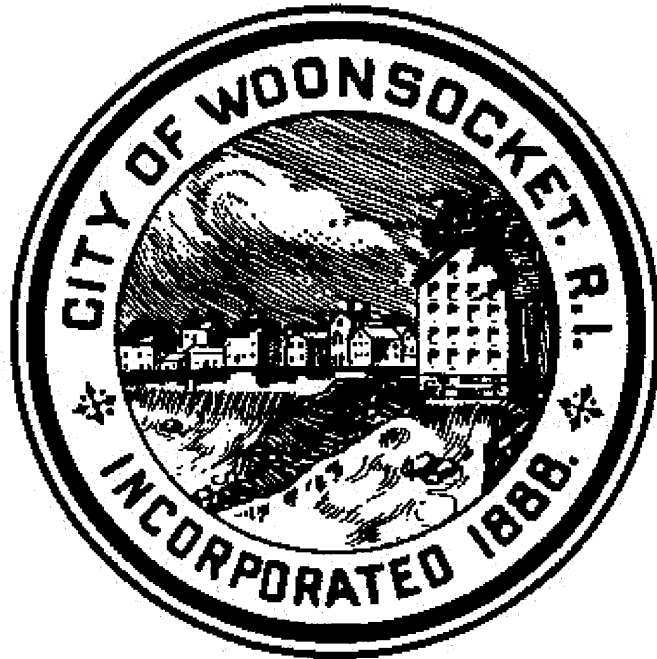


**Annual Financial Report of the  
City of Woonsocket, Rhode Island  
Year Ended June 30, 2013**



# City of Woonsocket, Rhode Island

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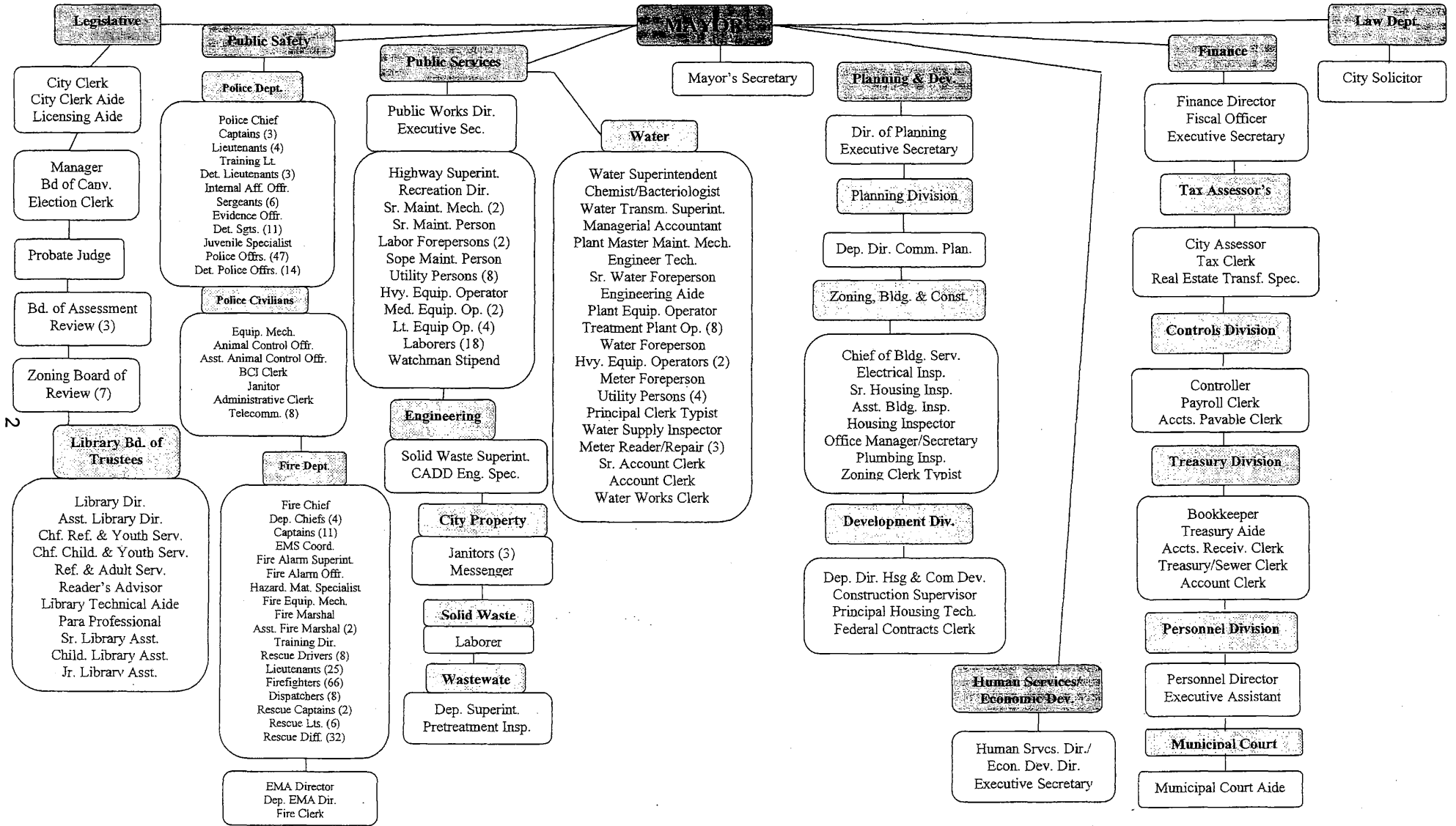
# **Introductory Section**

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**City of Woonsocket, Rhode Island**

**List of Elected and Appointed Officials  
June 30, 2013**

Mayor	Leo T. Fontaine
City Council	John F. Ward, President Daniel M. Gendron, V.P. Roger Jalette Christopher Beauchamp Robert Moreau Albert Brien Marc Dubois
Chief Administrative Officer	Shelia McGauvran
Tax Assessor	Christopher Celeste
Director of Finance	Thomas Bruce
Controller	Christine Chamberland
Fire Chief	Timothy Walsh
Police Chief	Thomas Carey
City Clerk	Andrea Bicki
City Solicitor	Joe Carroll
Superintendent of Schools	Giovanna Donoyan, Ph.D.
Business Manager	Joseph Spagna



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**Financial  
Section**

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Independent Auditor's Report

City Council  
City of Woonsocket, Rhode Island

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Woonsocket, Rhode Island, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

*Management's Responsibility for the Financial Statements*

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

*Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 City of Woonsocket, Rhode Island, as of June 30, 2013, 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 discussion and analysis, the general fund budgetary comparison information and the schedules of Funding Progress and Employer Contributions – Woonsocket Retirement Systems and Other Post Employment Benefit Plans on pages 6-16 and pages 71-79, respectively, 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 City of Woonsocket, Rhode Island's basic financial statements. The introductory section, supplemental schedules and trend information section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules 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 supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and trend information 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 December 31, 2013, on our consideration of the City of Woonsocket, Rhode Island's internal control over financial reporting and on our test 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Woonsocket, Rhode Island's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cohn Reznick LLP". The signature is written in a cursive, flowing style.

Woonsocket, Rhode Island  
December 31, 2013



CITY OF WOONSOCKET, RHODE ISLAND  
OFFICE OF THE FINANCE DIRECTOR  
FORWARD WOONSOCKET  
"A CITY ON THE MOVE"

**Management's Discussion and Analysis**  
**Year Ended June 30, 2013**

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As management of the City of Woonsocket, Rhode Island, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013.

**Financial Highlights**

- On a government-wide basis, liabilities and deferred inflows of resources of the City exceeded its assets by \$(14,858,210). Net position for the Governmental Activities is a deficit of \$(59,209,086) and net position for Business-Type Activities is \$44,350,876. Of the City's total net position, there is no unrestricted balance in net position at June 30, 2013.
- On a government-wide basis, total net position decreased by \$546,511. The decrease is due in part to depreciation expense and the increase in liabilities for the City's pension and other post employment benefit (OPEB) obligations. The expenses related to those items were offset by an increase in property tax revenue due to a supplemental tax levy that was approved by the Rhode Island General Assembly.
- Net position decreased \$(3,702,736) for Governmental Activities and increased by \$3,156,225 for Business-Type Activities.
- At June 30, 2013, the City's governmental funds reported combined ending fund deficit of \$(595,810), an increase of \$1,915,406 in comparison with the prior year. None of this amount is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$0. This was due to a year-end transfer of any remaining unassigned fund balance in the general fund that was transferred to the School Unrestricted Fund. The transfer was done as part of a reduction of school deficit plan approved by the Woonsocket Budget Commission.
- The City's total bonded debt and notes payable increased by \$4,859,718 during the current fiscal year as a result of the issuance of \$14,400,000 of Rhode Island clean water obligations, less principal payments of \$9,540,282.
- The City's total net capital assets decreased by \$4,605,912 during the current fiscal year. The decrease is attributable to current year depreciation expense which outpaced current year capital asset additions.

### **Overview of the Basic Financial Statements**

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

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the City's financial health. Other non-financial events such as the impact of changes in the City's tax base or infrastructure should also be considered when evaluating the City's financial health.

The *statement of activities* presents information showing how the government's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when the cash is actually received or paid. Therefore, revenues and expenses are reported in this statement for some items whose cash flow may occur in a future fiscal period. Taxes uncollected but levied or vacation leave unused but earned are examples of this.

Both of the government-wide financial statements distinguish functions of the City 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 costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public works, public safety, health and welfare, culture and recreation, and education. The business-type activities of the City include the Water Fund, the Regional Wastewater Fund, the User Charge Fund and the School Proprietary Fund.

The government-wide financial statements can be found on Exhibits A and B of this report.

### **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 City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into the following three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds** - Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. 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. This information may be useful in evaluating a government's near-term financing requirements.

**Overview of the Basic Financial Statements (continued)**

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 to 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 a comparison between governmental funds and governmental activities.

The City maintains 54 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, City capital projects fund and school unrestricted fund, all of which are considered to be major funds. The remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for its general fund and its school unrestricted fund. Budgetary comparison statements have been provided to demonstrate compliance with their respective budgets.

***Proprietary Funds*** - The City uses one type of proprietary funds. Enterprise funds are used to report the functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to report the activities of the Water Fund, the Regional Wastewater Fund, the User Charge Fund and the School Proprietary Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, the Regional Wastewater Fund, the User Charge Fund and the School Proprietary Fund. The Water Fund, the Regional Wastewater Fund, and the User Charge Fund are considered major funds, while the School Proprietary Fund is not.

The basic proprietary fund financial statements can be found on Exhibits F, G, and H.

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

The basic fiduciary fund financial statements can be found on Exhibits I and J.

**Notes to Financial Statements**

The notes to financial statements 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 financial statements can be found on Exhibit K of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Overview of the Basic Financial Statements (continued)**

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to employees. This and other required supplementary information can be found immediately following the notes to financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

**Government-Wide Financial Analysis**

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. In the case of the City, liabilities and deferred inflows of resources exceeded assets by \$(14,858,210) at the close of the current fiscal year.

City of Woonsocket, Rhode Island  
Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 26,802,668	\$ 23,518,725	\$ 35,406,350	\$ 18,289,621	\$ 62,209,018	\$ 41,808,346
Capital assets (net)	195,445,549	201,902,211	54,472,725	55,669,548	249,918,274	257,571,759
<b>Total assets</b>	<b>222,248,217</b>	<b>225,420,936</b>	<b>89,879,075</b>	<b>73,959,169</b>	<b>312,127,292</b>	<b>299,380,105</b>
Other liabilities outstanding	28,673,857	32,100,591	10,180,619	9,093,448	38,854,476	41,194,039
Long-term liabilities outstanding	249,979,617	249,832,506	35,347,580	23,421,703	285,327,197	273,254,209
<b>Total liabilities</b>	<b>278,653,474</b>	<b>281,933,097</b>	<b>45,528,199</b>	<b>32,515,151</b>	<b>324,181,673</b>	<b>314,448,248</b>
Deferred inflows of resources	2,803,829				2,803,829	-
<b>Net position:</b>						
Net investment in capital assets	101,948,625	97,455,150	29,948,199	31,456,816	131,896,824	128,911,966
Restricted for specific						
Restricted	2,318,397		16,755,396		19,073,793	
Unrestricted	(163,476,108)	(153,967,311)	(2,352,719)	9,987,202	(165,828,827)	(143,980,109)
<b>Total net position</b>	<b>\$ (59,209,086)</b>	<b>\$ (56,512,161)</b>	<b>\$ 44,350,876</b>	<b>\$ 41,444,018</b>	<b>\$ (14,858,210)</b>	<b>\$ (15,068,143)</b>

By far, the largest portion of the City's net position \$131,896,824 is its investment in capital assets. Capital assets include land, construction in progress, buildings, improvements, machinery and equipment and infrastructure, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position represents resources that are subject to restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of \$(165,828,827).

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Government-Wide Financial Analysis (continued)**

- The City's net position decreased by \$546,511 during the current fiscal year. This decrease is due substantially to depreciation on capital assets and increases in pension and OPEB obligations in governmental activities.

**City of Woonsocket, Rhode Island  
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 8,808,364	\$ 9,888,555	\$ 20,602,804	\$ 23,372,329	\$ 29,411,168	\$ 33,260,884
Operating grants and contributions	61,649,075	65,635,799	2,198,330		63,847,405	65,635,799
Capital grants and contributions	5,414,892	165,572			5,414,892	165,572
<b>General revenues:</b>						
Property taxes	60,275,781	55,896,272			60,275,781	55,896,272
Grants and contributions not restricted to specific programs	2,504,824	2,408,192			2,504,824	2,408,192
Investment income	294	2,443	1	133,316	295	135,759
<b>Total revenues</b>	<b>138,653,230</b>	<b>133,996,833</b>	<b>22,801,135</b>	<b>23,505,645</b>	<b>161,454,365</b>	<b>157,502,478</b>
<b>Expenses:</b>						
Executive	175,339	127,200			175,339	127,200
Legislative - general government	2,324,463	1,424,654			2,324,463	1,424,654
Planning and development	1,178,352	612,450			1,178,352	612,450
Finance	2,271,095	1,572,842			2,271,095	1,572,842
Law	403,660	487,258			403,660	487,258
Public safety	34,955,286	34,890,322			34,955,286	34,890,322
Public works	8,300,406	6,950,730			8,300,406	6,950,730
Economic development	1,119,173	1,645,254			1,119,173	1,645,254
Human services	307,969	262,439			307,969	262,439
Education	79,069,690	83,653,677			79,069,690	83,653,677
Other fixed and general charges		9,047,074			-	9,047,074
Budget commission	549,144				549,144	-
Interest and other costs	11,701,389	10,925,297			11,701,389	10,925,297
Water Fund			6,102,394	5,764,643	6,102,394	5,764,643
Regional Wastewater Fund			5,621,716	5,938,863	5,621,716	5,938,863
User Charge Fund			5,344,560	6,501,521	5,344,560	6,501,521
School Proprietary Fund			2,576,240	2,571,009	2,576,240	2,571,009
<b>Total expenses</b>	<b>142,355,966</b>	<b>151,599,197</b>	<b>19,644,910</b>	<b>20,776,036</b>	<b>162,000,876</b>	<b>172,375,233</b>
<b>Change in net position</b>	<b>(3,702,736)</b>	<b>(17,602,364)</b>	<b>3,156,225</b>	<b>2,729,609</b>	<b>(546,511)</b>	<b>(14,872,755)</b>
<b>Net position - July 1 (as restated)</b>	<b>(55,506,350)</b>	<b>(38,909,797)</b>	<b>41,194,651</b>	<b>38,714,409</b>	<b>(14,311,699)</b>	<b>(195,388)</b>
<b>Net position - June 30</b>	<b>\$ (59,209,086)</b>	<b>\$ (56,512,161)</b>	<b>\$ 44,350,876</b>	<b>\$ 41,444,018</b>	<b>\$ (14,858,210)</b>	<b>\$ (15,068,143)</b>



## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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### **Government-Wide Financial Analysis (continued)**

**Governmental Activities** - Governmental activities resulted in a decrease of the City's net position by \$3,702,736. A discussion of fiscal year 2013 activity follows:

#### Revenues

Governmental activities revenues totaled \$138,653,230 for fiscal year 2013. This represents an increase of \$4,656,397 from the prior year. Operating grants and contributions are the largest revenue source for the City and represent 44.5% of revenues and include grants for education, general government, public safety and public works. Property taxes are the second largest revenue source for the City and represent 43.5% of revenues. Current tax collections were 98.1% of the adjusted tax levy. Capital grants and contributions revenues which include grants for school building construction and other general government activities account for 3.9%. Grants and contributions not restricted to a specific program include payments in lieu of taxes and represents 1.8% of revenues. Charges for services accounted for 6.4% of revenue.

