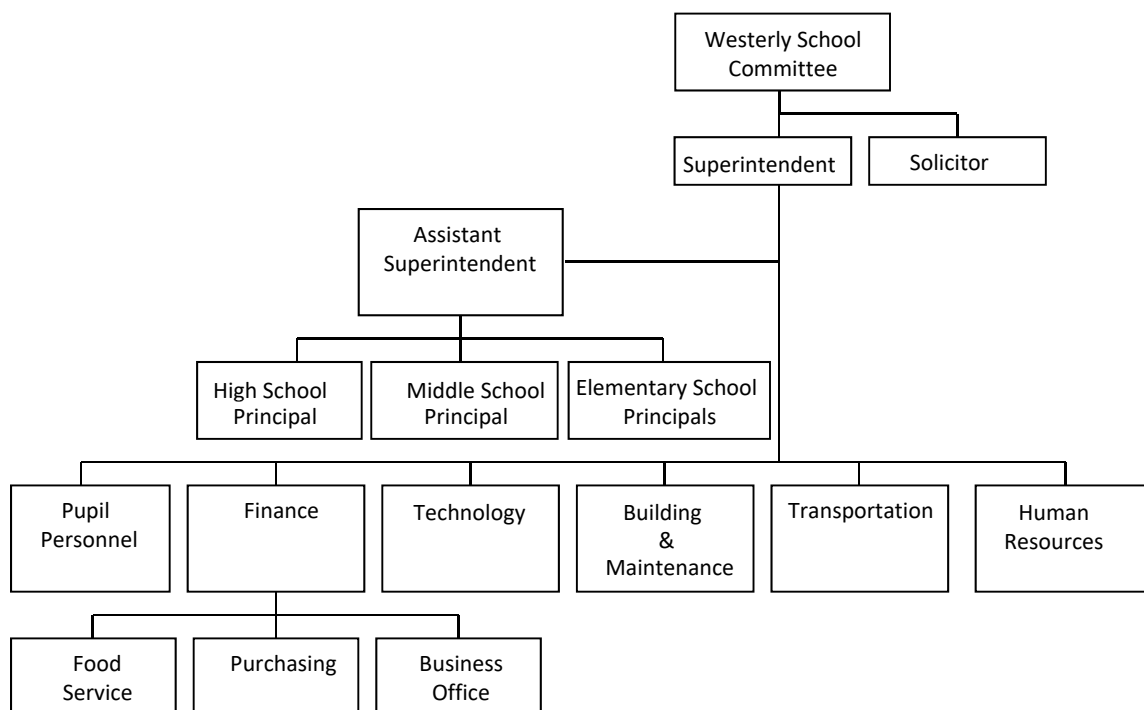
Town Clerk: Donna L. Giordano, MMC



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 Kirchhoff

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

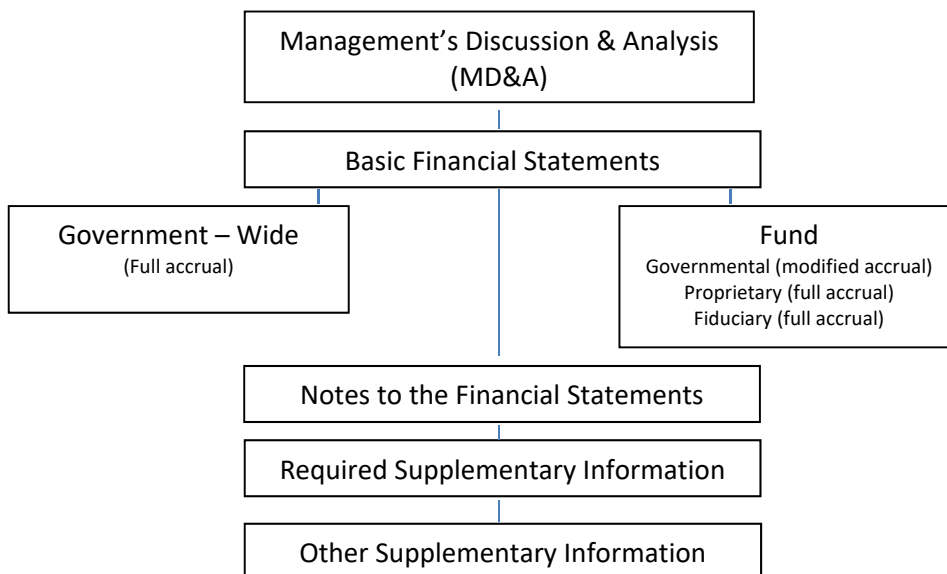
As management of the Town of Westerly, we offer readers of the Town’s financial statements this narrative overview and analysis of the Town’s financial activities for the fiscal year ended June 30, 2021. We encourage the readers to consider the information presented here in conjunction with the letter 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
Increase in Net Position	\$ 18,655,689		\$ 1,422,269		\$ 20,077,958	

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.

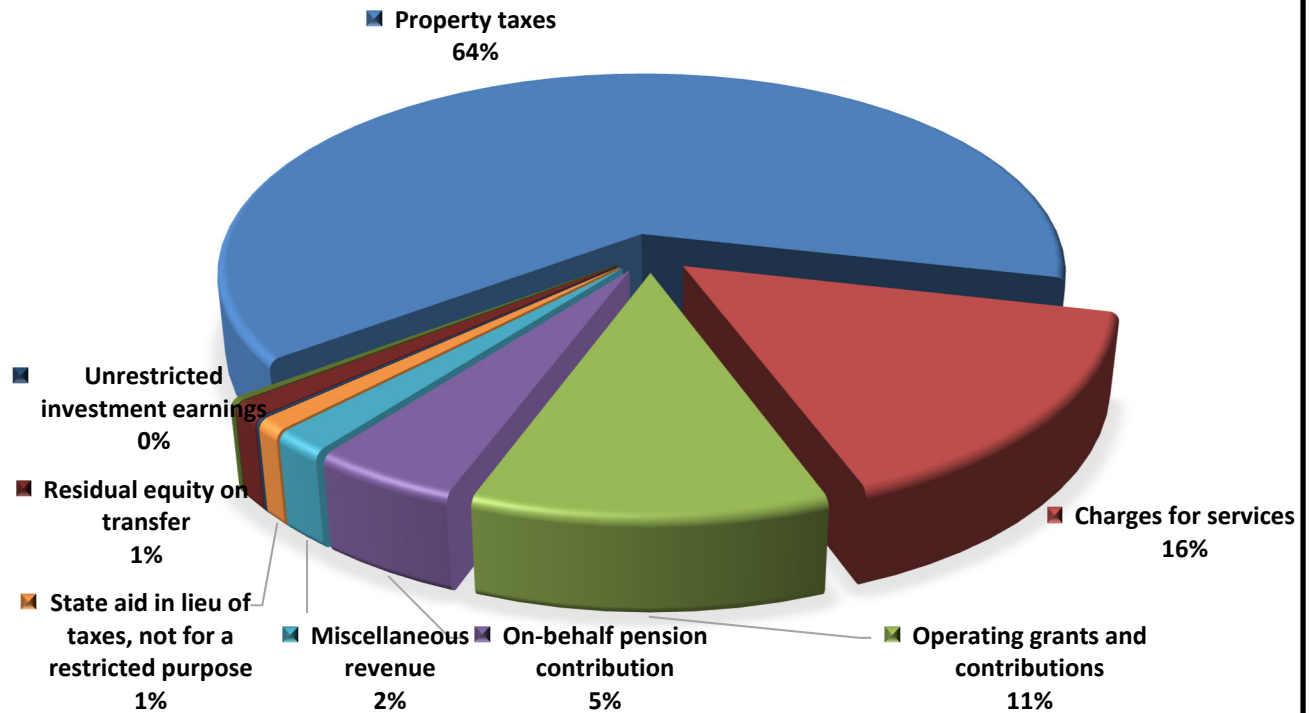
The Town's net position increased by \$20,077,958 during the current fiscal year. Of this amount, governmental activities accounted for \$18,655,689 of the increase, while business-type activities increased by \$1,422,269.