The most significant fluctuations from the prior year were as follows:

- Property taxes increased by \$4,379,509 due primarily to a supplemental tax levy approved by the Rhode Island General Assembly.
- Capital grants and contributions increased by \$5,249,320 due to an increase in school related capital grants funded by the State of Rhode Island.
- Operating grants and contributions decreased from the prior year by \$3,986,724 due to reductions in state funding.

#### Expenses

Governmental expenses totaled \$142,355,966 for the fiscal year, a decrease of \$9,243,231. Of the expenses, \$79,069,690 or 55.5% is related to education. Public safety expenses were \$34,955,286 or 24.6%, public works expenses amounted to \$8,300,406 or 5.8% and interest expense on long-term debt was \$11,701,389 or 8.2%.

The most significant fluctuations from the prior year were as follows:

- Education decreased by \$4,583,987 due to planned spending decreases.
- Public works increased by \$1,349,676 due to an increase in pension and OPEB obligations. Additionally, fixed charges for insurance and pension expense were allocated out to the various City functions in accordance with Governmental Accounting Standards Board Statement 34. These costs were not allocated out in the prior year financial statements. As a result, all City functions increased by the amount allocated to each function for these costs.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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### **Government-Wide Financial Analysis (continued)**

**Business-Type Activities** - Business-type activities resulted in an increase to the City's net position of \$3,156,225. General revenues do not support the City's business-type activities; thus, the only source of revenues is from charges for services.

- Water Fund operations resulted in net income of \$1,434,996 as a result of operating revenues that outpaced operating expenses. Total net position at the end of the year was \$24,524,980.
- The Regional Wastewater Fund reported net loss of \$(80,516) at year end. Total net position at the end of the year was \$18,283,636.
- User Charge Fund operations had net income of \$1,837,613. Revenues increased and operating expenses decreased over the prior year. At year end, total net position was \$1,329,515.
- Net position in the School Proprietary Fund was \$212,745 at year end. Operations resulted in a net loss of \$35,868.

### **Financial Analysis of the City's Funds**

As stated earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** - The focus on the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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.

As of June 30, 2013, the City's governmental funds reported combined ending fund deficit of \$595,810, an increase of \$1,915,406 in comparison with the prior year. Of this total amount, \$441,123 is nonspendable fund balance, \$2,132,468 is restricted fund balance, \$311,274 constitutes committed fund balance and \$69,956 represents assigned fund balance. The remainder is a deficit, unassigned fund balance of \$(3,550,631).

**General Fund.** The general fund is the chief operating fund of the City. At the end of the current fiscal year, there was no unassigned fund balance in the general fund. Any unassigned fund balance at year end was transferred to the School Unrestricted Fund in accordance with a resolution passed by the Woonsocket Budget Commission as part of the Commission's reduction of school deficit plan. The amount of that year end transfer was \$2,049,105.

**Financial Analysis of the City's Funds (continued)**

The City's total fund balance in the general fund decreased by \$2,656,450 during the current fiscal year due primarily to the year end unassigned fund balance transfer to the School Unrestricted Fund of \$2,049,105 discussed in the previous paragraph.

**City Capital Projects Fund.** This fund accounts for financial resources to be used for capital projects of the City. The fund's expenditures and other financing uses exceeded revenues and other financing sources by \$1,342,634 for the fiscal year. This is a result of transfer out to the general fund in the amount of \$1,343,000.

**School Unrestricted Fund.** This fund accounts for operations of the education department. Fund revenues and transfers in exceeded expenditures and transfers out by \$5,731,661 for the fiscal year. This is a result of two supplemental appropriation transfers in from the general fund in the amount of \$4,472,789 made during the year and \$2,049,105 made at year end.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City has four proprietary funds, the Water Fund, the Regional Wastewater Fund, the User Charge Fund and the School Proprietary Fund.

**Water Fund.** There was an increase in net position of \$1,434,996 in the Water Fund which was in line with prior year results. Unrestricted net position of the Water Fund was \$4,136,604 at year end.

**Regional Wastewater Fund.** There was a decrease in net position of \$(80,516) which was in line with the planned operations for the year. Unrestricted net position of the Regional Wastewater Fund was a deficit of \$(7,091,738) at year end.

**User Charge Fund.** Net position increased \$1,837,613 due to an increase in revenues and a decrease in operating costs. Unrestricted net position for the User Charge Fund was \$479,193 at year end.

**School Proprietary Fund.** Net position decreased \$(35,868) due to depreciation expense charged to operations. Unrestricted net position of the School Proprietary Fund was \$123,222 at year end.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**General Fund Budgetary Highlights**

Expenditures and other financing uses exceeded revenues and other financing sources by \$3,154,671. This operating result was primarily due to education related revenues received in excess of budget appropriations for education \$5,890,531. This amount was offset by budget transfers to the School Unrestricted Fund.

- During the 2013 fiscal year, additional appropriations were made for the following purposes. The source of these appropriations was from unassigned fund balance (\$6,521,894):

Transfer to School Unrestricted	\$ 4,472,789
Deficit reduction transfer to School Unrestricted Fund	<u>2,049,105</u>
	<u>\$ 6,521,894</u>

**School Unrestricted Fund Budgetary Highlights**

Revenues and other financing sources exceeded expenditures and other financing uses by \$5,731,661. This operating result was primarily due to additional budget transfers to the School Unrestricted Fund from the City general fund totaling \$6,521,894.

**Capital Asset and Debt Administration**

**Capital Assets** - The City's investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of June 30, 2013 amounted to \$195,445,549 and \$54,472,725, respectively. This investment in capital includes land, construction in progress, buildings, improvements, machinery and equipment, vehicles and infrastructure. The total decrease in the City's investment in capital assets for the current fiscal year was \$4,605,912.

City of Woonsocket, Rhode Island  
Capital Assets - Net

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$ 22,307,537	\$ 22,307,537	\$ 960,321	\$ 570,321	\$ 23,267,858	\$ 22,877,858
Construction in progress	753,008	645,591	5,029,411	4,243,839	5,782,419	4,889,430
Buildings and improvements	140,903,369	143,997,007	23,536,714	24,396,625	164,440,083	168,393,632
Machinery and equipment	1,048,564	1,236,695	356,119	1,677,804	1,404,683	2,914,499
Vehicles	1,174,694	1,565,057	179,609	(11,619)	1,354,303	1,553,438
Infrastructure	29,258,377	30,500,690	24,410,551	23,394,639	53,668,928	53,895,329
Total	<u>\$ 195,445,549</u>	<u>\$ 200,252,577</u>	<u>\$ 54,472,725</u>	<u>\$ 54,271,609</u>	<u>\$ 249,918,274</u>	<u>\$ 254,524,186</u>

Major capital asset events during the current fiscal year include the following:

- Land acquisition in the Water Fund of \$390,000.
- Construction in progress in the Regional Wastewater Fund of \$1,228,080.

Additional information on the City's capital assets can be found in Note III.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Capital Asset and Debt Administration (continued)**

**Long-term Debt** - At the end of the current fiscal year, the City had total bonded debt and loans outstanding of \$182,462,577 backed by the full faith and credit of the City.

City of Woonsocket, Rhode Island Outstanding Debt General Obligation Bond and notes						
	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
General obligation bonds and notes	\$ 181,659,872	\$ 190,061,154	\$ 25,474,999	\$ 12,213,999	\$ 207,134,871	\$ 202,275,153
Leases payable	802,705	1,179,086	10,592,174	12,052,703	11,394,879	13,231,789
<b>Totals</b>	<b>\$ 182,462,577</b>	<b>\$ 191,240,240</b>	<b>\$ 36,067,173</b>	<b>\$ 24,266,702</b>	<b>\$ 218,529,750</b>	<b>\$ 215,506,942</b>

The City's total debt increased by \$4,859,718 during the current fiscal year. The increase is a direct result of new issuances exceeded principal payments.

The City maintains a B rating from Fitch and a B3 rating from Moody's investors service.

State Statutes limit the amount of general obligation debt a governmental entity may have outstanding to 3% of its assessed value of property values. The City of Woonsocket's limit is approximately \$46,200,000 at June 30, 2013. The City's outstanding general obligation debt is \$181,659,872 at year end, of which \$23,044,872 is subject to legal debt limits. The debt limit calculation does not include \$81,525,000 of pension obligation bonds, \$70,070,000 of Middle School bonds, or \$7,500,000 of deficit reduction bonds as they are exempt from the legal debt limit calculation under Rhode Island Pubic Law.

Additional information on the City's long-term debt can be found in Note III. F.

**Economic Factors and Next Year's Budgets and Rates**

The City of Woonsocket's total general fund budget for fiscal year 2014 is \$127,634,391, which reflects an increase of \$2,540,118 from the fiscal 2013 budget. In the City's 2014 budget, \$16,166,330 of tax revenue, or 20.6%, is allocated for educational purposes and \$61,309,396, or 78.0%, is budgeted for other purposes and \$1,157,976, or 1.4%, is reserved for operating surplus. Total Education Department budget included in the City's General Fund budget is \$66,324,995, which represents approximately 52% of the City's total budget.

The School Department budget for the fiscal year 2014 is \$66,324,995. The primary funding source is state aid for education. As noted above, the City's contribution to the Education Department is \$16,166,330.

The State of Rhode Island is budgeted for fiscal year 2014 to contribute \$48,133,625 to the City's education department. The amount is based on the City being considered a distressed community. The total population of the school district and the average level of wages earned by its citizens are the determining factors for this designation.

The City's tax rates for fiscal 2014 are \$34.56 per thousand for residential real estate, \$39.81 per thousand for commercial and industrial real estate, and \$46.58 per thousand for personal property and \$46.58 per thousand for motor vehicles. Of the total taxes billed, 73.01% was allocated for general government and 26.99% allocated for education. The last City-wide property re-valuation occurred in 2008.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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### **Budget Commission**

The State Director of Revenue appointed a Budget Commission in May 2012 to oversee the City of Woonsocket's finances under the law known as the Act Relating to Cities and Towns - Providing Financial Stability, R.I. Gen. Laws §45-9-1, et seq. (the "Fiscal Stability Act"). The budget commission has developed a five-year deficit reduction plan and requested and received RI General Assembly approval of a supplemental tax levy of \$2.5 million. This additional tax bill will go into the base as part of the annual tax levy in subsequent years. Additionally, in July 2012 the Budget Commission arranged for the State of Rhode Island to advance three months of Educational Aid to assist with the City's cash flow.

### **Requests for Information**

The financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report should be addressed to the Director of Finance, Woonsocket City Hall, 169 Main Street, Woonsocket, Rhode Island 02895.

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# **Basic Financial Statements**

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City of Woonsocket, Rhode Island

Statement of Net Position  
June 30, 2013

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 9,517,360	\$ 11,134,803	\$ 20,652,163
Cash held in escrow		16,755,396	16,755,396
Receivables (net):			
Property taxes	3,817,262		3,817,262
Accounts	2,233,331	4,723,081	6,956,412
Intergovernmental	3,076,028	127,537	3,203,565
Loans	1,895,595		1,895,595
Inventories	2,862		2,862
Internal balances	(512,962)	512,962	-
Other	654,932		654,932
Total current assets	<u>20,684,408</u>	<u>33,253,779</u>	<u>53,938,187</u>
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash	52,375	277,570	329,945
Investments		1,755,515	1,755,515
Permanently restricted:			
Cash	185,929		185,929
Total restricted assets	<u>238,304</u>	<u>2,033,085</u>	<u>2,271,389</u>
Other noncurrent assets:			
Receivables (net)			
Property taxes	4,248,860		4,248,860
Loans	1,631,096		1,631,096
Total receivables (net):	<u>5,879,956</u>	<u>-</u>	<u>5,879,956</u>
Net OPEB asset		119,486	119,486
Capital assets (net of accumulated depreciation):			
Land	22,307,537	960,321	23,267,858
Construction in progress	753,008	5,029,411	5,782,419
Buildings and improvements	140,903,369	23,536,714	164,440,083
Equipment	1,048,564	356,119	1,404,683
Vehicles	1,174,694	179,609	1,354,303
Infrastructure	29,258,377	24,410,551	53,668,928
Total capital assets (net of accumulated depreciation)	<u>195,445,549</u>	<u>54,472,725</u>	<u>249,918,274</u>
Total noncurrent assets	<u>201,563,809</u>	<u>56,625,296</u>	<u>258,189,105</u>
Total assets	<u>222,248,217</u>	<u>89,879,075</u>	<u>312,127,292</u>

(Continued)



City of Woonsocket, Rhode Island

Statement of Net Position  
June 30, 2013

	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 6,959,824	\$ 2,436,857	\$ 9,396,681
Accrued wages payable	7,609,578		7,609,578
Accrued interest payable	3,103,495	103,434	3,206,929
Unearned revenue	105,731	37,609	143,340
Bond anticipation notes		5,000,000	5,000,000
Bonds and notes payable	8,801,282	1,182,000	9,983,282
Compensated absences	1,660,000		1,660,000
Capital lease obligation	360,517	1,420,719	1,781,236
Claims and judgments	59,430		59,430
Landfill postclosure obligation	14,000		14,000
Total current liabilities	<u>28,673,857</u>	<u>10,180,619</u>	<u>38,854,476</u>
Noncurrent liabilities:			
Bonds, notes and related liabilities	174,362,809	24,292,999	198,655,808
Compensated absences	6,397,967	334,772	6,732,739
Capital lease obligation	442,188	9,171,455	9,613,643
Claims and judgments	59,430		59,430
Landfill postclosure obligation	556,000		556,000
Net OPEB obligation	57,088,159	1,548,354	58,636,513
Net pension obligation	11,073,064		11,073,064
Total noncurrent liabilities	<u>249,979,617</u>	<u>35,347,580</u>	<u>285,327,197</u>
Total liabilities	<u>278,653,474</u>	<u>45,528,199</u>	<u>324,181,673</u>
<u>Deferred Inflows of Resources</u>			
Advance property tax collections	<u>2,803,829</u>		<u>2,803,829</u>
<u>Net Position</u>			
Investment in capital assets	101,948,625	29,948,199	131,896,824
Restricted for:			
Endowments:			
Nonexpendable	185,929		185,929
Expendable	52,375		52,375
Legislative	374,898		374,898
Public safety	324,486		324,486
Public works	26,057		26,057
Economic development	300,247		300,247
Capital outlay	1,054,405	16,755,396	17,809,801
Unrestricted	<u>(163,476,108)</u>	<u>(2,352,719)</u>	<u>(165,828,827)</u>
Total net position	<u>\$ (59,209,086)</u>	<u>\$ 44,350,876</u>	<u>\$ (14,858,210)</u>

(Concluded)

## City of Woonsocket, Rhode Island

Statement of Activities  
Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
Executive	\$ 175,339	\$	\$	\$	\$ (175,339)	\$	\$ (175,339)
Legislative - general government	2,324,463	1,853,214	419,501		(51,748)		(51,748)
Planning and development	1,178,352				(1,178,352)		(1,178,352)
Finance	2,271,095				(2,271,095)		(2,271,095)
Law	403,660				(403,660)		(403,660)
Public safety	34,955,286	1,505,480	706,180		(32,743,626)		(32,743,626)
Public works	8,300,406	3,565,250			(4,735,156)		(4,735,156)
Economic development	1,119,173	967,384	1,473,022		1,321,233		1,321,233
Human services	307,969		18,721	4,814	(284,434)		(284,434)
Education	79,069,690	917,036	59,031,651	5,410,078	(13,710,925)		(13,710,925)
Budget commission	549,144				(549,144)		(549,144)
Interest and other costs	11,701,389				(11,701,389)		(11,701,389)
<b>Total governmental activities</b>	<b>142,355,966</b>	<b>8,808,364</b>	<b>61,649,075</b>	<b>5,414,892</b>	<b>(66,483,635)</b>	<b>-</b>	<b>(66,483,635)</b>
Business-type activities:							
Water Fund	6,102,394	7,537,390				1,434,996	1,434,996
Regional Wastewater Fund	5,621,716	5,541,200				(80,516)	(80,516)
User Charge Fund	5,344,560	7,182,172				1,837,612	1,837,612
School Proprietary Fund	2,576,240	342,042	2,198,330			(35,868)	(35,868)
<b>Total business-type activities</b>	<b>19,644,910</b>	<b>20,602,804</b>	<b>2,198,330</b>	<b>-</b>	<b>-</b>	<b>3,156,224</b>	<b>3,156,224</b>
<b>Total</b>	<b>\$ 162,000,876</b>	<b>\$ 29,411,168</b>	<b>\$ 63,847,405</b>	<b>\$ 5,414,892</b>	<b>\$ (66,483,635)</b>	<b>\$ 3,156,224</b>	<b>\$ (63,327,411)</b>
General revenues:							
Property taxes					\$ 60,275,781	\$	\$ 60,275,781
Grants and contributions not restricted to specific programs					2,504,824		2,504,824
Unrestricted investment earnings					294	1	295
<b>Total general revenues</b>					<b>62,780,899</b>	<b>1</b>	<b>62,780,900</b>
Change in net position					(3,702,736)	3,156,225	(546,511)
Net position - July 1, 2012 (as restated)					(55,506,350)	41,194,651	(14,311,699)
Net position - June 30, 2013					<b>\$ (59,209,086)</b>	<b>\$ 44,350,876</b>	<b>\$ (14,858,210)</b>

See Notes to Financial Statements.

City of Woonsocket, Rhode Island

Balance Sheet  
Governmental Funds  
June 30, 2013

	General	City Capital Projects	School Unrestricted Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 5,297,590	\$ 1,775,088	\$ 88,661	\$ 2,594,325	\$ 9,755,664
Receivables:					
Property taxes	6,260,198				6,260,198
Loans				3,526,691	3,526,691
Accounts	1,231,295		125,448	709,350	2,066,093
Intergovernmental	1,103,183		632,427	1,340,418	3,076,028
Due from other funds	1,436,043	270,118	4,814,183	240,702	6,761,046
Prepaid items	252,332		402,600		654,932
Inventory at cost	2,862				2,862
<b>Total assets</b>	<b>\$ 15,583,503</b>	<b>\$ 2,045,206</b>	<b>\$ 6,063,319</b>	<b>\$ 8,411,486</b>	<b>\$ 32,103,514</b>
<u>Liabilities</u>					
Accounts payable	\$ 2,886,279	\$	\$ 3,015,585	\$ 1,057,960	\$ 6,959,824
Accrued wages and related liabilities	1,025,344		6,584,234		7,609,578
Due to other funds	4,809,791	990,801	11,745	1,294,433	7,106,770
Unearned revenue	105,731				105,731
<b>Total liabilities</b>	<b>8,827,145</b>	<b>990,801</b>	<b>9,611,564</b>	<b>2,352,393</b>	<b>21,781,903</b>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue - property taxes	3,627,379				3,627,379
Advance property tax collections	2,803,829				2,803,829
Unavailable revenue - intergovernmental receivable				255,483	255,483
Unavailable revenue - loans				3,522,320	3,522,320
Unavailable revenue - EMS charges receivable				708,410	708,410
<b>Total deferred inflows of resources</b>	<b>6,431,208</b>	<b>-</b>	<b>-</b>	<b>4,486,213</b>	<b>10,917,421</b>
<u>Fund Balances</u>					
Nonspendable	255,194			185,929	441,123
Restricted		1,054,405		1,078,063	2,132,468
Committed				311,274	311,274
Assigned	69,956				69,956
Unassigned			(3,548,245)	(2,386)	(3,550,631)
<b>Total fund balances</b>	<b>325,150</b>	<b>1,054,405</b>	<b>(3,548,245)</b>	<b>1,572,880</b>	<b>(595,810)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 15,583,503</b>	<b>\$ 2,045,206</b>	<b>\$ 6,063,319</b>	<b>\$ 8,411,486</b>	<b>\$ 32,103,514</b>

(Continued)

**City of Woonsocket, Rhode Island**  
**Reconciliation of Fund Balance**  
**to Net Position of Governmental Activities**  
**June 30, 2013**

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different from the governmental fund balance sheet. The details of this difference are as follows:

Total fund balance (Exhibit C, Page 1)	\$	(595,810)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Beginning net capital assets		200,252,577
Current year capital asset additions		818,949
Depreciation expense		(5,625,977)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Interest receivable on property taxes		5,159,924
Property tax receivable - accrual basis change		3,627,379
Loan receivables - accrual basis change		3,522,320
Intergovernmental receivable - accrual basis change		255,483
EMS charges receivable - accrual basis change		708,410
Allowance for doubtful accounts		(3,354,000)
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension obligation		(11,073,064)
Net OPEB obligation		(57,088,159)
Bonds payable		(181,659,872)
Landfill postclosure obligation		(570,000)
Accrued interest payable		(3,103,495)
Compensated absences		(8,057,967)
Capital lease		(802,705)
Premium		(1,504,219)
Claims and judgments		(118,860)
Net position of governmental activities	\$	<u>(59,209,086)</u>

(Concluded)

## City of Woonsocket, Rhode Island

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2013**

	General	City Capital Projects	School Unrestricted Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
General property taxes	\$ 58,938,076	\$	\$	\$	\$ 58,938,076
Revenue in lieu of taxes	1,300				1,300
Intergovernmental grants and contracts	8,131,834		48,145,917	10,312,090	66,589,841
Departmental revenues	2,831,251				2,831,251
Licenses, fines and fees	2,280,154				2,280,154
Charges for services	813,979	616	917,036	1,501,446	3,233,077
Investment income				294	294
Intergovernmental pension contribution			2,626,000		2,626,000
Contributions				100,538	100,538
<b>Total revenues</b>	<b>72,996,594</b>	<b>616</b>	<b>51,688,953</b>	<b>11,914,368</b>	<b>136,600,531</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Executive	80,471				80,471
Legislative - general government	1,197,810			258,085	1,455,895
Planning and development	655,533				655,533
Finance	1,419,875				1,419,875
Law	312,844				312,844
Public safety	17,354,205			776,520	18,130,725
Public works	5,574,600			4,334	5,578,934
Economic development	17,800			1,082,403	1,100,203
Human services	116,385			71,597	187,982
Education			65,352,724	8,086,605	73,439,329
Pension expense	3,785,039				3,785,039
Other fixed and general charges	8,794,712				8,794,712
Budget commission	549,144				549,144
<b>Debt service:</b>					
Principal	8,128,782			413,176	8,541,958
Interest and other costs	10,592,242			59,989	10,652,231
Capital outlay		250			250
<b>Total expenditures</b>	<b>58,579,442</b>	<b>250</b>	<b>65,352,724</b>	<b>10,752,709</b>	<b>134,685,125</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>14,417,152</b>	<b>366</b>	<b>(13,663,771)</b>	<b>1,161,659</b>	<b>1,915,406</b>
<b>Other financing sources (uses):</b>					
Transfers in	2,496,824		19,554,302	243,227	22,294,353
Transfers out	(19,570,426)	(1,343,000)	(158,870)	(1,222,057)	(22,294,353)
<b>Net other financing sources (uses)</b>	<b>(17,073,602)</b>	<b>(1,343,000)</b>	<b>19,395,432</b>	<b>(978,830)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(2,656,450)</b>	<b>(1,342,634)</b>	<b>5,731,661</b>	<b>182,829</b>	<b>1,915,406</b>
<b>Fund balances - July 1, 2012 (as restated)</b>	<b>2,981,600</b>	<b>2,397,039</b>	<b>(9,279,906)</b>	<b>1,390,051</b>	<b>(2,511,216)</b>
<b>Fund balances - June 30, 2013</b>	<b>\$ 325,150</b>	<b>\$ 1,054,405</b>	<b>\$ (3,548,245)</b>	<b>\$ 1,572,880</b>	<b>\$ (595,810)</b>

See Notes to Financial Statements.

## City of Woonsocket, Rhode Island

**Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to Statement of Activities  
Year Ended June 30, 2013**

Amounts reported for governmental activities in the statement of activities (Exhibit B) are due to:

Net change in fund balances - total governmental funds (Exhibit D) \$ 1,915,406

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	818,949
Depreciation expense	<u>(5,625,977)</u>

Total (4,807,028)

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

Change in property tax receivable, EMS charges, intergovernmental receivable and loan receivable - accrual basis change	1,871,358
Change in property tax interest and lien revenue	<u>181,341</u>

Total 2,052,699

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

Principal repayments:	
General obligation bonds	8,401,282
Capital lease	<u>376,381</u>

Total 8,777,663

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

Compensated absences	1,073,278
Landfill postclosure obligation	14,000
Net pension obligation	(2,587,136)
Net OPEB obligation	(9,069,960)
Claims and judgments	59,430
Accrued interest payable	447,068
Other	(1,649,634)
Premium	<u>71,478</u>

Total (11,641,476)

Change in net position of governmental activities (Exhibit B) \$ (3,702,736)

## City of Woonsocket, Rhode Island

Statement of Net Position  
Proprietary Funds  
June 30, 2013

	Business-Type Activities Enterprise Funds				Total
	Major Funds			Nonmajor Fund	
	Water Fund	Regional Wastewater Fund	User Charge Fund	School Proprietary Fund	
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 6,628,991	\$ 1,433,933	\$ 2,715,235	\$ 356,644	\$ 11,134,803
Cash held in escrow	4,078,430	12,464,217	212,749		16,755,396
Receivables, net of allowances for collection losses	2,099,372	907,495	1,716,214		4,723,081
Intergovernmental receivables				127,537	127,537
Due from other funds	1,083,563	3,983,860	142,763	531,437	5,741,623
Total current assets	13,890,356	18,789,505	4,786,961	1,015,618	38,482,440
Noncurrent assets:					
Restricted cash	277,570				277,570
Restricted investments	1,019,413	664,913	71,189		1,755,515
Net OPEB asset			119,486		119,486
Capital assets (net):					
Land	390,000	570,321			960,321
Construction in progress	1,944,738	1,921,757	1,162,916		5,029,411
Buildings and improvements		23,536,714			23,536,714
Machinery and equipment			299,657	56,462	356,119
Vehicles	136,226	10,322		33,061	179,609
Infrastructure	24,410,551				24,410,551
Total capital assets (net)	26,881,515	26,039,114	1,462,573	89,523	54,472,725
Total noncurrent assets	28,178,498	26,704,027	1,653,248	89,523	56,625,296
Total assets	42,068,854	45,493,532	6,440,209	1,105,141	95,107,736
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	376,441	931,155	405,104	724,157	2,436,857
Accrued interest payable	100,128		3,306		103,434
Due to other funds	537,703	645,435	3,877,284	168,239	5,228,661
Intergovernmental payable					
Unearned revenue	37,609				37,609
Bonds anticipation note payable		5,000,000			5,000,000
Capital lease obligation		1,420,719			1,420,719
Bonds and notes payable	1,126,000	1,000	55,000		1,182,000
Total current liabilities	2,177,881	7,998,309	4,340,694	892,396	15,409,280
Noncurrent liabilities:					
Bonds, notes and related liabilities	13,523,999	9,999,000	770,000		24,292,999
Capital lease obligation		9,171,455			9,171,455
Compensated absences	301,700	33,072			334,772
Net OPEB obligation	1,540,294	8,060			1,548,354
Total noncurrent liabilities	15,365,993	19,211,587	770,000	-	35,347,580
Total liabilities	17,543,874	27,209,896	5,110,694	892,396	50,756,860
<b>Net Position</b>					
Net investment in capital assets	16,309,946	12,911,157	637,573	89,523	29,948,199
Restricted by regulatory agencies	4,078,430	12,464,217	212,749		16,755,396
Unrestricted	4,136,604	(7,091,738)	479,193	123,222	(2,352,719)
Total net position	\$ 24,524,980	\$ 18,283,636	\$ 1,329,515	\$ 212,745	\$ 44,350,876

See Notes to Financial Statements.

## City of Woonsocket, Rhode Island

Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
Year Ended June 30, 2013

	Business-Type Activities Enterprise Funds				Total
	Major Funds			Nonmajor Fund	
	Water Fund	Regional Wastewater Fund	User Charge Fund	School Proprietary Fund	
Operating revenues:					
Charges for services	\$ 7,537,390	\$ 5,541,200	\$ 7,182,172	\$ 342,042	\$ 20,602,804
Intergovernmental				2,198,330	2,198,330
Total operating revenues	7,537,390	5,541,200	7,182,172	2,540,372	22,801,134
Operating expenses:					
Personnel services	2,664,097	211,302	4,101	168,240	3,047,740
Contractual services	641,588	3,120,677	720,987	2,356,087	6,839,339
Supplies and materials	609,294	7,016		18,932	635,242
Fixed and general charges	309,735	234,404	4,412,890		4,957,029
Repairs and maintenance	264,938	186,821	52,689		504,448
Administrative	429,722	16,524	62,710		508,956
Depreciation	671,413	1,037,740	45,042	32,981	1,787,176
Total operating expenses	5,590,787	4,814,484	5,298,419	2,576,240	18,279,930
Operating income (loss)	1,946,603	726,716	1,883,753	(35,868)	4,521,204
Nonoperating revenues (expenses):					
Interest income			1		1
Amortization	(44,000)	(238,271)	(28,500)		(310,771)
Interest expense	(467,607)	(568,961)	(17,641)		(1,054,209)
Net nonoperating revenues (expenses)	(511,607)	(807,232)	(46,140)	-	(1,364,979)
Change in net position	1,434,996	(80,516)	1,837,613	(35,868)	3,156,225
Net position - July 1, 2012 (as restated)	23,089,984	18,364,152	(508,098)	248,613	41,194,651
Net position - June 30, 2013	\$ 24,524,980	\$ 18,283,636	\$ 1,329,515	\$ 212,745	\$ 44,350,876

See Notes to the Financial Statements.



## City of Woonsocket, Rhode Island

**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2013**

	Business-Type Activities				Total
	Enterprise Funds				
	Major Funds			Nonmajor Fund	
Water Fund	Regional Wastewater Fund	User Charge Fund	School Proprietary Fund		
Cash flows from operating activities:					
Receipts from customers and users	\$ 7,566,580	\$ 6,062,142	\$ 6,999,460	\$ 368,892	\$ 20,997,074
Operating grants				2,198,330	2,198,330
Payments to suppliers	(1,927,316)	(3,134,416)	(4,579,354)	(2,415,555)	(12,056,641)
Payments to employees	(2,521,201)	(225,602)	(4,101)	(168,240)	(2,919,144)
Net cash provided by (used in) operating activities	<u>3,118,063</u>	<u>2,702,124</u>	<u>2,416,005</u>	<u>(16,573)</u>	<u>8,219,619</u>
Cash flows from capital and related financing activities:					
Bonds and notes issued	4,400,000	11,000,000			15,400,000
Cash placed in escrow	(4,078,430)	(8,715,564)			(12,793,994)
Cash released from escrow			92,568		92,568
Principal payments on debt	(1,084,000)	(1,460,529)	(55,000)		(2,599,529)
Interest paid on debt	(411,479)	(668,961)	(14,335)		(1,094,775)
Purchase of capital assets	(573,643)	(1,228,080)	(186,569)		(1,988,292)
Net cash provided by (used in) capital and related financing activities	<u>(1,747,552)</u>	<u>(1,073,134)</u>	<u>(163,336)</u>	<u>-</u>	<u>(2,984,022)</u>
Cash flows from investing activities:					
Purchase of investments	(1,019,413)	(664,913)	(71,189)		(1,755,515)
Interest received on investments			1		1
Net cash provided by (used in) investing activities	<u>(1,019,413)</u>	<u>(664,913)</u>	<u>(71,188)</u>	<u>-</u>	<u>(1,755,514)</u>
Net increase (decrease) in cash and cash equivalents	351,098	964,077	2,181,481	(16,573)	3,480,083
Cash and cash equivalents - July 1, 2012	<u>6,555,463</u>	<u>469,856</u>	<u>533,754</u>	<u>373,217</u>	<u>7,932,290</u>
Cash and cash equivalents - June 30, 2013	<u>\$ 6,906,561</u>	<u>\$ 1,433,933</u>	<u>\$ 2,715,235</u>	<u>\$ 356,644</u>	<u>\$ 11,412,373</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 1,946,603	\$ 726,716	\$ 1,883,753	\$ (35,868)	\$ 4,521,204
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	671,413	1,037,740	45,042	32,981	1,787,176
(Increase) decrease in:					
Receivables	13,961	520,942	(182,712)	26,850	379,041
Due from other funds	(17,499)	2,068,373	1,902,496	29,479	3,982,849
Other asset			(28,285)		(28,285)
Increase (decrease) in:					
Accounts payable	(41,644)	(39,726)	(69,070)	115,758	(34,682)
Compensated absences	(41,193)	(14,111)			(55,304)
Net OPEB obligation	184,089	(189)			183,900
Unearned revenue	15,229				15,229
Due to other funds	387,104	(1,597,621)	(1,135,219)	(185,773)	(2,531,509)
Net cash provided by (used in) operating activities	<u>\$ 3,118,063</u>	<u>\$ 2,702,124</u>	<u>\$ 2,416,005</u>	<u>\$ (16,573)</u>	<u>\$ 8,219,619</u>

See Notes to Financial Statements.