Governmental Activities

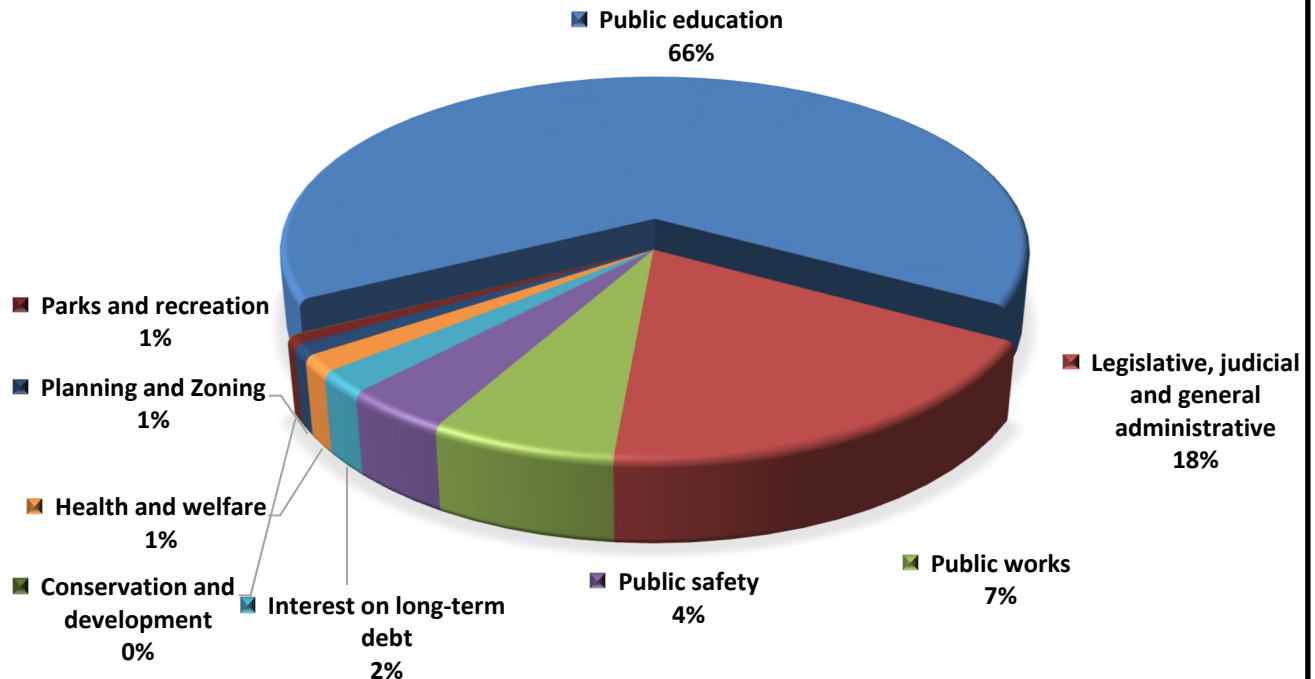
Governmental activities increased the Town's net position by \$20,077,959.

	Government Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues						
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
General revenues:						
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
Total revenues	\$ 121,356,214	\$ 114,092,240	\$ 11,992,046	\$ 11,787,696	\$ 133,348,260	\$ 125,879,936
Expenses:						
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
Change in net position before transfers	\$ 19,427,533	\$ 9,767,500	\$ 650,425	\$ (121,213)	\$ 20,077,958	\$ 9,646,287
Transfers	(771,844)	(964,911)	771,844	964,911	-	-
Change in net position	\$ 18,655,689	\$ 8,802,589	\$ 1,422,269	\$ 843,698	\$ 20,077,958	\$ 9,646,287
Net Position at Beginning of Year, as Restated	58,794,395	49,755,360	44,582,061	43,738,363	103,376,456	93,493,723
Net Position at End of Year	\$ 77,450,084	\$ 58,557,949	\$ 46,004,330	\$ 44,582,061	\$ 123,454,414	\$ 103,140,010

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 Activities	Business-type Activities	Total
Assets			
Current Assets			
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
Total Current Assets	43,153,875	12,535,234	55,689,109
Noncurrent Assets			
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
Total Noncurrent Assets	186,507,780	40,677,093	227,184,873
Total Assets	229,661,655	53,212,327	282,873,982
Deferred Outflows of Resources			
Deferred charge on refunding bonds	1,508,980	--	1,508,980
Pension - related	11,826,685	--	11,826,685
Total Deferred Outflows of Resources	13,335,665	--	13,335,665
Liabilities			
Current Liabilities			
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
Total Current Liabilities	16,053,607	2,301,209	18,354,816
Noncurrent Liabilities			
Other noncurrent liabilities	--	1,252,610	1,252,610
Long-term liabilities	125,287,135	3,654,178	128,941,313
Total Noncurrent Liabilities	125,287,135	4,906,788	130,193,923
Total Liabilities	141,340,742	7,207,997	148,548,739
Deferred Inflows of Resources			
Unavailable revenues	586,479	--	586,479
Pension - related	23,620,015	--	23,620,015
Total Deferred Inflows of Resources	24,206,494	--	24,206,494
Net Position			
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)
Total Net Position	\$ 77,450,084	\$ 46,004,330	\$ 123,454,414

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

TOWN OF WESTERLY, RHODE ISLAND

II

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 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
Governmental Activities:							
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)
Total Governmental Activities	<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>
Business-Type Activity:							
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)
Total Business-Type Activity	<u>11,341,621</u>	<u>11,931,795</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>590,174</u>	<u>590,174</u>
Total Primary Government	<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>
General Revenues:							
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	--
Total General Revenues					<u>87,340,392</u>	<u>832,095</u>	<u>88,172,487</u>
Change in Net Position					18,655,689	1,422,269	20,077,958
Net Position - Beginning of Year, as restated					<u>58,794,395</u>	<u>44,582,061</u>	<u>103,376,456</u>
Net Position - End of Year					<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

TOWN OF WESTERLY, RHODE ISLAND

III

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	School Restricted Fund	\$15,000,000 Bond Fund	Other Non-Major Governmental Funds	Total Governmental Funds
Assets					
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
Total Assets	<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>
Liabilities, Deferred Inflows and Fund Balances					
Liabilities					
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
Total Liabilities	<u>11,002,033</u>	<u>1,993,222</u>	<u>2,311,413</u>	<u>885,759</u>	<u>16,192,427</u>
Deferred Inflows of Resources					
Unavailable revenue - property taxes	<u>1,151,096</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,151,096</u>
Total Deferred Inflows of Resources	<u>1,151,096</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,151,096</u>
Fund Balances					
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	<u>14,865,230</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>14,865,230</u>
Total Fund Balances	<u>21,515,601</u>	<u>501,711</u>	<u>4,664,828</u>	<u>5,963,043</u>	<u>32,645,183</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<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:

Total Fund Balance (III)	\$ 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.	<u>4,810,404</u>
Total Net Position (I)	<u>\$ 77,450,084</u>

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 Fund	School Restricted Fund	\$15,000,000 Bond Fund	Other Non-Major Governmental Funds	Total Governmental Funds
Revenues					
General property taxes and payments in lieu of taxes	\$ 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
Total Revenues	<u>100,320,657</u>	<u>3,765,611</u>	<u>--</u>	<u>1,424,430</u>	<u>105,510,698</u>
Expenditures					
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
Total Expenditures	<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>
Excess of Revenues Over (Under) Expenditures					
Before Other Financing Sources (Uses)	<u>6,864,292</u>	<u>(1,238,255)</u>	<u>(4,308,544)</u>	<u>(1,158,175)</u>	<u>159,318</u>
Other Financing Sources (Uses)					
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
Total Other Financing Sources (Uses)	<u>(3,212,994)</u>	<u>1,305,279</u>	<u>--</u>	<u>3,941,169</u>	<u>2,033,454</u>
Net Change in Fund Balances	3,651,298	67,024	(4,308,544)	2,782,994	2,192,772
Fund Balances - Beginning of Year, as restated	<u>17,864,303</u>	<u>434,687</u>	<u>8,973,372</u>	<u>3,180,049</u>	<u>30,452,411</u>
Fund Balances - End of Year	<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