## City of Woonsocket, Rhode Island

Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2013

	<u>Employee Retirement Plan</u>	<u>Private- Purpose Trust Fund</u>	<u>Agency Funds</u>
<u>Assets</u>			
Cash	\$	\$ 89,499	\$ 629,923
Investments:			
Money market funds	5,900,040		
US Government obligations	9,181,166		
US Government agency obligations	3,896,131		
Corporate and foreign bonds	6,632,147		
Municipal bonds	724,765		
Mutual funds:			
Equity	15,277,384		
Fixed income	6,214,345		
Total investments	<u>47,825,978</u>	<u>-</u>	<u>-</u>
Total assets	<u>47,825,978</u>	<u>89,499</u>	<u>629,923</u>
<u>Liabilities</u>			
Accounts payable	218,945		
Deposits held for others			462,685
Due to other funds			167,238
Total liabilities	<u>218,945</u>	<u>-</u>	<u>629,923</u>
<u>Net Position</u>			
Net position held in trust for pension benefits and other purposes	<u>\$ 47,607,033</u>	<u>\$ 89,499</u>	<u>\$ -</u>

See Notes to Financial Statements.

## City of Woonsocket, Rhode Island

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Year Ended June 30, 2013**

	Employee Retirement Plan	Private- Purpose Trust Fund
Additions:		
Contributions:		
Employer	\$ 1,003,151	\$
Plan members	5,041	
Other		200
Total contributions	1,008,192	200
Investment income (loss):		
Interest and dividends	837,439	152
Net change in fair value of investments	1,789,656	
Total investment income (loss)	2,627,095	152
Less investment expenses	222,246	
Net investment income (loss)	2,404,849	152
Total additions	3,413,041	352
Deductions:		
Benefits	9,436,729	
Program expenses		300
Total deductions	9,436,729	300
Changes in net position	(6,023,688)	52
Net position - July 1, 2012	53,630,721	89,447
Net position - June 30, 2013	\$ 47,607,033	\$ 89,499

See Notes to Financial Statements.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

**Reporting Entity**

The City of Woonsocket was incorporated in 1888 under the provisions of Chapter 728 of the Public Laws of the State of Rhode Island. The City operates under a Home Rule Charter first adopted in 1952 and revised in 1960. The City operates under a City Council - Mayor form of government and provides a full range of services as authorized in its Charter, including, but not limited to, education services, police and fire protection, public works, parks, recreation, sanitation, health and certain social services and general administration services. On May 29, 2012, the Director of Revenue established a Budget Commission under RIGL 45-9-6. The purpose of the Budget Commission is to initiate and assure the implementation of appropriate measures to secure the financial stability of the City. The Budget Commission has the authority to review and approve all expenditures, regardless of the source of funding, for all departments including the Woonsocket Education Department. The Budget Commission was put in place as a result of the recurring and projected deficits incurred by the Woonsocket Education Department.

The accompanying financial statements present the City. The City does not have any organizations that meet the definition of component unit, entities for which the City is considered to be financially accountable, under the Governmental Accounting Standards Board Statement No. 61.

**I. Summary of Significant Accounting Policies****A. Government-Wide and Fund 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 primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

**B. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds do not have a measurement focus but are reported on 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

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 City 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.

Property taxes, expenditure-type reimbursement grants, certain intergovernmental revenues, transfers 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The *General Fund* is the City'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 *City Capital Projects Fund* accounts for capital project activity related to the acquisition and/or construction of major capital facilities of the City.
- The *School Unrestricted Fund* is the Woonsocket Education Department's primary operating fund. It accounts for all financial resources of the Woonsocket Education Department, except those required to be accounted for separately in another fund.

The City reports the following major proprietary funds:

- The *Water Fund* accounts for the City's water use operations.
- The *Regional Wastewater Fund* accounts for the operations of the City's regional wastewater treatment plant including billings to the member Cities and Towns.
- The *User Charge Fund* accounts for the sewer user fees charged to City of Woonsocket residents and payments to the Regional Wastewater Fund.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

Additionally, the City reports the following fund types:

- The *Pension Trust Fund* accounts for the activity of the City's defined benefit pension plan, which accumulates resources for pension benefit payments to qualified employees.
- The *Private-Purpose Trust Fund* is used to account for assets held by the City in a trustee capacity for the benefit of various City facilities. There is no requirement that any portion of these resources be preserved as capital.
- The *Agency Funds* account for monies held by the City as custodian for student groups and City employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the City's sewer and water operations and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 enterprise funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise 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.

## C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

### 1. Deposits and Investments

Deposits - The City's cash and cash equivalents consists of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

The City's deposits are subject to certain State and municipal restrictions. Under Rhode Island general laws, depository institutions must insure deposits of the City or pledge eligible collateral equal to 100% of deposits maturing in greater than 60 days. Any institution not meeting certain federally prescribed minimum capital standards must insure deposits or provide collateral regardless of maturities. State Statutes and the City Charter authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

Investments - The City's investments are reported at fair value (generally based on quoted market prices). The City's investment guidelines are defined by City ordinance and a written investment policy that is approved by City Council. The City has adopted a formal investment policy for its pension fund which identifies various authorized investment instruments, issuer diversification, maturity constraints, investment ratings and liquidity parameters. Authorized investments include obligations of the United States of America and its agencies, corporate debt obligations, asset-backed securities, money market instruments or funds, common stocks, convertible preferred stocks or bonds, repurchase agreements, commercial paper, foreign currency, commingled investment funds, guaranteed investment contracts, certain nonnegotiable certificates of deposit, and collateralized mortgage obligations. Investment income is recorded in the fund in which it was earned.

**2. Receivables and Payables****a. Interfunds**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

**b. Property Taxes and Other Receivables**

In the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 12% to 45% of outstanding receivable balances at June 30, 2013 and are calculated based upon prior collections.

The City's property tax is levied each July 1 on the assessed value listed as of the prior December 31 for all real property and personal property located in the City. Taxes are due in equal quarterly installments on July 15, October 15, January 15 and April 15 following the levy date. A full revaluation of all real property is required to be completed every nine years. The next full revaluation will be conducted in 2018 for the 2019 tax year. Every three years a statistical revaluation is conducted. The last statistical revaluation was performed as of December 31, 2011, and the next statistical revaluation will be conducted in 2014 for the 2015 tax year.

Taxes due and unpaid after the respective due dates are subject to interest charged at 12% per annum. An automatic lien is placed on the taxpayer's property if payment has not been received by the tax due date.

**City of Woonsocket, Rhode Island**

**Notes to Financial Statements**

It is the policy of the City to record deferred inflow of resources in the fund financial statements for property taxes receivable at June 30 that have not been collected prior to September 1. The entire receivable is recorded as revenue in the government-wide financial statements. Property taxes collected prior to June 30 that are applicable to the subsequent year's assessment are reflected as deferred inflow of resources in both the fund financial statements and government-wide financial statements.

**3. Restricted Assets**

The restricted assets for the City's enterprise funds are restricted and to be used for debt service and capital projects.

**4. 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' columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25-65
Land improvements	10-65
Building Improvements	15-30
Machinery and equipment	6-30
Infrastructure	65

**5. Compensated Absences**

Employees of the City and the School Department earn vacation and sick leave, which can accumulate, based on the provisions of negotiated contracts or other personnel policies. Upon retirement, termination or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay.



## City of Woonsocket, Rhode Island

## Notes to Financial Statements

All vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. The current portion of the leave is determined based on historical and current usage. The current and noncurrent portion is recorded in the government-wide financial statements. The entire amount is reported as current in the proprietary fund financial statements.

**6. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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

**7. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City did not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

For governmental funds, the City reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from several sources: property taxes (including advance collections, if any), grants, charges for services and loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

**8. Restricted Assets**

Certain proceeds of the Water Fund and Regional Wastewater Fund revenue bonds are classified as restricted assets on the statement of net position because they are maintained in separate escrow accounts managed by trustees in accordance with the bond covenants. These include debt service reserves and capitalized interest.

The Water Fund and Regional Wastewater Fund have additional cash on the statement of net position classified as restricted since, by order of the Rhode Island Public Utilities Commission, it may only be used for debt service, capital, electricity, certain specified retiree/new hire benefits, or chemical expenditures.

**9. Net Position Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**10. Fund Balance Flow Assumptions**

Sometimes the government 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 City'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.

**11. Fund Equity and Net Position**

In the government-wide financial statements, net position is classified into the following categories:

Net Investment in Capital Assets

This category presents the net position that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

Restricted Net Position

This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Position

This category presents the net position of the City, which is not restricted.

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable

This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted

This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed

This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

Assigned

This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the passing of a resolution of the City Council or a properly approved purchase order.

Unassigned

This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

The City Council has adopted a fund balance policy for the General Fund requiring an unassigned fund balance of 8.3% of the following year's adopted budget expenditures.

**12. Use of Estimates**

The preparation of the 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 including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Accordingly, actual results could differ from those estimates.

**13. Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**II. Stewardship, Compliance and Accountability****A. Budgets and Budgetary Accounting**

The City establishes budgets for its General Fund and the following Special Revenue Funds: School Unrestricted Fund in accordance with provisions of its Charter and the Rhode Island General Statutes.

The City follows these procedures in establishing the budgetary data reported in the financial statements:

- The Mayor shall file with the City Clerk at least fifty (50) days prior to the beginning of each fiscal year, a proposed operating budget, capital budget, and message containing an explanation of proposed financial policies and the important features of the budget plan. At that same time, the Mayor shall also file proposed appropriation ordinances providing for the support of the City for the ensuing fiscal year.
- The City Clerk shall present the budgets and budget message to the City Council at its next regular or special meeting after the filing by the Mayor.
- The Council shall hold a public hearing on the budgets no later than June 1 of each year, at which interested persons shall have an opportunity to be heard; legal notice shall be published at least ten (10) days in advance thereof.
- The Council may insert new items or may increase or decrease the items of the budgets as presented by the Mayor, but if it shall increase the total proposed expenditures, it also shall provide for increasing the total anticipated revenues at least to equal the total proposed expenditures.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

- Upon final passage of the appropriation ordinances, such changes as have been made in the ordinances as originally proposed shall be made in the budget document. A copy of the budget and appropriation ordinances shall be placed on file as a public record in the office of the City Clerk.
- The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level for the General Fund and the fund level for the School Unrestricted Fund. The Finance Director may transfer amounts between line items within a department or agency in an amount not exceeding a total of five thousand dollars (\$5,000) within a fiscal year.
- Generally, all unencumbered appropriations lapse at year-end and the encumbered appropriations are carried forward to the ensuing year. Appropriations for capital projects are continued until completion of applicable projects even when projects extend more than one fiscal year.
- During the fiscal year ended June 30, 2013, additional appropriations were approved by the Budget Commission for the purpose of addressing the School Unrestricted Fund fund balance deficit. These additional appropriations amounted to \$6,521,894, of which \$4,472,789 was from a supplemental tax levy and \$2,049,105 was from fund balance.

**B. Basis of Budgeting**

The City uses a basis of budgeting under which purchase orders for contracts or other commitments are recorded in order to reserve that portion of the applicable appropriation. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in the General Fund statement of revenues, expenditures and changes in fund balance - budget and actual as expenditures in the current year.

Encumbrances outstanding at year-end are reported as assigned fund balance in the governmental funds' balance sheet in accordance with GAAP, since they do not constitute expenditures or liabilities. In addition, the liquidation of prior year's encumbrances are reported as expenditures in the current year in the statement of revenues, expenditures and changes in fund balances - governmental funds as required by GAAP.

City of Woonsocket, Rhode Island

Notes to Financial Statements

**C. Budget - GAAP Reconciliation**

A reconciliation of revenues, expenditures, and fund balance between the accounting treatment required by GAAP (Exhibit D) and budgetary requirements (Exhibit F) is as follows:

General Fund

	<u>Revenues</u>	<u>Expenditures</u>
Balance, budgetary basis (RSI - 1), June 30, 2013	\$ 125,051,917	\$ 102,411,177
Activity from funds consolidated with the General Fund for financial reporting	9,454	
Encumbrances outstanding at June 30, 2013		(69,956)
Reimbursement for debt service reported as revenue and expenditures for budget purposes	(505,000)	(505,000)
Interfund transfers recorded as revenue and expenditures for budget purposes	(2,496,824)	(84,357)
Education Department revenues and expenditures reported in the General Fund for budget purposes	<u>(49,062,953)</u>	<u>(43,172,422)</u>
Balance, GAAP basis (Exhibit D), June 30, 2013	<u>\$ 72,996,594</u>	<u>\$ 58,579,442</u>

Special Revenue Fund - School Unrestricted Fund

	<u>Revenues</u>	<u>Expenditures</u>
Balance, budgetary basis (RSI - 2), June 30, 2013	\$ 49,062,953	\$ 62,726,724
Teachers' retirement system on-behalf payments	<u>2,626,000</u>	<u>2,626,000</u>
Balance, GAAP basis (Exhibit D), June 30, 2013	<u>\$ 51,688,953</u>	<u>\$ 65,352,724</u>

**D. Deficit Fund Balance**

The following funds had a deficit fund balance at June 30, 2013:

Special Revenue Funds

Hamlet Avenue Enhancement Fund	\$ 1,087
Juvenile Fire Setters Educational Fund	62
Fire Department P.P.E. Grant Fund	1,004
Cass Park Improvement Grant Fund	51
Homeland Security Fire Grant Fund	183

Future revenue recognition of deferred revenue and future grant proceeds will fund the deficit.

City of Woonsocket, Rhode Island

Notes to Financial Statements

**E. Excess of Expenditures over Appropriations**

As discussed in Note II. A, the legal level of control at which expenditures may not legally exceed appropriations is at the department level. At June 30, 2013, expenditures exceeded appropriations in the following General Fund departments:

<u>Department</u>	
Law	\$ 121,251
Public safety	246,063
Human services	27
Budget commission	549,144
Transfer out to school department	18

**III. Detailed Notes**

**A. Cash and Investments**

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it.

Rhode Island Public Law requires that 100% of public deposits in a qualified public depository with maturities greater than sixty (60) days are collateralized with either bank segregated assets, in the qualified depository institution's trust department or in the trust department of another qualified depository institution, or in custodial accounts at a federal reserve bank or federal home loan bank. Any institution not meeting certain federally prescribed minimum capital standards must insure deposits or provide collateral regardless of maturities. At June 30, 2013, the City's deposits are not exposed to custodial credit risk since most of the above deposits are collateralized with assets held either in trust or by a third party bank. The remaining deposits are insured by the Federal Deposit Insurance Corporation ("FDIC").