Net Change in Fund Balances - Total Governmental Funds (IV)	\$ 2,192,772
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. The capital outlays are as follows:	
Capital asset additions	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, 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 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>
Change in Net Position of Governmental Activities (II)	<u>\$ 18,655,689</u>

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

TOWN OF WESTERLY, RHODE ISLAND

V

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water Fund	Sewer Fund	Transfer Station Fund	Other Non-Major Enterprise Fund	Total Enterprise Funds	Internal Service Fund
Assets						
Current Assets						
Cash and cash equivalents	\$ 3,222,323	\$ 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
Total Current Assets	<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>
Noncurrent Assets						
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>
Total Noncurrent Assets	<u>21,713,478</u>	<u>17,778,305</u>	<u>1,185,310</u>	<u>--</u>	<u>40,677,093</u>	<u>--</u>
Total Assets	<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>
Liabilities						
Current Liabilities						
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>
Total Current Liabilities	<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>
Noncurrent Liabilities						
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>
Total Noncurrent Liabilities	<u>1,944,157</u>	<u>2,770,519</u>	<u>192,112</u>	<u>--</u>	<u>4,906,788</u>	<u>--</u>
Total Liabilities	<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>
Net Position						
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>
Total Net Position	<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 Enterprise Funds				Governmental Activities	
	Water Fund	Sewer Fund	Transfer Station Fund	Other Non-Major Enterprise Fund	Total Enterprise Funds	Internal Service Fund
Operating Revenues						
User fees and rental income	\$ 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	--
Total Operating Revenues	<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>
Operating Expenses						
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	--
Total Operating Expenses	<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>
Income from Operations	<u>676,457</u>	<u>1,166,940</u>	<u>256,484</u>	<u>--</u>	<u>2,099,881</u>	<u>710,439</u>
Non-Operating Revenues (Expenses)						
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	--
Total Non-Operating Revenues (Expenses)	<u>(68,397)</u>	<u>(30,527)</u>	<u>131,019</u>	<u>(1,481,551)</u>	<u>(1,449,456)</u>	<u>--</u>
Transfers						
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)	--
Total Transfers	<u>--</u>	<u>414,712</u>	<u>488,571</u>	<u>(131,439)</u>	<u>771,844</u>	<u>--</u>
Change in Net Position	608,060	1,551,125	876,074	(1,612,990)	1,422,269	710,439
Net Position - Beginning of Year	<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>
Net Position - End of Year	<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

VII

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

	Business-Type Activities Enterprise Funds					Governmental Activities
	Water Fund	Sewer Fund	Transfer Station Fund	Other Non-Major Enterprise Fund	Total	Internal Service Fund
Cash Flows from Operating Activities						
Cash received from customers	\$ 4,831,586	\$ 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)
Net Cash (Used in) Provided by Operating Activities	<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>
Cash Flows from Non-Capital Financing Activities						
Transfers from (to) other funds	--	414,712	488,571	(131,439)	771,844	--
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>--</u>	<u>414,712</u>	<u>488,571</u>	<u>(131,439)</u>	<u>771,844</u>	<u>--</u>
Cash Flows from Capital and Related Financing Activities						
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)	--
Net Cash (Used in) Provided by Capital and Related Financing Activities	<u>(1,281,466)</u>	<u>(1,064,867)</u>	<u>95,501</u>	<u>--</u>	<u>(2,250,832)</u>	<u>--</u>
Cash Flows from Investing Activities						
Investment income	871	--	--	--	871	--
Net Cash Provided by Investing Activities	<u>871</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>871</u>	<u>--</u>
Net (Decrease) Increase in Cash and Cash Equivalents	<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>
Cash and Cash Equivalents - Beginning of Year	<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>
Cash and Cash Equivalents - End of Year	<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	--
Total Cash and Cash Equivalents, Per Statement of Net Position	<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 Enterprise Funds					Governmental Activities
	Water Fund	Sewer Fund	Transfer Station Fund	Other Non-Major Enterprise Fund	Total Enterprise Funds	Internal Service Fund
Reconciliation of Operating Income to Net Cash Provided by Operating Activities						
Operating income	\$ 676,457	\$ 1,166,940	\$ 256,484	\$ --	\$ 2,099,881	\$ 710,439
Adjustments to Reconcile Operating Income to Net Cash (Used in) Provided by Operating Activities						
Depreciation and amortization	471,918	619,072	182,456	--	1,273,446	--
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable 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 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	--
Total Adjustments	<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>
Net Cash (Used in) Provided by Operating Activities	<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 Benefit Trust Fund	Other Employee Benefit Trust Fund	Custodial Funds	Private Purpose Trust Funds
Assets				
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	--	--
Total Assets	<u>\$ 50,247,208</u>	<u>\$ 8,004,088</u>	<u>\$ 50,266</u>	<u>\$ 219,991</u>
Liabilities				
Other payable	\$ --	\$ 218,868	\$ 2,479	\$ 16,031
Total Liabilities	<u>--</u>	<u>218,868</u>	<u>2,479</u>	<u>16,031</u>
Net Position				
Net position restricted for employee benefits, individuals, and other	<u>50,247,208</u>	<u>7,785,220</u>	<u>47,787</u>	<u>203,960</u>
Total Liabilities and Net Position	<u>\$ 50,247,208</u>	<u>\$ 8,004,088</u>	<u>\$ 50,266</u>	<u>\$ 219,991</u>

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

TOWN OF WESTERLY, RHODE ISLAND

IX

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 Bonds	U.S. Government Agencies	Certificate of 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	10,208,551	10,208,551	--	--
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 Restricted Fund	Water	Sewer	Transfer Station	Nonmajor and Other 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

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:

Payable Fund	Amount
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>

Receivable Fund	Amount
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

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 Other Funds	Transfers To 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
	<u>\$ 5,542,429</u>	<u>\$ 5,542,429</u>

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending 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	<u>103,258,439</u>	<u>--</u>	<u>--</u>	<u>5,159,207</u>	<u>108,417,646</u>
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	<u>31,962,322</u>	<u>1,485,658</u>	<u>--</u>	<u>--</u>	<u>33,447,980</u>
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

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><u>\$ 6,745,439</u></u>

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 7 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 5,931,635	\$ --	\$ --	\$ --	\$ 5,931,635
Construction in progress	<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

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	155,577
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:

Project	Project Authorization	Expenditures to June 30, 2021
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 Fund	School Restricted Fund	\$15.0 Million Bond Fund	Nonmajor Governmental 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	14,865,230	--	--	--	14,865,230
Total Fund Balances	<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 Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities					
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>
Business Type Activities					
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
Governmental Activities					
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
Total General Obligation Bonds				<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	--
Total Loans				<u>29,996,000</u>	<u>9,351,000</u>
Total Governmental activities				<u>112,566,000</u>	<u>66,205,000</u>
Business Type Activities					
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
Total loans payable				<u>11,638,300</u>	<u>1,752,300</u>
Total Outstanding				<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				
	Bonds		Loans	Loan	
	Principal	Interest	Principal	Interest	Total
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

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 Activities	Business 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	<u>\$ 2,100,365</u>	<u>\$ 2,187,728</u>

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

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 of Resources	Deferred Inflows of 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>
	<u>\$ 11,826,685</u>	<u>\$ (23,620,015)</u>

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

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

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 of Resources	Deferred Inflows of 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)
Total	<u>\$ 7,493,952</u>	<u>\$ (6,534,541)</u>

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)
Total	<u>\$ (2,908,561)</u>

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

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 Target Asset Allocation	Long-Term Expected Arithmetic 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	<u>100.00%</u>	

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)

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

Discount Rate

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

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability	\$ 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

NOTE 10 - PENSION PLANS (CONTINUED)

MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (MERS) – DEFINED BENEFIT

General Information about the Pension Plan

Plan Description

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

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

Benefits Provided

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

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

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

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

TOWN OF WESTERLY, RHODE ISLAND

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

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

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)

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)	
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 Target Asset Allocation	Long-Term Expected Arithmetic 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 Pension Liability	Plan Fiduciary Net Position	Net Pension 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 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% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (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 Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date:	\$ 181,261	\$ --
Net difference between projected and actual earnings on pension plan investments:	\$ 14,580	\$ (6,184)
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

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 Outflows (Inflows) 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

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

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 Outflows of Resources	Deferred Inflows of 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	<u>442,212</u>	<u>--</u>
Total	<u>\$ 1,715,743</u>	<u>\$ (1,667,173)</u>

\$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	<u>(187,321)</u>
Total	<u>\$ 14,308</u>

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)

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 Target Asset Allocation	Long-Term Expected Arithmetic 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	<u>100.00%</u>	

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)

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

Discount Rate

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

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension 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

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

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

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Schedule of Plan Net Position

	Police Pension Trust	OPEB 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 Trust	OPEB Trust	Total
Additions:			
Contributions			
Employer	\$ 1,786,470	\$ 1,258,061	\$ 3,044,531
Plan members	504,550	--	504,550
Total Contributions	<u>2,291,020</u>	<u>1,258,061</u>	<u>3,549,081</u>
Net investment income:			
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>
Total Additions	<u>13,229,442</u>	<u>2,548,936</u>	<u>15,778,378</u>
Deductions:			
Benefits	2,565,862	--	2,565,862
Police retiree health care	--	854,489	854,489
Administration expense	73,166	52,135	125,301
Total Deductions	<u>2,639,028</u>	<u>906,624</u>	<u>3,545,652</u>
Changes in Net Position	10,590,414	1,642,312	12,232,726
Net Position at Beginning of Year	<u>39,656,794</u>	<u>6,142,908</u>	<u>45,799,702</u>
Net Position at End of Year	<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)

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 Allocation
Equity	70.00%
Fixed Income	29.00%
Cash	1.00%
Total	100.00%

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

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 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:

Asset Class	Long-Term Expected Real Rate of Return
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 Liability	Plan Fiduciary Net Position	Net Pension 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

NOTE 10 - PENSION PLANS (CONTINUED)

POLICE PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Net Pension Liability	\$ 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 Outflows of Resources	Deferred Inflows of 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 on pension plan investments:	<u>620,764</u>	<u>(6,696,472)</u>
Total	<u>\$ 2,131,071</u>	<u>\$ (7,231,712)</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)

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 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

NOTE 10 - PENSION PLANS (CONTINUED)

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

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

Eligibility

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

Benefits

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

Funding Policy

The contribution requirements of the Town and employees are established by contract and may be amended by union negotiation. 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

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	47
Total	<u>102</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

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:

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

Total OPEB Liability

The Town's total OPEB liability of \$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

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:

Actuarial Valuation Date:	June 30, 2021, with no adjustments to get to the June 30, 2021 measurement date. Liabilities as of July 1, 2020 are based on an actuarial valuation date of June 30, 2019 projected to July 1, 2020, on a “no loss / no gain” basis.
Discount Rate:	7.00%
Payroll Growth:	2.00% per year for general wage inflation plus merit/productivity increases ranging between 2.25% - 13.00% over 0-15 years of service.
Inflation Rate:	2.00% per year
Cost Method:	Entry Age Normal Level % Salary
Health Care Trend Rates:	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 Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2020	\$ 18,719,415	\$ 6,142,908	\$ 12,576,507
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 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	(655,466)	1,642,312	(2,297,778)
Balance at June 30, 2021	\$ 18,063,949	\$ 7,785,220	\$ 10,278,729

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Total OPEB liability	\$ 12,288,026	\$ 10,278,729	\$ 8,440,866

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 (7.0% Decreasing to 3.5%)	Current Health Care Trend Rates (8.0% Decreasing to 4.5%)	1% Increase (9.0% Decreasing 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 Outflows of Resources	Deferred Inflows 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)
Total	<u>\$ 290,075</u>	<u>\$ (8,180,405)</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)

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:

<u>Year Ended June 30,</u>	
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

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

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 abated during the Fiscal Year	Amount of Taxes Abated during the 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

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 Authorization	Bonds Issued	BANs Outstanding	Remaining Authority
Public Law 14	1988	Sewer	\$ 943,000	\$ 940,000	\$ --	\$ 3,000
RI General Laws 45-12-2	2003	Open Space	4,000,000	2,900,000	--	1,100,000
RI General Laws 15-11-6	2008	High School	<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

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 Budget	Revised Budget	Actual	Variance
Revenues				
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>
Total Revenues	<u>93,546,520</u>	<u>93,546,520</u>	<u>96,358,992</u>	<u>2,812,472</u>
Expenditures				
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>
Total Expenditures	<u>35,457,175</u>	<u>35,457,175</u>	<u>32,585,642</u>	<u>2,871,533</u>
Excess of Revenues Over Expenditures				
Before Other Financing Sources	<u>58,089,345</u>	<u>58,089,345</u>	<u>63,773,350</u>	<u>5,684,005</u>
Other Financing Sources (Uses)				
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>
Net Other Financing Sources	<u>(58,089,345)</u>	<u>(58,089,345)</u>	<u>(59,660,914)</u>	<u>(1,571,569)</u>
Excess of Revenues Over Expenditures and Other Financing Sources	<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 Budgeted Revenues	Revised Budgeted Revenues	Actual Revenues	Variance
Property Taxes				
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	300,000	300,000	390,186	90,186
Total Property Taxes	<u>74,854,603</u>	<u>74,854,603</u>	<u>76,154,156</u>	<u>1,299,553</u>
Intergovernmental and Departmental				
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)	--	--	2,194,608	2,194,608
Total Intergovernmental and Departmental	<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
Total Revenues	<u>93,546,520</u>	<u>93,546,520</u>	<u>96,358,992</u>	<u>2,812,472</u>
Transfers in	--	--	184,797	184,797
Total Revenue and Other Financing Sources	<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 Budgeted Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Legislative, Judicial and General Administrative				
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	3,247,792	3,247,792	3,243,482	4,310
Total Legislative, Judicial and General Administrative	<u>6,728,797</u>	<u>6,658,532</u>	<u>6,634,588</u>	<u>23,944</u>
Public Works				
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	238,789	224,878	165,587	59,291
Total Public Works	<u>5,136,751</u>	<u>5,120,791</u>	<u>4,683,676</u>	<u>437,115</u>
Public Safety				
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	10,700	10,700	12,261	(1,561)
Total Public Safety	<u>8,331,270</u>	<u>8,348,824</u>	<u>8,059,481</u>	<u>289,343</u>
Health and Welfare				
Subsidies	1,278,084	1,278,084	1,259,795	18,289
Conservation and Development				
Conservation commission	19,500	19,500	11,255	8,245
Municipal land trust	10,000	10,000	1,208	8,792
Total Conservation and Development	<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 Budget Expenditures	Revised Budgeted Expenditures	Actual Expenditures	Variance
Parks and Recreation				
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>
Total Parks and Recreation	<u>755,817</u>	<u>752,287</u>	<u>631,817</u>	<u>120,470</u>
Planning and Zoning				
Planning and zoning/codes/grants	<u>1,053,194</u>	<u>1,087,767</u>	<u>1,028,682</u>	<u>59,085</u>
Capital Improvements/Restricted Programs				
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>
Total Capital Improvements/Restricted Programs	<u>2,101,200</u>	<u>2,138,828</u>	<u>436,921</u>	<u>1,701,907</u>
Debt Service				
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>
Total Debt Service	<u>10,042,562</u>	<u>10,042,562</u>	<u>9,838,219</u>	<u>204,343</u>
Education	<u>56,758,062</u>	<u>56,758,062</u>	<u>56,709,343</u>	<u>48,719</u>
Total Expenditures	<u>92,215,237</u>	<u>92,215,237</u>	<u>89,294,985</u>	<u>2,920,252</u>
Transfers to Other Funds				
Transfers out	<u>1,331,283</u>	<u>1,331,283</u>	<u>3,136,368</u>	<u>(1,805,085)</u>
Total Expenditures and Other Financing Uses	<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 Budget	Revised Budget	Actual	Variance
Revenues				
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)
Total Revenues	<u>58,046,629</u>	<u>58,097,269</u>	<u>59,218,861</u>	<u>1,121,592</u>
Expenditures				
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
Total Expenditures	<u>58,046,629</u>	<u>58,097,269</u>	<u>56,636,141</u>	<u>1,461,128</u>
Excess of Expenditures Over Revenues				
Before Other Financing Sources	<u>--</u>	<u>--</u>	<u>2,582,720</u>	<u>2,582,720</u>
Other Financing Sources				
Transfer in	--	--	80,467	80,467
Transfer out	<u>--</u>	<u>--</u>	<u>(1,385,694)</u>	<u>(1,385,694)</u>
Total Other Financing Sources	<u>--</u>	<u>--</u>	<u>(1,305,227)</u>	<u>(1,305,227)</u>
Excess Revenues and Other Sources Over				
(Under) Expenditures and Other Sources	<u>--</u>	<u>--</u>	<u>1,277,493</u>	<u>1,277,493</u>
Excess Revenues and Other Sources Over				
(Under) Expenditure and Other Sources				
After Consent Order Transfer from				
General Fund for Deficit Reduction	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,277,493</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	30,686,130	31,847,458	32,657,454	33,211,810	30,877,067	28,794,557	26,650,367
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