As of June 30, 2013, the City's bank balance of \$21,688,963 was insured and collateralized as follows:

Insured	\$ 1,075,287
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>20,613,676</u>
Total amount subject to custodial credit risk	<u>\$ 21,688,963</u>

Financial instruments that potentially subject the City to significant concentrations of credit risk consist primarily of cash. From time to time, the City's cash account balances exceed the FDIC limit. The City reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

City of Woonsocket, Rhode Island

Notes to Financial Statements

At June 30, 2013, the City's investments (including restricted investments) consisted of the following types and maturities. Specific identification was used to determine the maturities.

Type of Investment	Fair Value	Investment Maturities (In Years)				
		N/A	Less Than 1	1-5 Years	5-10 Years	Over 10 Years
Money market funds	\$ 7,655,555	\$ 7,655,555	\$	\$	\$	\$
U.S. government obligations	9,181,166		5,996,670	2,264,024	581,641	338,831
U.S. government agency obligations	3,896,131		969,954	80,165	193,699	2,652,313
Corporate and foreign bonds	6,632,147			128,749	67,063	6,436,335
Municipal bonds	724,765			31,425	340,830	352,510
Mutual funds:						
Equity	15,277,384	15,277,384				
Fixed income	6,214,345				6,214,345	
<b>Total</b>	<b>\$ 49,581,493</b>	<b>\$ 22,932,939</b>	<b>\$ 6,966,624</b>	<b>\$ 2,504,363</b>	<b>\$ 7,397,578</b>	<b>\$ 9,779,989</b>

Interest rate risk - This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - This is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. The City has a formal investment policy that limits its investment choices due to credit risk.

The City's investments subject to credit risk had average ratings by Standard & Poor's as follows:

Average Rating	U.S.			
	U.S. Government Obligations	Government Agency Obligations	Corporate and Foreign Bonds	Municipal Bonds
AAA	\$ 9,181,166	\$ 3,896,131	\$ 416,368	\$ 50,560
AA			649,590	239,989
A			2,680,842	402,791
B			2,885,347	31,425
<b>Total</b>	<b>\$ 9,181,166</b>	<b>\$ 3,896,131</b>	<b>\$ 6,632,147</b>	<b>\$ 724,765</b>

Custodial credit risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City does not have a formal policy with respect to custodial credit risk.

Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$100,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.



City of Woonsocket, Rhode Island

Notes to Financial Statements

The following City investments are held by the counterparty's trust department or agent but not in the City's name and, therefore, are subject to custodial credit risk.

	<u>Total</u>	<u>Less Insured Amounts</u>	<u>Amount Subject to Custodial Credit Risk</u>
U.S. government obligations	\$ 9,181,166	\$ 500,000	\$ 8,681,166
U.S. government agency obligations	3,896,131		3,896,131
Corporate and foreign bonds	6,632,147		6,632,147
Municipal bonds	<u>724,765</u>		<u>724,765</u>
Total	<u>\$ 20,434,209</u>	<u>\$ 500,000</u>	<u>\$ 19,934,209</u>

**B. Receivables**

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the City's government-wide financial statements with allowances for uncollectible accounts as of June 30, 2013, including the applicable allowances for uncollectible accounts, are presented below.

Governmental Activities:

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Property taxes	\$ 11,436,866	\$	\$	\$ 11,436,866
Loans			3,526,691	3,526,691
Accounts	1,231,295	125,448	1,288,959	2,645,702
Intergovernmental	<u>1,103,183</u>	<u>632,427</u>	<u>1,340,418</u>	<u>3,076,028</u>
Gross receivables	13,771,344	757,875	6,156,068	20,685,287
Less allowance for uncollectibles	<u>(5,176,668)</u>	<u></u>	<u>(579,609)</u>	<u>(5,756,277)</u>
Net receivable	<u>\$ 8,594,676</u>	<u>\$ 757,875</u>	<u>\$ 5,576,459</u>	<u>\$ 14,929,010</u>

Business-Type Activities:

	<u>Water Fund</u>	<u>Regional Wastewater Fund</u>	<u>User Charge Fund</u>	<u>Total</u>
Accounts receivable	\$ 2,799,372	\$1,026,677	\$ 2,228,848	\$ 6,054,897
Less allowance for uncollectibles	<u>(700,000)</u>	<u>(119,182)</u>	<u>(512,634)</u>	<u>(1,331,816)</u>
Net receivable	<u>\$ 2,099,372</u>	<u>\$ 907,495</u>	<u>\$ 1,716,214</u>	<u>\$ 4,723,081</u>

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

## C. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 22,307,537	\$	\$	\$ 22,307,537
Construction in progress	<u>645,591</u>	<u>107,417</u>	<u>          </u>	<u>753,008</u>
Total capital assets, not being depreciated	<u>22,953,128</u>	<u>107,417</u>	<u>          </u>	<u>23,060,545</u>
Capital assets, being depreciated:				
Buildings and improvements	213,152,873	591,170		213,744,043
Equipment	9,697,412	103,247		9,800,659
Vehicles	8,849,229	17,115		8,866,344
Infrastructure	<u>63,265,192</u>	<u>          </u>	<u>          </u>	<u>63,265,192</u>
Total capital assets, being depreciated	<u>294,964,706</u>	<u>711,532</u>	<u>          </u>	<u>295,676,238</u>
Total capital assets	<u>317,917,834</u>	<u>818,949</u>	<u>          </u>	<u>318,736,783</u>
Less accumulated depreciation for:				
Buildings and improvements	69,155,866	3,684,808		72,840,674
Equipment	8,460,717	291,378		8,752,095
Vehicles	7,284,172	407,478		7,691,650
Infrastructure	<u>32,764,502</u>	<u>1,242,313</u>	<u>          </u>	<u>34,006,815</u>
Total accumulated depreciation	<u>117,665,257</u>	<u>5,625,977</u>	<u>          </u>	<u>123,291,234</u>
Total capital assets, being depreciated, net	<u>177,299,449</u>	<u>(4,914,445)</u>	<u>          </u>	<u>172,385,004</u>
Governmental activities capital assets, net	<u>\$ 200,252,577</u>	<u>\$ (4,807,028)</u>	<u>\$</u>	<u>\$ 195,445,549</u>

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 570,321	\$ 390,000	\$	\$ 960,321
Construction in progress	<u>4,243,839</u>	<u>1,520,271</u>	<u>734,699</u>	<u>5,029,411</u>
Total capital assets, not being depreciated	<u>4,814,160</u>	<u>1,910,271</u>	<u>734,699</u>	<u>5,989,732</u>
Capital assets, being depreciated:				
Buildings and improvements	54,404,905			54,404,905
Machinery and equipment	6,803,086	34,416		6,837,502
Vehicles	740,412			740,412
Infrastructure	<u>37,588,139</u>	<u>778,304</u>		<u>38,366,443</u>
Total capital assets, being depreciated	<u>99,536,542</u>	<u>812,720</u>	<u>-</u>	<u>100,349,262</u>
Total capital assets	<u>104,350,702</u>	<u>2,722,991</u>	<u>734,699</u>	<u>106,338,994</u>
Less accumulated depreciation for:				
Building and improvements	29,833,892	1,034,299		30,868,191
Machinery and equipment	6,244,916	100,241		6,345,157
Vehicles	665,721	31,308		697,029
Infrastructure	<u>13,334,564</u>	<u>621,328</u>		<u>13,955,892</u>
Total accumulated depreciation	<u>50,079,093</u>	<u>1,787,176</u>	<u>-</u>	<u>51,866,269</u>
Total capital assets, being depreciated, net	<u>49,457,449</u>	<u>(974,456)</u>	<u>-</u>	<u>48,482,993</u>
Business-type activities capital assets, net	<u>\$ 54,271,609</u>	<u>\$ 935,815</u>	<u>\$ 734,699</u>	<u>\$ 54,472,725</u>

Depreciation and amortization expense was charged to functions/programs of the City as follows:

Governmental activities:	
Legislative	\$ 117,199
Public safety	662,719
Public works	1,326,285
Human services	27,443
Education	<u>3,492,331</u>
Total depreciation expense - governmental activities	<u>\$ 5,625,977</u>
Business-type activities:	
Water fund	\$ 671,413
Regional wastewater fund	1,037,740
User charge fund	45,042
School proprietary fund	<u>32,981</u>
Total depreciation expense - business-type activities	<u>\$ 1,787,176</u>

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

## D. Interfund Accounts

## 1. Interfund Payables and Receivables

A summary of interfund balances as of June 30, 2013 is as follows:

<u>Major Funds</u>	<u>Corresponding Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund:			
City Capital Projects Fund	N/A	\$ 307,360	\$
City Capital Projects Fund	N/A		70,118
School Unrestricted Fund	N/A		3,830,229
School Proprietary Fund	N/A		451,834
Water Fund	N/A	364,131	323,197
Regional Wastewater Fund	N/A	545,435	46,863
User Charge Fund	N/A	11,769	17,599
Hamlet Avenue Enhancement Fund	N/A	1,087	
Juvenile Fire Setters Educational Fund	N/A	1,000	
Fed and State Forfeiture Police Special Squad Fund	N/A		27,973
Bramley Bill Fund	N/A		6,368
Community Development Block Grant Fund	N/A	31,647	
Fire Department P.P.E. Grant Fund	N/A	106	
Cass Park Improvement Grant Fund	N/A	51	
Homeland Security Fire Grant Fund	N/A	3,517	212
2008 COP Technology Grant Fund	N/A	815	
Justice Assistance Grant 08 Fund	N/A		673
Justice Assistance Grant 10 Fund	N/A	1,887	
Retiree Medical	N/A		34,725
Deduction Services Fund	N/A	167,238	
Total General Fund		<u>1,436,043</u>	<u>4,809,791</u>
City Capital Projects Fund:			
General Fund	N/A		307,360
General Fund	N/A	70,118	
Water Fund	N/A		641,492
Regional Wastewater Fund	N/A		41,949
Brownfield Assessment Program Fund	N/A	200,000	
Total City Capital Projects Fund		<u>270,118</u>	<u>990,801</u>
School Unrestricted Fund:			
General Fund	N/A	3,830,229	
Woonsocket Schools Restricted Fund	N/A	815,714	11,745
School Proprietary Fund	N/A	168,240	
Total School Unrestricted Fund		<u>4,814,183</u>	<u>11,745</u>

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

	<u>Corresponding Fund</u>	<u>Due From</u>	<u>Due To</u>
Water Fund:			
General Fund	N/A	\$ 323,197	\$ 364,131
Capital Projects Fund	N/A	641,492	
User Charge Fund	N/A	118,874	25,164
Regional Wastewater Fund	N/A		148,408
Total Water Fund		<u>1,083,563</u>	<u>537,703</u>
Regional Wastewater Fund:			
General Fund	N/A	46,863	545,435
Capital Projects Fund	N/A	41,948	
Water Fund	N/A	148,408	
User Charge Fund	N/A	3,746,641	100,000
Total Regional Wastewater Fund		<u>3,983,860</u>	<u>645,435</u>
User Charge Fund:			
General Fund	N/A	17,599	11,769
Water Fund	N/A	25,164	118,874
Regional Wastewater Fund	N/A	100,000	3,746,641
Total User Charge Fund		<u>142,763</u>	<u>3,877,284</u>
Nonmajor Funds:			
Nonmajor Governmental Funds:			
Hamlet Avenue Enhancement Fund	General Fund		1,087
Juvenile Fire Setters Educational Fund	General Fund		1,000
Business Revolving Loan Fund	CDBG Fund		158,191
Fed and State Forfeiture Police Special Squad Fund	General Fund	27,973	
Bramley Bill Fund	General Fund	6,368	
Community Development Block Grant Fund	Business Revolving Loan Fund	158,191	
Community Development Block Grant Fund	General Fund		31,647
Fire Department P.P.E. Grant Fund	General Fund		106
Cass Park Improvement Grant Fund	General Fund		51
Homeland Security Fire Grant Fund	General Fund	212	3,517
2008 COP Technology Grant Fund	Justice Assistance Grant 08 Fund	815	
2008 COP Technology Grant Fund	General Fund		815
Justice Assistance Grant 08 Fund	General Fund	673	
Justice Assistance Grant 08 Fund	2008 COP Technology Grant Fund		815
Brownsfield Assessment Program Fund	City Capital Project Fund		200,000
Justice Assistance Grant 10 Fund	General Fund		1,887
Retiree Medical	General Fund	34,725	
Woonsocket Schools Restricted Fund	School Unrestricted Fund	11,745	815,714
Woonsocket Schools Restricted Fund	School Proprietary Fund		79,603
Total Nonmajor Governmental Funds		<u>240,702</u>	<u>1,294,433</u>
Nonmajor Proprietary Fund:			
School Proprietary Fund	General Fund	451,834	
School Proprietary Fund	School Restricted Fund	79,603	
School Proprietary Fund	School Restricted Fund		168,239
Total Nonmajor Proprietary Fund		<u>531,437</u>	<u>168,239</u>
Fiduciary Fund:			
Deduction Services Fund - Agency Fund	General Fund		167,238
Grand total		<u>\$ 12,502,669</u>	<u>\$ 12,502,669</u>

City of Woonsocket, Rhode Island

Notes to Financial Statements

All interfund balances resulted from the time lag between the dates payments occurred between funds for short-term internal financing.

2. Interfund Transfers

A summary of interfund transfers for the year ended June 30, 2013 is as follows:

	Corresponding <u>Fund</u>	Transfers <u>In</u>	Transfers <u>Out</u>
Major Funds:			
General Fund:			
City Capital Projects Fund	N/A	\$ 1,343,000	\$
EMS Public Fund	N/A	1,153,824	
School Unrestricted Fund – regular appropriation	N/A		12,964,175
School Unrestricted Fund – deficit reduction transfer	N/A		4,472,789
School Unrestricted Fund – year end deficit reduction	N/A		2,049,105
2008 Cop Technology Grant Fund	N/A		3,684
Justice Assistance Grant 08 Fund	N/A		673
Woonsocket Senior Citizens Fund	N/A		60,000
Retiree Medical	N/A		<u>20,000</u>
Total General Fund		<u>2,496,824</u>	<u>19,570,426</u>
City Capital Projects Fund	General fund		<u>1,343,000</u>
School Unrestricted Fund:			
General Fund	N/A	19,486,069	
School Restricted Fund	N/A	68,233	
School Restricted Fund	N/A		<u>158,870</u>
Total School Unrestricted Fund		<u>19,554,302</u>	<u>158,870</u>
Nonmajor Governmental Funds:			
Special Revenue Funds:			
Woonsocket Senior Citizens Fund	General Fund	60,000	
2008 Cop Technology Grant Fund	General Fund	3,684	
Justice Assistance Grant 08 Fund	General Fund	673	
Retiree Medical	General Fund	20,000	
EMS Public Fund	General Fund		1,153,824
Woonsocket Schools Restricted Fund	School Unrestricted Fund	<u>158,870</u>	<u>68,233</u>
Total Special Revenue Funds		<u>243,227</u>	<u>1,222,057</u>
Grand Total		<u>\$ 22,294,353</u>	<u>\$ 22,294,353</u>

Transfers are used to account for the financing by the general fund of various program and activities in other funds.

City of Woonsocket, Rhode Island

Notes to Financial Statements

**E. Short-Term Obligations - Bond and Revenue Anticipation Notes**

The City uses bond anticipation notes during the construction period of various public projects prior to the issuance of the bonds at the completion of the project.