RSI-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
Total Pension Liability							
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)	<u>\$ 660,647</u>	<u>\$ 870,172</u>	<u>\$ 913,081</u>	<u>\$ 935,076</u>	<u>\$ 913,458</u>	<u>\$ 930,441</u>	<u>\$ 871,468</u>
Plan Fiduciary Net Position							
Contributions – employer	\$ 181,261	\$ 181,261	\$ --	\$ 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)	<u>\$ 660,404</u>	<u>\$ 567,456</u>	<u>\$ 480,224</u>	<u>\$ 582,242</u>	<u>\$ 304,165</u>	<u>\$ 268,845</u>	<u>\$ 223,229</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 243</u>	<u>\$ 302,716</u>	<u>\$ 432,857</u>	<u>\$ 352,834</u>	<u>\$ 609,293</u>	<u>\$ 661,596</u>	<u>\$ 648,239</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	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
Total Pension Liability							
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)	<u>\$ 57,591,879</u>	<u>\$ 55,617,795</u>	<u>\$ 51,835,111</u>	<u>\$ 49,881,156</u>	<u>\$ 46,752,164</u>	<u>\$ 44,419,188</u>	<u>\$ 43,094,832</u>
Plan Fiduciary Net Position							
Contributions – employer	\$ 1,786,470	\$ 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)	<u>\$ 50,247,208</u>	<u>\$ 39,656,794</u>	<u>\$ 38,247,039</u>	<u>\$ 35,568,335</u>	<u>\$ 32,601,961</u>	<u>\$ 29,259,450</u>	<u>\$ 29,062,295</u>
Net pension liability - ending (a) - (b)	<u>\$ 7,344,671</u>	<u>\$ 15,961,001</u>	<u>\$ 13,588,072</u>	<u>\$ 14,312,821</u>	<u>\$ 14,150,203</u>	<u>\$ 15,159,738</u>	<u>\$ 14,032,537</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.25%	71.30%	73.79%	71.31%	69.73%	65.87%	67.44%
Covered Employee Payroll	\$ 3,975,573	\$ 3,768,316	\$ 3,866,804	\$ 3,665,217	\$ 4,077,370	\$ 4,077,370	\$ 3,802,837
Net Pension Liability as a Percentage of Covered-Employee Payroll	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

	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 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
Total OPEB Liability:					
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	<u>\$ 10,278,729</u>	<u>\$ 12,576,769</u>	<u>\$ 12,519,002</u>	<u>\$ 22,714,557</u>	<u>\$ 27,948,460</u>
Plan fiduciary net position as a percentage of the total OPEB liability	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**

	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

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

(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		2,606,081

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>	\$	101,201,725
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Total Expenditures and Other Financing Uses	\$	92,431,353
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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		(428,000)

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - <i>Exhibit IV</i>	\$	97,550,427
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TOWN OF WESTERLY, RHODE ISLAND

RSI-17

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 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	-	-
Total Revenue	\$ 88,226,198	\$ 62,398,869
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	272,469	50,640
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ 272,469	\$ 50,640

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

EXPENDITURES	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police 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	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 3,161,044	\$ 1,350,916	\$ 224,438	\$ 683,389	\$ 1,110,196	\$ 722,643	\$ 4,467,231	\$ 807,066	\$ 9,467,623

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

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ -	\$ -	\$ 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	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ 407,884	\$ 48,459,463	\$ 9,790,219	\$ 1,258,061	\$ 81,910,172	\$ 62,608,412

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	-	-
Total Other Financing Uses	\$ 2,715,279	\$ -
Net Change in Fund Balance¹	3,873,216	(158,903)
Fund Balance1- beginning of year	\$12,981,111	\$5,379,146
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	54,222	-
Prior period adjustments	-	232,552
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	13,035,333	5,611,698
Rounding	-	-
Fund Balance¹ - end of year	\$ 16,908,549	\$ 5,452,795

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

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

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2020						\$ 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>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<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	-	-	-	-	-	-
Totals per audited financial statements	<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>
<u>Reconciliation from financial statements to MTP2</u>									
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	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<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>

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

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

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2020						\$ 5,379,146	232,552	\$ 5,611,698	
<i>No miscellaneous adjustments</i>						-		-	
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<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
Totals per audited financial statements	<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>
<u>Reconciliation from financial statements to MTP2</u>									
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	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<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>
<u>Reconciliation from MTP2 to UCOA</u>									
Miscellaneous variance between MTP2 & UCOA	\$ 1	\$ -	\$ (6)						
Transfer from town capital	50,640	(50,640)	-						
Totals per UCOA Validated Totals Report - Dated 12/24/21	<u>\$ 62,449,510</u>	<u>\$ -</u>	<u>\$ 62,608,406</u>						

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

TOWN OF WESTERLY, RHODE ISLAND

A-2

NOTES TO OTHER SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 - BASIS OF PRESENTATION

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

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

NOTE 2 - REPORTABLE GOVERNMENT SERVICES

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

NOTE 3 - ALLOCATIONS

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

NOTE 4 - EMPLOYEE GROUPS

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

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

NOTES TO OTHER SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 4 - EMPLOYEE GROUPS (CONTINUED)

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

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

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

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

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

NOTE 5 - EDUCATION REVENUE AND EXPENDITURES

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

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

TOWN OF WESTERLY, RHODE ISLAND

B-1

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

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Assets			
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
Total Assets	<u>\$ 3,240,341</u>	<u>\$ 3,608,461</u>	<u>\$ 6,848,802</u>
Liabilities			
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
Total Liabilities	<u>769,993</u>	<u>115,766</u>	<u>885,759</u>
Fund Balance			
Restricted	2,465,618	--	2,465,618
Committed	4,730	3,492,695	3,497,425
Total Fund Balance	<u>2,470,348</u>	<u>3,492,695</u>	<u>5,963,043</u>
Total Liabilities and Fund Balance	<u>\$ 3,240,341</u>	<u>\$ 3,608,461</u>	<u>\$ 6,848,802</u>

TOWN OF WESTERLY, RHODE ISLAND

B-2

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

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
Revenues			
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
Total Revenues	<u>1,055,819</u>	<u>368,611</u>	<u>1,424,430</u>
Expenditures			
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
Total Expenditures	<u>1,313,139</u>	<u>1,269,466</u>	<u>2,582,605</u>
Excess (Deficiency) of Revenues Over (Under)			
Expenditures Before Other Financing Sources (Uses)	<u>(257,320)</u>	<u>(900,855)</u>	<u>(1,158,175)</u>
Other Financing Sources (Uses)			
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
Total Other Financing Sources (Uses)	<u>2,274,907</u>	<u>1,666,262</u>	<u>3,941,169</u>
Net Change in Fund Balances	<u>2,017,587</u>	<u>765,407</u>	<u>2,782,994</u>
Fund Balances - Beginning of Year, as restated	<u>452,761</u>	<u>2,727,288</u>	<u>3,180,049</u>
Fund Balances - End of Year	<u>\$ 2,470,348</u>	<u>\$ 3,492,695</u>	<u>\$ 5,963,043</u>