Short-term obligation activity for the year ended June 30, 2013 was as follows:

<u>Type of Obligation</u>	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2013</u>
Revenue Bond Anticipation Notes:				
Wastewater System	<u>\$ 4,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ 5,000,000</u>

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

## F. Changes in Long-Term Obligations

## 1. Summary of Changes

The following is a summary of changes in long-term obligations during the fiscal year:

Governmental Activities:

Description	Original Amount	Date of Issue	Date if Maturity	Interest Rate	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013	Current Portion
General purpose bonds and notes:									
Highway & roads	\$12,000,000	06/30/99	06/30/20	5.415	\$ 6,260,000	\$	\$ 655,000	\$ 5,605,000	\$ 685,000
Library & school	17,940,000	10/01/00	10/01/20	4.0-6.5	10,545,000		940,000	9,605,000	985,000
Davison Ave landfill	5,000,000	05/26/05	03/01/35	5.0-6.0	4,475,000		115,000	4,360,000	120,000
Pension obligation	90,000,000	01/15/03	06/30/33	4.07-4.42	83,555,000		2,030,000	81,525,000	2,145,000
Promac settlement	2,450,000	03/06/09	06/30/19	4.25	1,696,154		251,282	1,444,872	251,282
Middle School	74,000,000	01/12/09	06/30/34	2.0-6.0	72,055,000		1,985,000	70,070,000	2,035,000
HUD loan school	2,050,000	07/21/10	08/21/19	1.9	1,800,000		250,000	1,550,000	250,000
Deficit bonds	11,500,000	03/10/11	06/15/16	7.125	<u>9,675,000</u>		<u>2,175,000</u>	<u>7,500,000</u>	<u>2,330,000</u>
Total bonds and notes					190,061,154	-	8,401,282	181,659,872	8,801,282
Premium					<u>1,575,697</u>		<u>71,478</u>	<u>1,504,219</u>	
Total bond, notes and related liabilities					<u>191,636,851</u>	-	<u>8,472,760</u>	<u>183,164,091</u>	<u>8,801,282</u>
Lease purchase obligations:									
Recycling containers	1,300,000	10/15/07	10/15/14	3.92	511,899		164,029	347,870	170,553
John Deere equip	132,260	04/15/08	04/15/14	4.75	40,726		19,879	20,847	20,847
Elgin equipment	140,178	03/17/09	03/17/14	4.72	29,297		29,297	-	-
Fire apparatus	263,981	02/15/12	02/15/17	4.09	211,219		38,927	172,292	40,519
Fire apparatus	857,626	10/15/08	10/15/14	3.50	<u>385,945</u>		<u>124,249</u>	<u>261,696</u>	<u>128,598</u>
Total lease purchase obligations					<u>1,179,086</u>	-	<u>376,381</u>	<u>802,705</u>	<u>360,517</u>
Compensated absences - City					7,202,759	1,076,786	2,145,819	6,133,726	1,275,000
Compensated absences - School Department					1,928,486	3,209,410	3,213,655	1,924,241	385,000
Claims and judgments					178,290		59,430	118,860	59,430
Landfill post-closure obligation					584,000		14,000	570,000	14,000
Net OPEB obligation - City					40,014,257	6,346,030		46,360,287	
Net OPEB obligation - School Department					8,003,942	2,723,930		10,727,872	
Net pension obligation					<u>8,485,928</u>	<u>2,587,136</u>		<u>11,073,064</u>	
Total long-term obligations					<u>\$259,213,599</u>	<u>\$15,943,292</u>	<u>\$14,282,045</u>	<u>\$ 260,874,846</u>	<u>\$10,895,229</u>

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



## City of Woonsocket, Rhode Island

## Notes to Financial Statements

Business-Type Activities:

The following are the changes in long-term obligations, which will be funded from enterprise fund operations:

Description	Original Amount	Date Of Issue	Date Of Maturity	Interest Rate	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013	Current Portion
<b>Water Fund:</b>									
Refunding bonds	\$ 3,755,000	05/26/05	03/01/14	3.25-5.0	\$ 940,000	\$	\$ 460,000	\$ 480,000	\$ 480,000
RI Clean water bonds	10,165,000	05/13/03	09/01/24	3.49	7,350,000		450,000	6,900,000	465,000
RI Clean water bonds	4,000,000	03/23/05	09/01/25	2.70	3,043,999		174,000	2,869,999	180,000
RI Clean water bonds	4,400,000	05/14/13	09/01/33	2.10		4,400,000		4,400,000	1,000
Total Water Fund bonds					11,333,999	4,400,000	1,084,000	14,649,999	1,126,000
Compensated absences					342,893		41,193	301,700	
Net OPEB obligation					1,356,205	184,089		1,540,294	
Total Water Fund long-term obligations					13,033,097	4,584,089	1,125,193	16,491,993	1,126,000
<b>Regional Wastewater Fund:</b>									
RI Clean water bonds	10,000,000	06/06/13	09/01/34	2.12		10,000,000		10,000,000	1,000
<b>Lease purchase obligations:</b>									
Wastewater lease	21,151,452	07/29/03	07/29/19	4.90	11,945,755		1,353,581	10,592,174	1,420,719
Wastewater lease	320,841	02/15/11	02/15/13	0.00	106,948		106,948	-	
Total Wastewater lease obligations					12,052,703	-	1,460,529	10,592,174	1,420,719
Compensated absences					47,183		14,111	33,072	
Net OPEB obligation					8,249		189	8,060	
Total Regional Wastewater Fund long-term obligations					12,108,135	10,000,000	1,474,829	20,633,306	1,421,719
<b>User Charge Fund:</b>									
RI Clean water bonds	1,100,000	12/12/07	09/01/27	1.54	880,000		55,000	825,000	55,000
Total enterprise fund long-term obligations					\$26,021,232	\$14,584,089	\$ 2,655,022	\$37,950,299	\$ 2,602,719

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

The City's future debt service requirements for bonds and note maturities for Governmental Activities and Business-Type Activities are as follows:

Year Ending June 30,	Debt Maturities				
	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2014	\$ 8,801,282	\$ 10,166,979	\$ 1,182,000	\$ 508,264	\$ 20,658,525
2015	9,291,282	9,667,864	901,000	649,125	20,509,271
2016	9,781,282	9,129,888	1,334,000	620,529	20,865,700
2017	7,416,282	8,589,147	1,366,000	591,195	17,962,624
2018	7,806,282	8,185,515	1,395,000	559,528	17,946,325
2019-2023	37,198,462	34,762,111	7,576,000	2,198,272	81,734,845
2024-2028	40,710,000	24,406,318	6,007,000	1,116,195	72,239,513
2029-2033	54,760,000	10,334,682	4,154,000	449,893	69,748,575
2033-2037	<u>5,895,000</u>	<u>308,431</u>	<u>1,559,999</u>	<u>38,924</u>	<u>7,802,354</u>
Totals	<u>\$181,659,872</u>	<u>\$115,550,935</u>	<u>\$ 25,474,999</u>	<u>\$ 6,781,926</u>	<u>\$329,467,732</u>

## 2. Capital Leases

At June 30, 2013, the City is committed under capital leases for Governmental Activities and Business-Type Activities. Under Governmental Activities, the leases are for public safety vehicles and various pieces of equipment. Under Business-Type Activities, the lease is for the Woonsocket Regional Wastewater Treatment Facility. These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

### Governmental Activities

Machinery and equipment totaling \$1,408,995 less \$800,554 of accumulated depreciation are recorded under capital leases as of June 30, 2013. For the year ended June 30, 2013, \$210,863 was included in depreciation expense.

### Business-Type Activities

Buildings totaling \$25,000,000 less \$5,416,670 of accumulated depreciation are recorded under a capital lease in the Regional Wastewater Fund as of June 30, 2013. For the year ended June 30, 2013, \$416,667 was included in depreciation expense.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments as of June 30, 2013:

Year Ending June 30,	Governmental Activities	Business-Type Activities
2014	\$ 391,398	\$ 1,922,542
2015	369,713	1,922,542
2016	47,566	1,922,542
2017	47,566	1,922,542
2018	-	1,922,542
2019	-	1,922,542
2020	-	961,271
Less amount representing interest	<u>(53,538)</u>	<u>(1,904,349)</u>
Present value of minimum lease payments	<u>\$ 802,705</u>	<u>\$10,592,174</u>

### 3. Landfill Postclosure Care Obligation

State and federal laws and regulations require that the City place a final cover on its landfill site and perform certain maintenance and monitoring functions at the landfill sites for a minimum of thirty years after closure. The City's Davison Avenue Landfill was closed and the City's closure plan was accepted by the Rhode Island Department of Environmental Management in November 2011. In accordance with Federal and State regulations, part of the closure plan requires the City to perform postclosure monitoring procedures for a period of thirty (30) years after final closure is completed. In accordance with GASB Statement No. 18, *Landfill Closure and Postclosure Care Cost*, the City has recognized a liability equal to the estimated cost of postclosure care of the landfill. The estimated liability for landfill postclosure care costs is \$570,000 as of June 30, 2013. The estimated total current cost of the landfill postclosure care (\$570,000) is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2013. However, the actual cost of postclosure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

### 4. Statutory Debt Limitations

The City's indebtedness does not exceed the legal debt limitations as required by Rhode Island General Statutes. Rhode Island General Laws cap the amount of each municipality's outstanding principal indebtedness to 3% of the full assessed value of the taxable property within the City. Of the City's \$207,134,871 total bonds payable at June 30, 2013 (including bonds payable of the Water Fund and Clean Water Obligations), approximately \$23,044,872 are subject to the statutory limitation. The total assessed value of the City of Woonsocket's taxable property was \$1,540,486,482, limiting the amount of total debt subject to the statute to \$46,214,594.

### G. Restricted Net Position

The amount of restricted net position, which was restricted by enabling legislation, totaled \$54,148 at June 30, 2013.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

## H. Fund Balance Classifications

As of June 30, 2013, fund balances are composed of the following:

FUND BALANCE COMPONENT	General Fund	City Capital Project Fund	School Unrestricted Fund	Other Governmental Funds	Total
<b><u>NONSPENDABLE:</u></b>					
Permanent fund principal	\$	\$		\$ 185,929	\$ 185,929
Inventory/Prepaid Items	<u>255,194</u>				<u>255,194</u>
<b>TOTAL NONSPENDABLE</b>	<u>255,194</u>	<u>-</u>	<u>-</u>	<u>185,929</u>	<u>441,123</u>
<b><u>RESTRICTED:</u></b>					
Legislative:					
City clerk records				141,154	141,154
Cultural programs				18,852	18,852
Employee benefits				80,790	80,790
Library				117,728	117,728
Senior citizens				16,374	16,374
Public safety:					
Law enforcement programs				289,636	289,636
Public works:					
Building inspections				10,899	10,899
Brownsfield assessment				183	183
Hazardous material grants				770	770
Recreation				2,446	2,446
Recycling program				11,759	11,759
Economic development:					
CDBG grants				132,479	132,479
Lead abatement				45,331	45,331
Loan programs				155,268	155,268
Planning grants				2,019	2,019
Education					
Scholarship programs				52,375	52,375
Capital outlay		<u>1,054,405</u>			<u>1,054,405</u>
<b>TOTAL RESTRICTED</b>	<u>-</u>	<u>1,054,405</u>	<u>-</u>	<u>1,078,063</u>	<u>2,132,468</u>
<b><u>COMMITTED:</u></b>					
Legislative:					
Employee benefits				84,725	84,725
Public safety:					
Substance abuse				3,285	3,285
Public works:					
Recreation				135,361	135,361
Economic development:					
Planning grants				33,755	33,755
Education					
Education programs				54,148	54,148
<b>TOTAL COMMITTED</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>311,274</u>	<u>311,274</u>
<b><u>ASSIGNED:</u></b>					
Public safety - Police vehicles	<u>69,956</u>				<u>69,956</u>
<b><u>UNASSIGNED:</u></b>					
	<u>-</u>	<u>-</u>	<u>(3,548,245)</u>	<u>(2,386)</u>	<u>(3,550,631)</u>
<b>TOTAL</b>	<u>\$ 325,150</u>	<u>\$ 1,054,405</u>	<u>\$ (3,548,245)</u>	<u>\$ 1,572,880</u>	<u>\$ (595,810)</u>

City of Woonsocket, Rhode Island

Notes to Financial Statements

IV. Other Information

A. Risk Management

The City is exposed to various risks of loss related to public official liability, police professional liability, theft or impairment of assets, errors and omissions, injury to employees, natural disasters, and owners' and contractors' protective liability.

The City and the Woonsocket School Department are self-insured for medical and dental insurance claims for all eligible full time employees. The activity is accounted for in the General Fund for the City's activity and the School Unrestricted Fund for the School Department's activity.

Health insurance premiums are based upon estimates by number of employees and type of coverage (single or family), trends in the insurance claims and estimates for administration. The claims liability reported in the fund is based upon the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

	Claims Payable <u>July 1</u>	Current Year Claims and Changes in <u>Estimates</u>	Claims Paid <u>        </u>	Claims Payable <u>June 30</u>
2013	\$ 975,000	\$ 15,064,310	\$ 14,963,770	\$1,075,540
2012	730,000	18,238,000	17,993,000	975,000

The City purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three years and there has not been any significant reduction in insurance coverage.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

**B. Commitments and Litigation**

Amounts received or receivable from Federal and State grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. In the opinion of management, the resolution of these matters will not have a material adverse effect on the financial condition of the City. Accordingly, no liability has been recorded in the financial statements of the City as of June 30, 2013.

**C. Employee Retirement Systems and Pension Plans**Summary

The City of Woonsocket qualified employees are included in one of three retirement plans in which the City participates in. These are the Municipal Employees' Retirement System (MERS), the Employees' Retirement System of Rhode Island (Teachers' Plan), and the City Police and Fire Employee Pension Plan.

**1. Municipal Employees' Retirement System (MERS)**Plan Description

The MERS is a combined (hybrid) agent multiple employer public defined benefit employee retirement system. MERS is administered by the State of Rhode Island Retirement Board; however, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy. The benefits may be amended by the Rhode Island General Assembly. Financial statements for the plan are issued separately and may be obtained by writing to the Employees' Retirement System of Rhode Island, 50 Service Avenue, Warwick, Rhode Island, 02886 or by calling (401) 462-7600. This plan covers City of Woonsocket General Employees, Police Employees and Fire Employees.

Funding Policy

## General Employees:

Rhode Island general laws set contributions of participating employees at 6% of salary (1% to the defined benefit plan and 5% to the defined contribution plan). The City participates in an optional cost-of-living provision which assesses an additional 1% of salary to the participants. Annual required contributions are actuarially determined for each separate employer and are assessed to each as a percentage of their participating employees' payroll. The annual required contribution covers a percentage of payroll into the defined contribution plan.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

The annual required contribution into the defined benefit plan includes normal costs and, where applicable, a payment to amortize the unfunded actuarial accrued liability (UAAL) as of June 30, 1999, over a closed period of 30 years. There are 16 years remaining as of June 30, 2013. The amortization contribution rate is level percentage of payroll required to reduce the UAAL to zero over the remaining amortization period. Normal cost is determined using the entry age normal cost method. Unlike in the Teachers' Plan, the State makes no contributions to the Municipal Plan on behalf of the City, nor does it assume any liability for funding pension benefits for the City's participants.

For fiscal year 2013, payroll for general employees covered under the plan totaled \$11,045,665. As of June 30, 2013, 337 active employees were members of the plan.

## Police and Fire Employees:

Rhode Island general laws set contributions of participating employees at 7% of salary to the defined benefit plan. The City participates in an optional cost-of-living provision which assesses an additional 1% of salary to the participants. Annual required contributions are actuarially determined for each separate employer and are assessed to each as a percentage of their participating employees' payroll. The annual required contribution covers a percentage of payroll into the defined contribution plan. The annual required contribution into the defined benefit plan includes normal costs and, where applicable, a payment to amortize the unfunded actuarial accrued liability (UAAL) as of June 30, 1999, over a closed period of 30 years. There are 16 years remaining as of June 30, 2013. The amortization contribution rate is level percentage of payroll required to reduce the UAAL to zero over the remaining amortization period. Normal cost is determined using the entry age normal cost method.

Annual Required Contribution Trend Information

The City's required and actual contributions to the Municipal Plan for general employees were made as follows:

Fiscal Year	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>
General Employees:			
Annual Required Contribution	\$ 300,841	\$ 186,600	\$ 81,200
Percentage Contributed	100%	100%	100%
Police Employees:			
Annual Required Contribution	\$ 1,035,333	\$ 1,083,000	\$ 734,000
Percentage Contributed	100%	100%	100%
Fire Employees:			
Annual Required Contribution	\$ 842,297	\$ 914,700	\$ 787,300
Percentage Contributed	100%	100%	100%

City of Woonsocket, Rhode Island

Notes to Financial Statements

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013 was as follows:

Actuarial Valuation Date	(A) Actuarial Value of Assets	(B) Actuarial Accrued Liability (AAL)	(A-B) Over (Under) Funded AAL	(A/B) Funded AAL Ratio	(C) Covered Payroll	[(A-B)/C] Over (Under) Funded AAL as a Percentage of Covered Payroll
General Municipal Employees:						
July 1, 2012	\$58,988,191	\$61,981,018	\$ (2,992,827)	95.2%	\$11,045,665	(27.1)%
Police Municipal:						
July 1, 2012	\$30,903,156	\$43,234,302	\$(12,331,146)	71.5%	\$ 5,290,653	(233.1)%
Fire Municipal:						
July 1, 2012	\$33,638,777	\$35,114,936	\$ (1,476,159)	95.8%	\$ 6,473,479	(22.8)%

Actuarial Methods and Significant Assumptions

The State used the entry age actuarial cost method to determine both the actuarial accrued liabilities and annual required contributions to each member of the plan. Pension assets are valued at their fair value as established by quotations from applicable national securities exchanges. The actuarial value of pension assets is used in the calculation of the actuarial accrued liabilities and funding requirements. The actuarial value of pension assets means that the value is smoothed over 5 years. Valuations of accrued liabilities, pension assets, and annual required contributions for the Municipal Plan are performed annually as of June 30.

Significant actuarial assumptions used in each valuation are summarized as follows:

Investment rate of return	7.50% annually
Salary increases:	
General Employees	4.00% annually, plus a service component
Police and Fire Employees	4.25% annually, plus a service component
Payroll growth rate (for amortization)	3.75% annually
Cost of living adjustments	2.00%, not compounded
Inflation rate	2.75% annually



## City of Woonsocket, Rhode Island

## Notes to Financial Statements

**2. Employees' Retirement System of Rhode Island (ERS)**Plan Description

The ERS is a combined (hybrid) cost-sharing multiple employer public defined benefit employee retirement system. ERS is administered by the State of Rhode Island Retirement Board; however, the State Treasurer is responsible for the investment of the trust assets, including the establishment of the asset allocation policy. The benefits may be amended by the Rhode Island General Assembly. Financial statements for the plan are issued separately and may be obtained by writing to the Employees' Retirement System of Rhode Island, 50 Service Avenue, Warwick, Rhode Island, 02886 or by calling (401) 462-7600. This plan covers City of Woonsocket School Department certified school personnel.

Funding Policy

Rhode Island general laws set the contribution rates of participating employees at 10.75% of salary (3.75% to the defined benefit trust and 7.0% to the defined contribution plan) effective July 1, 2012. Annual required contributions by both employers and the State on behalf of those employees are determined actuarially and assessed as a percentage of participants' covered payroll. Under Rhode Island General Laws, the employer contribution rates for Teachers are certified annually by the State of Rhode Island Retirement Board. The required contributions include (a) normal costs; (b) payments to amortize the unfunded frozen actuarial accrued liability as of July 1, 1985 over 30 years; (c) interest on the unfunded frozen actuarial liability; and (d) a percentage of payroll contribution into the defined contribution plan. Normal cost is determined using the entry age normal actuarial cost method. As prescribed by Rhode Island general law, the State pays the entire portion of the annual required contribution attributable to the costs of contributions deferred by the State in prior years, plus 40% of contributions assessed to employers on payroll not reimbursable through federal programs. For fiscal year 2013, actuarial required contributions were 19.29% of covered payroll. The City's contribution rate was 11.41% which resulted in a contribution rate paid by the State on behalf of City teachers of 7.88%. In accordance with the provisions of GASB Statement No. 24, the City has recorded "on-behalf" payments of \$2,626,000 for amounts paid by the State of behalf of City teachers. The City's required and actual contributions to the Teachers' Plan for fiscal years 2013, 2012, and 2011 were \$3,931,733, \$4,198,727 and \$4,448,044 respectively.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

Actuarial Methods and Significant Assumptions

The State used the entry age actuarial cost method to determine both the actuarial accrued liabilities and annual required contributions to each member of the plan. Pension assets are valued at their fair value as established by quotations from applicable national securities exchanges. The actuarial value of pension assets is used in the calculation of the actuarial accrued liabilities and funding requirements. The actuarial value of pension assets means that the value is smoothed over 5 years. Valuations of accrued liabilities, pension assets, and annual required contributions for the Municipal Plan are performed annually as of June 30.

Significant actuarial assumptions used in each valuation are summarized as follows:

Investment rate of return	7.50% annually
Salary increases	4.00% to 12.75% (included inflation at 2.75%)
Payroll growth rate (for amortization)	3.75% annually
Cost of living adjustments	2.00%
Inflation rate	2.75% annually

**3. City Police and Fire Employees Pension Plans**Plan Description

The City Police and Fire Employees Pension Plans (the Plans) are single employer defined benefit pension plans. Woonsocket Police Employees hired before July 1, 1980 and Fire Employees hired before July 1, 1985 participate in the plans. The plans were established in accordance with the Woonsocket City Charter and are considered part of the City's financial reporting entity. The Police and Firemen's Combined Retirement Fund of the City of Woonsocket acts as a common investment fund and administrative agent for the two defined benefit plans. The plans are administered by the Woonsocket Pension Financial Advisory Board. Plan amendments are subject to approval by City Council. The plans are included as a pension trust fund (Fiduciary Fund) in the annual financial report. The fund's pooled investments may be used to pay benefits to members or beneficiaries of either plan. The plans do not issue separate stand alone financial reports.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

Summary of Significant Accounting Policies

## a. Basis of Accounting

The City's pension trust fund's financial statements are prepared on the accrual basis of accounting. Employee and plan member contributions are recognized as revenues when due pursuant to formal commitments as well as statutory or contractual requirements. Investment income is recognized when earned. Benefits and refunds are recognized when due and payable in accordance with terms of the plan.

## b. Valuation of Investments

Investments are valued at fair value. Securities traded on a national exchange are valued at the June 30, 2013 reported sales price.

There were no investments in any one issuer of larger than 5% at June 30, 2013.

Summary of Plan BenefitsPolice Plan:

All members of the permanent police department who were hired prior to July 1, 1980 were eligible to join the plan. The Plan provides retirement, death, and disability benefits. Participants in the Plan are eligible to retire at the later of attainment of age 65 or the completion of 20 years of service. Normal retirement benefits are equal to 60% of current annual salary plus 2% of salary for each year worked in excess of 20 years up to a maximum benefit of 70% of annual salary. Participants are required to contribute 7% of their annual salary. During the fiscal year ended June 30, 2013, there were no current active police officers contributing to the Plan. Retirement benefits are payable in the form of a 66.7% joint and survivor annuity, if the participant is married at the retirement date, of a life annuity if the participant is single at the retirement date. Work related death benefits are provided for the participant's beneficiary at 50% of salary plus an additional 10% of salary for each minor child up to a maximum of 66.7%. For non-work related deaths, the participant's beneficiary is entitled to a benefit of 30% of pay plus an additional 10% of pay for each minor child up to a maximum of 50% of pay. The disability benefit is 66.7% of current salary for a work related disablement and 50% of current salary for a non-work related disablement.

Firemen's Plan:

All members of the permanent fire department who were hired prior to July 1, 1985 were eligible to join the plan. The Plan provides retirement, death, and disability benefits. Participants in the Plan are eligible to retire at the later of attainment of age 65 or the completion of 20 years of service. Normal retirement benefits are equal to 50% of current annual salary plus 2.5% of salary for each year worked in excess of 20 years up to a maximum benefit of 75% of annual salary. Participants are required to contribute 8% of their annual salary. During the fiscal year ended June 30, 2013, there was one current active firefighter contributing to the Plan.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

Retirement benefits are payable in the form of a 66.7% joint and survivor annuity, if the participant is married at the retirement date, of a life annuity if the participant is single at the retirement date. Work related death benefits are provided for the participant's beneficiary at 50% of salary plus an additional 10% of salary for each minor child up to a maximum of 66.7%. For non-work related deaths, the participant's beneficiary is entitled to a benefit of 30% of pay plus an additional 10% of pay for each minor child up to a maximum of 50% of pay. The disability benefit is 66.7% of current salary for a work related disablement and 50% of current salary for a non-work related disablement.

For the fiscal year ended June 30, 2013, covered payroll under the plan was \$67,132. Contributions to the plan were \$1,008,192, which was comprised of employer contributions of \$1,003,151 and employee contributions of \$5,041.

As of July 1, 2013, membership in the plans is comprised of the following:

	<u>Pension Plan</u>
Retirees and beneficiaries currently receiving benefits	251
Active employees	<u>1</u>
Total participants	<u><u>252</u></u>

Annual Pension Cost and Net Pension Obligations

The City of Woonsocket's annual pension cost and net pension obligation to the Pension Plan for the year ended June 30, 2013 was as follows:

Annual required contribution ("ARC")	\$ 3,618,476
Interest on net pension obligation	636,727
Adjustment to annual required contribution	<u>(664,916)</u>
Annual pension cost	3,590,287
Contributions made	<u>1,003,151</u>
Increase (decrease) in net pension obligation	2,587,136
Net pension obligation, July 1, 2012	<u>8,485,928</u>
Net pension obligation, June 30, 2013	<u><u>\$ 11,073,064</u></u>

City of Woonsocket, Rhode Island

Notes to Financial Statements

Three-Year Trend Information

Fiscal Year Ended <u>June 30,</u>	Annual Pension Cost (APC)	Actual Contribution	Percentage of APC Contributed	Net Pension Obligation
2011	\$2,769,240	\$1,011,371	36.5%	\$ 5,908,414
2012	3,584,191	1,006,677	28.1%	8,485,928
2013	3,590,287	1,003,151	27.9%	11,073,064

Funding Policy and Funding Progress

The funded status of the plans as of July 1, 2013 (the last valuation available) was as follows:

Actuarial Valuation Date	(A) Actuarial Value of Assets	(B) Actuarial Accrued Liability (AAL)	(A-B) Over (Under) Funded AAL	(A/B) Funded AAL Ratio	(C) Covered Payroll	[(A-B)/C] Over (Under) Funded AAL as a Percentage of Covered Payroll
July 1, 2013	\$48,760,303	\$82,493,416	\$(33,733,113)	59.1%	\$ 67,132	(50,248.9)%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The schedules of funding progress ("RSI-3") and the schedules of employer contributions ("RSI-4") for these two plans are required supplementary information and can be found immediately following the notes to the financial statements. The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

Actuarial Assumptions

The annual required contribution for the current year was determined as part of the July 1, 2013, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a 7.5% investment rate of return and (b) grade salary scale increases of 0%. The assumptions did not include inflation. The actuarial value of assets is determined using 5 year smoothing. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period is 16 years.

The Annual Required Contribution to the plans for the fiscal year ended June 30, 2013 (\$3,618,476) was determined using a 30 year amortization period for the unfunded accrued liability. In 2003, the City issued pension obligation bonds pursuant to an act passed in the General Assembly of the State of Rhode Island. One of the provisions of the legislation requires that the City fund any unfunded pension obligations over a period of not more than five (5) years and, therefore, the City is in violation of that provision (see Note IV. F.).

**D. Other Post Employment Benefit Plan**Plan Description

The City provides post retirement healthcare benefits (health and dental insurance) in accordance with various union contracts. The plan does not issue stand alone financial reports.

The Woonsocket Education Department offers health insurance for all bargaining unit members who retire with at least 28 years of credited service until the retiree attains the age of 65. Thereafter, if the retiree has 35 years of service, 25 in Woonsocket, the retiree is eligible for Plan 65 with a 15% employee contribution. The Woonsocket Education Department allows continuation of benefits to retirees with less than 28 years of service subject to the group rates. The plan does not issue stand alone financial reports.

The City and the Woonsocket Education Department manage the benefits on a pay-as-you-go basis. Neither plan has established a Trust Fund for the purpose of holding assets for the payment of benefits to the members of the plans.

City of Woonsocket, Rhode Island

Notes to Financial Statements

Employer Contributions

The City's contributions are actuarially determined on an annual basis using the projected unit credit method.

Employee Contributions

There are no employee contributions to the plan.

Funded Status and Funding Progress

The funded status of the plan as of the most recent actuarial valuation date July 1, 2012 was as follows:

City General Fund

Actuarial Valuation Date	(A) Actuarial Value Of Assets	(B) Actuarial Accrued Liability (AAL) Projected Unit Credit	(A-B) Over (Under) Funded AAL	(A/B) Funded AAL Ratio	(C) Covered Payroll	[(A-B)/C] Over (Under) Funded AAL as a Percentage of Covered Payroll
July 1, 2012	\$	\$146,029,590	\$(146,029,590)	0%	\$15,969,668	(914.4)%

Water Fund

Actuarial Valuation Date	(A) Actuarial Value Of Assets	(B) Actuarial Accrued Liability (AAL) Projected Unit Credit	(A-B) Over (Under) Funded AAL	(A/B) Funded AAL Ratio	(C) Covered Payroll	[(A-B)/C] Over (Under) Funded AAL as a Percentage of Covered Payroll
July 1, 2012	\$	\$ 6,227,289	\$(6,227,289)	0%	\$15,969,668	(39.0)%

Wastewater Fund

Actuarial Valuation Date	(A) Actuarial Value Of Assets	(B) Actuarial Accrued Liability (AAL) Projected Unit Credit	(A-B) Over (Under) Funded AAL	(A/B) Funded AAL Ratio	(C) Covered Payroll	[(A-B)/C] Over (Under) Funded AAL as a Percentage of Covered Payroll
July 1, 2012	\$	\$ 447,936	\$( 447,936)	0%	\$15,969,668	(2.8)%

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

User Fund

Actuarial Valuation Date	(A) Actuarial Value Of Assets	(B) Actuarial Accrued Liability (AAL) Projected Unit Credit	(A-B) Over (Under) Funded AAL	(A/B) Funded AAL Ratio	(C) Covered Payroll	[(A-B)/C] Over (Under) Funded AAL as a Percentage of Covered Payroll
July 1, 2012	\$	\$ 722,263	\$ ( 722,263)	0%	\$15,969,668	(4.5)%

School Unrestricted Fund

Actuarial Valuation Date	(A) Actuarial Value Of Assets	(B) Actuarial Accrued Liability (AAL) Projected Unit Credit	(A-B) Over (Under) Funded AAL	(A/B) Funded AAL Ratio	(C) Covered Payroll	[(A-B)/C] Over (Under) Funded AAL as a Percentage of Covered Payroll
July 1, 2012	\$	\$ 59,447,193	\$ (59,447,193)	0%	N/A	N/A

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedules of funding progress ("RSI"), immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarially accrued liabilities and the actuarial value of assets.