TOWN OF WESTERLY, RHODE ISLAND

B-3

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

	School Lunch Fund	Neuter Surcharge Fund	Town Clerks Fund	Civil Defense Fund	Conservation Grants (NOAA)	Miscellaneous Grants	Take it Outside
Assets							
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	--	--	--	--	--	--
Total Assets	<u>\$ 411,098</u>	<u>\$ 3,521</u>	<u>\$ 106,939</u>	<u>\$ 54,598</u>	<u>\$ 35,254</u>	<u>\$ --</u>	<u>\$ --</u>
Liabilities and Fund Balance							
Liabilities							
Accounts payable	\$ 83,146	\$ --	\$ 488	\$ 350	\$ 35,254	\$ --	\$ --
Due to other funds	327,952	--	--	--	--	--	--
Deferred revenue	--	--	--	--	--	--	--
Total Liabilities	<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	--	--	--	--	--	--	--
Total Fund Balance	<u>--</u>	<u>3,521</u>	<u>106,451</u>	<u>54,248</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balance	<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 Dredging Grant Match	RIIB Bond 2011 Refunding	CDBG 2016	Solar Recycling Units	Highway Safety Grant	Storms	Substance Abuse 132
Assets							
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	--	--	--	--	--	--	--
Total Assets	<u>\$ 112,569</u>	<u>\$ 2,003,150</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 170</u>	<u>\$ 111,545</u>	<u>\$ 7,336</u>
Liabilities and Fund Balance							
Liabilities							
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--	170	111,545	--
Deferred revenue	--	--	--	--	--	--	--
Total Liabilities	<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	--	--	--	--	--	--	--
Total Fund Balance	<u>112,569</u>	<u>2,003,150</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>7,336</u>
Total Liabilities and Fund Balance	<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

B-3

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

	Working Cities Grant	Federal Forfeiture	CDBG PY19 MicroE	Substance Abuse Grant	FEMA Public Assistance COVID19	Pumpout Boat	EMA Grant
Assets							
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	--	--	--	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 366,870</u>	<u>\$ 600</u>	<u>\$ 4,520</u>	<u>\$ --</u>	<u>\$ 8,554</u>	<u>\$ 5,625</u>
Liabilities and Fund Balance							
Liabilities							
Accounts payable	\$ --	\$ --	\$ 600	\$ --	\$ --	\$ 1,171	\$ 417
Due to other funds	--	181,053	--	--	--	7,383	5,208
Deferred revenue	--	8,575	--	4,520	--	--	--
Total Liabilities	<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	--	--	--	--	--	--	--
Total Fund Balance	<u>--</u>	<u>177,242</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Liabilities and Fund Balance	<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

B-3

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

	Permanent Neighbor Fund	Honor Roll Fund	Class of 1886	Police Misc Grants	Total Special Revenue Funds
Assets					
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
Total Assets	<u>\$ 1,732</u>	<u>\$ 1,313</u>	<u>\$ 1,799</u>	<u>\$ 3,148</u>	<u>\$ 3,240,341</u>
Liabilities and Fund Balance					
Liabilities					
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ 121,426
Due to other funds	114	--	--	--	633,425
Deferred revenue	--	--	--	2,047	15,142
Total Liabilities	<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
Total Fund Balance	<u>1,618</u>	<u>1,313</u>	<u>1,799</u>	<u>1,101</u>	<u>2,470,348</u>
Total Liabilities and Fund Balance	<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

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**

	School Lunch Fund	Neuter Surcharge Fund	Town Clerks Fund	Civil Defense Fund	Conservation Grants (NOAA)	Miscellaneous Grants	Take it Outside
Revenues							
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	--	--
Total Revenues	<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>
Expenditures							
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	--	--	--	--	--	--	--
Total Expenditures	<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>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	<u>(50,588)</u>	<u>536</u>	<u>28,008</u>	<u>26</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Sources (Uses)							
Transfers from other funds	50,588	--	--	--	--	--	--
Transfers to other funds	--	--	--	--	--	--	--
Payment to refunding bond escrow agent	--	--	--	--	--	--	--
Bond premium	--	--	--	--	--	--	--
Bond proceeds	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>50,588</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>--</u>	<u>536</u>	<u>28,008</u>	<u>26</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - Beginning of Year, as restated	<u>--</u>	<u>2,985</u>	<u>78,443</u>	<u>54,222</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - End of Year	<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

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

	RIIB Bond Dredging Grant Match	RIIB Bond 2011 Refunding	CDBG 2016	Solar Recycling Units	Highway Safety Grant	Storms	Substance Abuse 132
Revenues							
Intergovernmental	\$ --	\$ --	\$ 407	\$ --	\$ 88,025	\$ 46,446	\$ --
Charges for services	--	--	--	--	--	--	--
Investment Income	--	--	--	--	--	--	--
Capital grants and contributions	--	--	--	3,110	--	--	--
Total Revenues	--	--	407	3,110	88,025	46,446	--
Expenditures							
Current:							
Legislative, executive and administrative	--	--	--	--	--	--	--
Public safety	--	--	--	--	88,025	--	--
Health and welfare	--	--	407	3,110	--	--	--
Conservation and development	--	--	--	--	--	--	--
Education	--	--	--	--	--	--	--
Debt service	--	186,344	--	--	--	--	--
Total Expenditures	--	186,344	407	3,110	88,025	--	--
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	--	(186,344)	--	--	--	46,446	--
Other Financing Sources (Uses)							
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	--	--	--	--	--
Total Other Financing Sources (Uses)	(6,911)	2,189,494	--	--	--	(46,446)	--
Net Change in Fund Balances	(6,911)	2,003,150	--	--	--	--	--
Fund Balances - Beginning of Year, as restated	119,480	--	--	--	--	--	7,336
Fund Balances - End of Year	\$ 112,569	\$ 2,003,150	\$ --	\$ --	\$ --	\$ --	\$ 7,336

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**

	Working Cities Grant	Federal Forfeiture	CDBG PY19 MicroE	Substance Abuse Grant	FEMA Public Assistance COVID19	Pumpout Boat	EMA Grant
Revenues							
Intergovernmental	\$ --	\$ 274	\$ 1,914	\$ --	\$ --	\$ 36,946	\$ 6,875
Charges for services	--	--	--	--	--	--	--
Investment Income	--	1,800	--	--	--	--	--
Capital grants and contributions	--	--	--	--	--	--	--
Total Revenues	<u>--</u>	<u>2,074</u>	<u>1,914</u>	<u>--</u>	<u>--</u>	<u>36,946</u>	<u>6,875</u>
Expenditures							
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	--	--	--	--	--	--	--
Total Expenditures	<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>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	<u>(10,962)</u>	<u>599</u>	<u>--</u>	<u>--</u>	<u>(85,368)</u>	<u>--</u>	<u>--</u>
Other Financing Sources (Uses)							
Transfers from other funds	--	2,304	--	--	85,368	--	--
Transfers to other funds	--	--	--	--	--	--	--
Payment to refunding bond escrow agent	--	--	--	--	--	--	--
Bond premium	--	--	--	--	--	--	--
Bond proceeds	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>2,304</u>	<u>--</u>	<u>--</u>	<u>85,368</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balances	<u>(10,962)</u>	<u>2,903</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - Beginning of Year, as restated	<u>10,962</u>	<u>174,339</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - End of Year	<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
Revenues					
Intergovernmental	\$ --	\$ --	\$ --	\$ 2,706	\$ 976,697
Charges for services	--	--	--	--	43,885
Investment Income	--	1	326	--	2,127
Capital grants and contributions	--	--	--	--	33,110
Total Revenues	<u>--</u>	<u>1</u>	<u>326</u>	<u>2,706</u>	<u>1,055,819</u>
Expenditures					
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
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,706</u>	<u>1,313,139</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures Before Other Financing Sources (Uses)	<u>--</u>	<u>1</u>	<u>326</u>	<u>--</u>	<u>(257,320)</u>
Other Financing Sources (Uses)					
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
Total Other Financing Sources (Uses)	<u>110</u>	<u>400</u>	<u>--</u>	<u>--</u>	<u>2,274,907</u>
Net Change in Fund Balances	<u>110</u>	<u>401</u>	<u>326</u>	<u>--</u>	<u>2,017,587</u>
Fund Balances - Beginning of Year, as restated	<u>1,508</u>	<u>912</u>	<u>1,473</u>	<u>1,101</u>	<u>452,761</u>
Fund Balances - End of Year	<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

B-5

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

	Capital Projects Fund	DEM Chapman Pond Boat Launch	DEM Riverfront Park	Accessibility CDBG PY17	Improvements & Training CDBG FY18	Capital Projects Funds Totals
Assets						
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
Total Assets	<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>
Liabilities and Fund Balance						
Liabilities						
Accounts payable	\$ 23,600	\$ --	\$ --	\$ --	\$ --	\$ 23,600
Due to other funds	--	27,253	--	300	64,613	92,166
Total Liabilities	<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>
Total Fund Balance	<u>3,446,895</u>	<u>--</u>	<u>45,800</u>	<u>--</u>	<u>--</u>	<u>3,492,695</u>
Total Liabilities and Fund Balance	<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 Fund	DEM Chapman Pond Boat Launch	DEM Riverfront Park	Accessibility CDBG PY17	Improvements & Training CDBG FY18	Capital Projects Funds Totals
Revenues						
Intergovernmental	\$ --	\$ 27,253	\$ --	\$ 44	\$ 341,314	\$ 368,611
Total Revenues	<u>--</u>	<u>27,253</u>	<u>--</u>	<u>44</u>	<u>341,314</u>	<u>368,611</u>
Expenditures						
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>
Total Expenditures	<u>900,855</u>	<u>27,253</u>	<u>--</u>	<u>44</u>	<u>341,314</u>	<u>1,269,466</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures Before Other Financing Sources (Uses)	(900,855)	--	--	--	--	(900,855)
Other Financing Sources (Uses)						
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>
Total Other Financing Sources (Uses)	<u>1,666,262</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,666,262</u>
Net Change in Fund Balances	<u>765,407</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>765,407</u>
Fund Balances - Beginning of Year	<u>2,681,488</u>	<u>--</u>	<u>45,800</u>	<u>--</u>	<u>--</u>	<u>2,727,288</u>
Fund Balances - End of Year	<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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C-1

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

	Lois B. Stillment Fund	Richmond Brewer Fund	Irene Vose Fund	Martha C. Babcock Memorial	Premio L. Russo Memorial	Otis P. Chapman Fund	Francis Pat Coyle Memorial
Assets							
Cash and cash equivalents	\$ --	\$ --	\$ 1,534	\$ --	\$ --	\$ --	\$ --
Investments	15,661	56,042	79,271	4,872	2,485	3,085	1,676
Total Assets	<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>
Liabilities and Net Position							
Liabilities							
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Due to other funds	10,993	1,126	--	147	420	102	1,050
Total Liabilities	<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
Net Position	<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>
Total Liabilities and Net Position	<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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C-1

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

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

TOWN OF WESTERLY, RHODE ISLAND

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C-2

**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 Fund	Richmond Brewer Fund	Irene Vose Fund	Martha C. Babcock Memorial	Premio L. Russo Memorial	Otis P. Chapman Fund	Francis Pat Coyle Memorial
Revenues							
Operating grants & contributions	\$ --	\$ --	\$ 3,143	\$ --	\$ --	\$ --	\$ --
Investment income	<u>2,848</u>	<u>10,190</u>	<u>14,413</u>	<u>886</u>	<u>452</u>	<u>561</u>	<u>305</u>
Total Revenues	<u>2,848</u>	<u>10,190</u>	<u>17,556</u>	<u>886</u>	<u>452</u>	<u>561</u>	<u>305</u>
Expenditures							
Miscellaneous	<u>--</u>	<u>60</u>	<u>3,060</u>	<u>50</u>	<u>35</u>	<u>--</u>	<u>--</u>
Total Expenditures	<u>--</u>	<u>60</u>	<u>3,060</u>	<u>50</u>	<u>35</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under)							
Expenditures Before Other Financing Sources (Uses)	<u>2,848</u>	<u>10,130</u>	<u>14,496</u>	<u>836</u>	<u>417</u>	<u>561</u>	<u>305</u>
Net Change in Net Position	<u>2,848</u>	<u>10,130</u>	<u>14,496</u>	<u>836</u>	<u>417</u>	<u>561</u>	<u>305</u>
Net Position - Beginning of Year, as restated	<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>
Net Position - End of Year	<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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C-2

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

	Betty Zerbarini Fund	Berardinelli Trust Fund	John J. & Mary C. Smith Scholarship	Robert F. Serra Fund	Interfund Eliminations	Private-Purpose Trust Funds Totals
Revenues						
Operating grants & contributions	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 3,143
Investment income	<u>328</u>	<u>5,578</u>	<u>3,639</u>	<u>520</u>	<u>--</u>	<u>39,720</u>
Total Revenues	<u>328</u>	<u>5,578</u>	<u>3,639</u>	<u>520</u>	<u>--</u>	<u>42,863</u>
Expenditures						
Miscellaneous	<u>100</u>	<u>--</u>	<u>100</u>	<u>--</u>	<u>--</u>	<u>3,405</u>
Total Expenditures	<u>100</u>	<u>--</u>	<u>100</u>	<u>--</u>	<u>--</u>	<u>3,405</u>
Excess (Deficiency) of Revenues Over (Under)						
Expenditures Before Other Financing Sources (Uses)	<u>228</u>	<u>5,578</u>	<u>3,539</u>	<u>520</u>	<u>--</u>	<u>39,458</u>
Net Change in Net Position	<u>228</u>	<u>5,578</u>	<u>3,539</u>	<u>520</u>	<u>--</u>	<u>39,458</u>
Net Position - Beginning of Year, as restated	<u>949</u>	<u>25,109</u>	<u>15,381</u>	<u>1,868</u>	<u>--</u>	<u>164,502</u>
Net Position - End of Year	<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 P.W.E.A	Probate Escrow	Construction Escrow Deposits Fund	Interfund Eliminations	Custodial Funds Totals
Assets					
Cash and cash equivalents	\$ 1	\$ 35,242	\$ 10,633	\$ --	\$ 45,876
Investments	4,390	--	--	--	4,390
Total Assets	<u>\$ 4,391</u>	<u>\$ 35,242</u>	<u>\$ 10,633</u>	<u>\$ --</u>	<u>\$ 50,266</u>
Liabilities and Net Position					
Liabilities					
Due to other funds	\$ --	\$ --	\$ 2,479	\$ --	\$ 2,479
Total Liabilities	<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
Net Position	<u>4,391</u>	<u>35,242</u>	<u>8,154</u>	<u>--</u>	<u>47,787</u>
Total Liabilities and Net Position	<u>\$ 4,391</u>	<u>\$ 35,242</u>	<u>\$ 10,633</u>	<u>\$ --</u>	<u>\$ 50,266</u>

TOWN OF WESTERLY, RHODE ISLAND

D-2

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

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

TOWN OF WESTERLY, RHODE ISLAND

E-1

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

	General Fund	School General Fund	Total General Funds
Assets			
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
Total Assets	\$ 26,026,592	\$ 7,642,138	\$ 33,668,730
Liabilities, Deferred Inflows and Fund Balances			
Liabilities			
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
Total Liabilities	8,310,980	2,691,053	11,002,033
Deferred Inflows of Resources			
Unavailable revenue - property taxes	1,151,096	--	1,151,096
Total Deferred Inflows of Resources	1,151,096	--	1,151,096
Fund Balances			
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
Total Fund Balances	16,564,516	4,951,085	21,515,601
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 26,026,592	\$ 7,642,138	\$ 33,668,730

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 Fund	School General Fund	Total General Funds
Revenues			
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
Total revenues	<u>96,405,306</u>	<u>3,915,351</u>	<u>100,320,657</u>
Expenditures			
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
Total expenditures	<u>33,295,167</u>	<u>60,161,198</u>	<u>93,456,365</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	<u>63,110,139</u>	<u>(56,245,847)</u>	<u>6,864,292</u>
Other financing sources (uses)			
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
Total other financing sources (uses)	<u>(59,232,914)</u>	<u>56,019,920</u>	<u>(3,212,994)</u>
Net change in fund balances	3,877,225	(225,927)	3,651,298
Fund balances (deficit) - beginning of year	<u>12,687,291</u>	<u>5,177,012</u>	<u>17,864,303</u>
Fund balances - end of year	<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
Governmental Activities										
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)
Total Governmental Activities net position	85,352,764	89,858,388	51,467,427	55,492,971	51,589,315	55,393,346	37,284,853	49,755,360	58,557,949	77,450,084
Business-Type Activities										
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
Total Business-Type Activities net position	35,570,750	36,466,528	36,400,180	37,545,166	38,387,986	39,276,823	42,620,960	43,738,363	44,582,061	46,004,330
Total										
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)
Total Net Position	\$ 120,923,514	\$ 126,324,916	\$ 87,867,607	\$ 93,038,137	\$ 89,977,301	\$ 94,670,169	\$ 79,905,813	\$ 93,493,723	\$ 103,140,010	\$ 123,454,414

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
Expenses										
Governmental Activities										
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
Total Governmental Activities	85,502,323	88,122,305	88,124,381	90,640,194	94,486,262	90,996,764	106,970,984	103,522,934	104,324,740	101,928,681
Business-Type Activities										
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	--	--	--	--	--	--	--	--
Total Business-Type Activities	7,952,019	7,748,413	7,693,215	7,664,924	8,032,195	7,959,033	10,015,446	11,041,912	11,908,909	11,341,621
Total Expenses	\$ 93,454,342	\$ 95,870,718	\$ 95,817,596	\$ 98,305,118	\$ 102,518,457	\$ 98,955,797	\$ 116,986,430	\$ 114,564,846	\$ 116,233,649	\$ 113,270,302
Program Revenues										
Governmental Activities										
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
Total Governmental Activities Program Revenues	20,572,605	25,699,265	22,672,588	23,713,797	21,023,381	22,004,606	33,652,470	33,052,389	29,101,824	33,243,978
Business-Type Activities										
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	--	--	--	--	--	--	--	--	--
Total Business-Type Activities	7,943,475	8,037,500	8,474,982	8,220,189	8,614,547	8,528,429	9,579,966	10,505,866	10,910,393	11,931,795
Total Program Revenues	\$ 28,516,080	\$ 33,736,765	\$ 31,147,570	\$ 31,933,986	\$ 29,637,928	\$ 30,533,035	\$ 43,232,436	\$ 43,558,255	\$ 40,012,217	\$ 45,175,773

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
Net (Expenses) Revenues										
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
Total Net Expense	<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>
General Revenues and other Changes in Net Position										
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	--	--	--	--	--	--	--	--	--	--
Total Governmental Activities	<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>
Business-Type Activities										
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
Total Business-Type Activities	<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>
Total	<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>
Change in Net Position										
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
Total	<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
General Fund										
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	7,811,214	7,542,061	8,606,291	5,873,316	5,498,327	8,565,108	10,148,541	9,421,232	11,091,308	14,865,230
Total General Fund	<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>
All Other Governmental Funds										
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	(34,313)	(34,313)	(644,817)	(56,941)	(86,125)	(296,685)	(15,470)	--	--	--
Total All Other Governmental Funds	<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
Revenues										
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
Total Revenues	<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>
Expenditures										
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	--	--	--	--
Total Expenditures	<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>
Excess of revenues over (under) expenditures	<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>
Other Financing Sources (Uses)										
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)
Total Other Financing Sources	<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>
Net Change in Fund Balances	<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>
Debt Service as a Percentage of Noncapital Expenditures	<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 Year Ended June 30	Real Property	Tangible Property	Motor Vehicles	Less Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate Real	Total Direct Tax Rate MV
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 June 30	Real Estate and Personal 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 (net abatements)	Collected within the Fiscal Year Amount	% of Levy	Collected in Subsequent Years	Total Collections Amount	Balance 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 Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Notes and Loan Payable	Capital Leases	General Obligation Bonds	Loans Payable	Capital 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 Year	General Obligation Bonds	Notes and Loan Payable	Total	(a) Percentage of Actual Taxable Value of Property	Per 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	<u>\$ 6,187,004,439</u>	<u>\$ 6,223,505,043</u>	<u>\$ 5,887,246,189</u>	<u>\$ 5,936,880,732</u>	<u>\$ 5,989,385,500</u>	<u>\$ 5,856,336,030</u>	<u>\$ 5,908,081,456</u>	<u>\$ 5,932,488,094</u>	<u>\$ 6,499,753,939</u>	<u>\$ 6,528,352,513</u>
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	<u>34,592,621</u>	<u>32,446,768</u>	<u>29,787,516</u>	<u>28,597,811</u>	<u>28,598,118</u>	<u>28,834,874</u>	<u>28,825,852</u>	<u>41,875,272</u>	<u>38,296,170</u>	<u>36,111,110</u>
Legal Debt Margin	<u>\$ 151,017,512</u>	<u>\$ 154,258,383</u>	<u>\$ 146,829,870</u>	<u>\$ 149,508,611</u>	<u>\$ 151,083,447</u>	<u>\$ 146,855,207</u>	<u>\$ 148,416,592</u>	<u>\$ 136,099,371</u>	<u>\$ 156,696,448</u>	<u>\$ 159,739,465</u>
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
Population	22,328	22,544	22,544	22,624	22,626	22,651	22,683	22,727	22,720	22,787
Median Age	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
High School Graduate Attainment (ages 18+)	N/A	N/A	85.9%	90.1%	90.0%	89.5%	89.8%	88.8%	87.1%	86.9%
Bachelor's Degree Attainment (ages 25+)	N/A	N/A	34.8%	32.8%	32.4%	31.6%	31.6%	31.9%	30.4%	29.4%
Median Household Income (past 12 months)	N/A	N/A	\$ 70,784	\$ 65,810	\$ 63,507	\$ 60,800	\$ 61,500	\$ 62,381	\$ 60,532	\$ 59,008
Per Capita Income (past 12 months)	N/A	N/A	\$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
Public School Enrollment	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
Unemployment Rate	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
General Government										
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	-	-	-	-	-
Public Safety										
Sworn Officers	51	52	53	50	50	45	50	50	48	50
Support	16	13	13	12	11	11	11	11	12	12
Public Health										
Public Works	47	43	49	46	45	45	45	45	43	43
Water & Sewer	29	25	31	27	28	28	28	29	29	29
Public Welfare										
Recreation	2	2	2	1.5	2	2	2	2	1	1
Public Education										
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
General Government										
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
Planning & Development										
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
Police										
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
Public Works										
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
Parks & Recreation										
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
Education										
Number of Students	2,431	2,639	2,730	2,775	2,851	3,007	2,997	2,996	3,037	3,021
Water										
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
Sewer										
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
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	60	60	60	60	55	52	47	46	46	46
Fire										
Fire Prevention is covered by five separate self-taxing Fire Districts										
Public Works										
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
Parks & Recreation										
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
Public Libraries										
Libraries	1	1	1	1	1	1	1	1	1	1
Schools										
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
Water										
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
Sewer										
Sanitary Sewers (miles)	61	61	61	61	61	61	61	61	61	61
Storm sewers (miles)	65	65	65	65	65	65	65	65	65	65
Treatment capacity (thousand gallons)	3300	3300	3300	3300	3300	3300	3300	3300	3300	3300

Source: Town capital asset records and various Town Departments

TOWN OF WESTERLY, RHODE ISLAND

TABLE 16

TAX COLLECTORS REPORT
JUNE 30, 2021

FY 2021 Cash Collections Summary

July - August 2020 Collections Subject to 60-day FY 20 Accrual	September - June 2021 Collections	Total FY 2021 Cash Collections	July - August 2021 (FY 22) Cash Collections Subject to 60-day FY 21 Accrual
---	--------------------------------------	-----------------------------------	---

Tax Roll List Year	Fiscal Year	Balance July 1, 2020	Current year Assessment	Additions	Adjustments & Abatements	over 10 yr old Receivables	Amount to be Collected	Current Year Collections	Balance 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			<u>(908,184)</u>
									<u>\$ 761,230</u>

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

Schedule of Net Assessed Property, Value by Category

Description of Property	Valuations December 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>
Total	6,658,711,269	76,931,058
Exemptions	<u>(130,358,756)</u>	<u>--</u>
Net Assessed Value	\$ 6,528,352,513	\$ 76,931,058

Reconciliation of Current Year Property Tax Revenue

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

* Total revenues include property tax and sewer assessment revenues.