City of Woonsocket, Rhode Island

Notes to Financial Statements

The data presented in the schedules of funding progress and schedules of contributions were determined as part of the actuarial valuation at the date indicated. Additional information for all plans as of the latest valuation date is as follows:

Valuation Date	July 1, 2012
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent
Remaining Amortization Period	30 Years Decreasing, Closed
Asset Valuation Method	N/A

Actuarial Assumptions:

Investment rate of return	4.0%
Annual Payroll Increase	2.5%
Healthcare inflation rate:	
Initial Medical/Dental Trend Rates	9.0% / 5.0%
Ultimate Medical/Dental Trend Rates	5.0% / 5.0%

Annual OPEB Cost and Net OPEB Obligation (NOO)

The changes in the Net OPEB Obligation (NOO) for the fiscal year ended June 30, 2013 were as follows:

City Plan

	City General Fund	Water Fund	Wastewater Fund	User Fund
Annual Required Contribution (ARC)	\$ 10,636,204	\$ 465,527	\$ 24,132	\$ 32,107
Interest on net OPEB obligation	1,427,083	47,421	255	(3,639)
Adjustment to ACR	(1,655,429)	(55,009)	(296)	4,221
Annual OPEB Cost (ACR)	10,407,858	457,939	24,091	32,689
Contribution made	(4,061,828)	(273,850)	(24,280)	(60,974)
Increase in net OPEB obligation	6,346,030	184,089	(189)	(28,285)
Net OPEB obligation (asset), July 1, 2012	40,014,257	1,356,205	8,249	(91,201)
Net OPEB obligation (asset), June 30, 2013	\$ 46,360,287	\$ 1,540,294	\$ 8,060	\$ (119,486)

City of Woonsocket, Rhode Island

Notes to Financial Statements

Woonsocket Education Department Plan

Annual required contribution (ARC)	\$ 4,755,479
Interest on the NOO	320,157
Adjustment to annual required contribution	<u>(342,385)</u>
Annual OPEB cost (ARC)	4,733,251
Contributions made	<u>(2,009,321)</u>
Change in net OPEB obligation	2,723,930
NOO - July 1, 2012	<u>8,003,942</u>
NOO - June 30, 2013	<u>\$ 10,727,872</u>

Three Year Trend Information

City General Fund

<u>Annual Year Ending June 30</u>	<u>OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
2011	\$ 14,222,451	52.11%	\$ 29,550,314
2012	14,556,980	50.70%	40,014,257
2013	10,407,858	39.00%	46,360,287

Water Fund

<u>Annual Year Ending June 30</u>	<u>OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
2011	\$ 584,899	43.5%	\$ 998,689
2012	631,390	43.4%	1,356,205
2013	457,939	59.8%	1,540,294

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

Wastewater Fund

<u>Annual Year Ending June 30</u>	<u>OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
2011	\$ 25,297	98.9%	\$ 5,018
2012	26,435	87.8%	8,249
2013	24,091	100.8%	8,060

User Fund

<u>Annual Year Ending June 30</u>	<u>OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
2011	\$ N/A	N/A	\$ N/A
2012	32,764	171.3%	(91,201)
2013	32,689	186.5%	(119,486)

School Unrestricted Fund

<u>Annual Year Ending June 30</u>	<u>OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
2011	\$ 4,007,641	50.4%	\$ 5,688,981
2012	4,548,513	49.1%	8,003,942
2013	4,733,251	42.5%	10,727,872

N/A - Fund created in 2012.

**E. On-Behalf Payments**

The amount recognized in the general fund intergovernmental revenues and education expenditures for contributions made by the State of Rhode Island to the State Teachers' Retirement Plan was \$2,626,000.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

**F. Violation of Finance Related Provision**

In 2003, the City of Woonsocket issued pension obligation bonds in the amount of \$90 million to finance the unfunded pension obligations of the City administered Police and Firemen's Pension Plans. The pension obligation bonds were issued pursuant to an Act passed in the General Assembly by the State of Rhode Island in January 2002. One of the provisions of the legislation requires that the City fund any unfunded pension obligations over a period of not more than five (5) years. The net pension obligation information presented in the audited financial statements reflects the estimated obligation using a thirty (30) year amortization period for the unfunded accrued liability. The amortization period used in the calculation is acceptable and in accordance with governmental accounting standards; however, it is in violation of the provision contained in the original legislation. The financial impact on the government-wide financial statements is not known. However, the annual required contribution for the fiscal year was \$3,618,476 using a 30-year amortization period versus \$10,545,371 using a 5-year amortization period.

**G. Restatement**

The City has determined that certain transactions were recorded incorrectly in a prior year.

Beginning net position in the government-wide financial statements has been restated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Net position - June 30, 2012, as previously reported	\$ (56,512,161)	\$ 41,444,018
Understatement of property taxes receivable related to interest and penalties	1,624,583	
Understatement of Landfill postclosure obligation	(584,000)	
Correction of prior year grant reimbursements	215,362	
Correction of prior year inter-fund account balances	(250,134)	74,432
Overstatement of prior year receivables		(415,000)
Understatement of net OPEB assets	<u>                    </u>	<u>91,201</u>
Net position - July 1, 2012, as restated	<u>\$ (55,506,350)</u>	<u>\$ 41,194,651</u>

City of Woonsocket, Rhode Island

Notes to Financial Statements

Beginning fund balances in the governmental funds' financial statements have been restated as follows:

	School Unrestricted <u>Fund</u>	Other Governmental <u>Funds</u>
Fund balance - June 30, 2012, as previously reported	\$ (9,392,878)	\$ 1,537,795
Correction of prior year grant reimbursements.	215,362	
Correction of prior year interfund account balances	<u>(102,390)</u>	<u>(147,744)</u>
Fund balance - July 1, 2012, as restated	<u>\$ (9,279,906)</u>	<u>\$ 1,390,051</u>

Beginning fund balances in the proprietary funds' financial statements have been restated as follows:

	User Charge <u>Fund</u>	School Proprietary <u>Fund</u>
Net position - June 30, 2012, as previously reported	\$ (184,299)	\$ 174,181
Correction of prior year interfund account balances		74,432
Overstatement of prior year receivables	(415,000)	
Understatement of net OPEB assets	<u>91,201</u>	<u>                    </u>
Net position - July 1, 2012, as restated	<u>\$ (508,098)</u>	<u>\$ 248,613</u>

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**Required  
Supplementary  
Information**

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City of Woonsocket, Rhode Island

General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property taxes:				
Current taxes	\$ 55,899,783	\$ 55,899,783	\$ 57,468,518	\$ 1,568,735
Prior taxes	1,165,000	1,165,000	678,287	(486,713)
Interest on taxes	600,000	600,000	791,271	191,271
Payment in lieu taxes	7,000	7,000	1,300	(5,700)
Total property taxes	57,671,783	57,671,783	58,939,376	1,267,593
State aid - City:				
Telephone tax	463,562	463,562	519,536	55,974
Meals and beverage tax	514,130	514,130	497,795	(16,335)
Distressed communities	828,531	828,531	828,531	-
Chapter 26 - school housing	5,321,749	5,321,749	5,410,078	88,329
State library construction	166,932	166,932	166,932	-
Private hospitals and colleges	139,749	139,749	240,291	100,542
Civil defense	50,000	50,000	50,000	-
State motor vehicle phase-out	373,623	373,623	355,130	(18,493)
Hotel tax	40,000	40,000	63,541	23,541
Total state aid - City	7,898,276	7,898,276	8,131,834	233,558
Licenses, fees and rents:				
Business licenses and fees	958,445	958,445	1,124,062	165,617
Trash collection fee	1,000,000	1,000,000	992,340	(7,660)
Interest - trash pickup	14,000	14,000	26,286	12,286
Rental of City properties	111,410	111,410	137,466	26,056
Total licenses, fees and rents	2,083,855	2,083,855	2,280,154	196,299
Investment income - short term	3,000	3,000		(3,000)
Departmental revenues:				
Community development	254,000	254,000	288,383	34,383
Lead hazard			500	500
Home reimbursement - staff	77,000	77,000	66,905	(10,095)
W.H.A. reimbursement - police	45,000	45,000	10,846	(34,154)
Host community	750,000	750,000	1,141,790	391,790
Host fees - Veiolia & CH2M Hill			500,000	500,000
Wastewater department	200,801	200,801	200,801	-
Water department	797,519	797,519	781,132	(16,387)
Solid waste program	153,704	153,704	153,704	-
Federal housing	195,000	195,000	192,190	(2,810)
Total departmental revenues	2,473,024	2,473,024	3,336,251	863,227
Restricted receipts:				
Education department - General Fund	49,206,235	49,206,235	49,062,953	(143,282)
Miscellaneous revenues:				
City pension administration	70,000	70,000	70,000	-
Remaining bond proceeds	800,000	800,000	1,343,000	543,000
Miscellaneous - City	1,888,100	1,888,100	1,888,349	249
Total miscellaneous revenues	2,758,100	2,758,100	3,301,349	543,249
Total revenues	122,094,273	122,094,273	125,051,917	2,957,644

(Continued)

City of Woonsocket, Rhode Island

General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Expenditures:</b>				
<b>Executive:</b>				
Office of the Mayor	\$ 83,862	\$ 83,862	\$ 80,471	\$ 3,391
<b>Legislative:</b>				
City council	86,625	88,625	74,425	14,200
City clerk	147,336	144,468	146,259	(1,791)
Probate court	8,686	9,686	8,945	741
Board assessment reviews	1,050	1,050	1,050	-
Board of canvassers	127,529	127,529	113,647	13,882
Zoning board of reviews	17,732	17,732	10,780	6,952
Board of library trustees	870,434	870,434	842,704	27,730
<b>Total legislative</b>	<b>1,259,392</b>	<b>1,259,524</b>	<b>1,197,810</b>	<b>61,714</b>
<b>Planning and development:</b>				
Planning and development	657,621	657,621	655,533	2,088
<b>Finance department:</b>				
Finance department	1,473,787	1,473,787	1,419,875	53,912
<b>Law:</b>				
City solicitor	191,725	191,593	312,844	(121,251)
<b>Public safety:</b>				
Police division	8,168,478	8,168,478	7,857,764	310,714
Fire division	8,954,317	8,954,317	9,517,797	(563,480)
Emergency management division	59,660	59,660	52,957	6,703
<b>Total public safety</b>	<b>17,182,455</b>	<b>17,182,455</b>	<b>17,428,518</b>	<b>(246,063)</b>
<b>Public works:</b>				
Office of the director	431,344	491,654	513,653	(21,999)
Engineering division	226,767	226,457	194,272	32,185
Highway division	2,313,537	2,261,711	1,905,869	355,842
City property division	261,199	261,199	278,837	(17,638)
Thundermist hydro	19,615	19,615	17,105	2,510
Parks and recreation division	153,978	145,804	121,777	24,027
Solid waste disposal division	2,579,415	2,579,415	2,543,087	36,328
<b>Total public works</b>	<b>5,985,855</b>	<b>5,985,855</b>	<b>5,574,600</b>	<b>411,255</b>
<b>Economic development:</b>				
Economic development	21,143	21,143	17,800	3,343
<b>Human services:</b>				
Personnel administration	176,358	176,358	176,385	(27)
<b>Budget commission:</b>				
Budget commission			549,144	(549,144)
<b>Education:</b>				
Education department expenditures	53,679,024	49,206,235	43,172,422	6,033,813
<b>Miscellaneous:</b>				
Insurance	754,343	754,343	934,518	(180,175)
Claims and judgments	57,500	57,500	30,000	27,500
Contingency	200,000	200,000		200,000
Contribution to City funds	8,377,963	8,377,963	7,824,194	553,769
Pension	4,204,617	4,204,617	3,805,039	399,578
Miscellaneous	70,000	70,000	6,000	64,000
<b>Total miscellaneous</b>	<b>13,664,423</b>	<b>13,664,423</b>	<b>12,599,751</b>	<b>1,064,672</b>
<b>Debt service</b>	<b>19,227,260</b>	<b>19,227,260</b>	<b>19,226,024</b>	<b>1,236</b>
<b>Total expenditures</b>	<b>113,602,905</b>	<b>109,130,116</b>	<b>102,411,177</b>	<b>6,718,939</b>
<b>Excess of revenues over expenditures before other financing uses</b>	<b>8,491,368</b>	<b>12,964,157</b>	<b>22,640,740</b>	<b>9,676,583</b>
<b>Other financing uses:</b>				
Transfers out to school department	(12,964,157)	(19,486,051)	(19,486,069)	(18)
<b>Net change in fund balance</b>	<b>\$ (4,472,789)</b>	<b>\$ (6,521,894)</b>	<b>\$ 3,154,671</b>	<b>\$ 9,676,565</b>

(Concluded)



City of Woonsocket, Rhode Island

**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
School Unrestricted - Budgetary Basis  
Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
State aid	\$ 46,715,235	\$ 46,715,235	\$ 46,744,955	\$ 29,720
Tuition career center and other	905,000	905,000	657,664	(247,336)
RF Harris Fund	13,000	13,000	14,697	1,697
Evening and summer school	38,000	38,000	35,035	(2,965)
Athletic receipts	12,000	12,000	12,758	758
Facility rentals	50,000	50,000	49,647	(353)
Miscellaneous	13,000	13,000	97,056	84,056
SAFFA (Impact Aid)	62,000	62,000	50,179	(11,821)
Indirect cost	82,000	82,000		(82,000)
Medicaid	1,316,000	1,316,000	1,400,962	84,962
Total revenues	<u>49,206,235</u>	<u>49,206,235</u>	<u>49,062,953</u>	<u>(143,282)</u>
Expenditures:				
Salaries	38,306,534	38,306,534	36,653,787	1,652,747
Employee benefits	17,576,400	17,576,400	15,095,661	2,480,739
Professional and technical services	802,288	802,288	921,704	(119,416)
Property services	580,668	580,668	534,644	46,024
Other purchased services	6,906,220	6,906,220	6,711,285	194,935
Supplies	2,535,045	2,535,045	2,672,780	(137,735)
Property and equipment	291,993	291,993	53,571	238,422
Other	(355,967)	(355,967)	83,292	(439,259)
Total expenditures	<u>66,643,181</u>	<u>66,643,181</u>	<u>62,726,724</u>	<u>3,916,457</u>
Excess (deficiency) of revenues over expenditures	<u>(17,436,946)</u>	<u>(17,436,946)</u>	<u>(13,663,771)</u>	<u>3,773,175</u>
Other financing sources (uses):				
Transfers in - general fund	12,964,157	17,436,946	19,554,302	2,117,356
Transfers out - school restricted			(158,870)	(158,870)
Net other financing sources (uses)	<u>12,964,157</u>	<u>17,436,946</u>	<u>19,395,432</u>	<u>1,958,486</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (4,472,789)</u>	<u>\$ -</u>	<u>\$ 5,731,661</u>	<u>\$ 5,731,661</u>

City of Woonsocket, Rhode Island

Required Supplementary Information

City of Woonsocket Retirement Systems and Other Post Employment Benefit Plans

Schedules of Funding Progress

General Municipal Employees Pension Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date June 30	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over/Under Funded AAL as a percentage of Covered Payroll
2007	\$ 61,019,862	\$ 53,392,281	\$ 7,627,581	114.3%	\$ 13,026,953	58.6%
2008	65,679,230	56,198,983	9,480,247	116.9%	12,930,655	73.3%
2009	64,835,107	59,703,241	5,131,866	108.6%	11,960,719	42.9%
2010	62,059,325	69,257,290	(7,197,965)	89.6%	12,024,784	(59.9%)
2011	59,804,141	61,964,902	(2,160,761)	96.5%	11,689,416	(18.5%)
2012	58,988,191	61,981,018	(2,992,827)	95.2%	11,045,665	(27.1%)

Municipal Police Pension Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date June 30	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over/Under Funded AAL as a percentage of Covered Payroll
2007	\$ 25,626,820	\$ 27,041,050	\$ (1,414,230)	94.8%	\$ 5,302,042	(26.7%)
2008	29,010,871	30,776,550	(1,765,679)	94.3%	4,847,955	(36.4%)
2009	29,773,835	34,272,940	(4,499,105)	86.9%	4,728,198	(95.2%)
2010	29,718,494	43,792,882	(14,074,388)	67.9%	4,926,427	(285.7%)
2011	29,867,859	38,936,114	(9,068,255)	76.7%	5,180,533	(175.0%)
2012	30,903,156	43,234,302	(12,331,146)	71.5%	5,290,653	(233.1%)

(Continued)

City of Woonsocket, Rhode Island

Required Supplementary Information

City of Woonsocket Retirement Systems and Other Post Employment Benefit Plans

Schedules of Funding Progress

Municipal Fire Pension Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date June 30	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over/Under Funded AAL as a percentage of Covered Payroll
2007	\$ 21,626,894	\$ 21,811,906	\$ (185,012)	99.2%	\$ 5,992,040	(3.1%)
2008	25,287,421	24,373,728	913,693	103.7%	6,362,891	14.4%
2009	27,011,294	26,832,008	179,286	100.7%	6,559,575	2.7%
2010	29,070,902	36,095,122	(7,024,220)	80.5%	6,639,590	(105.8%)
2011	31,214,052	30,626,681	587,371	101.9%	7,019,562	8.4%
2012	33,638,777	35,114,936	(1,476,159)	95.8%	6,473,479	(22.8%)

City Administered Police and Fire Pension Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over/Under Funded AAL as a percentage of Covered Payroll
2008	\$ 87,968,606	\$ 97,355,537	\$ (9,386,931)	90.4%	\$ 1,228,245	(764.3%)
2009	67,641,077	96,653,532	(29,012,455)	70.0%	622,556	(4660.2%)
2010	67,655,825	97,860,965	(30,205,140)	69.1%	374,815	(8058.7%)
2011	65,313,250	107,562,736	(42,249,486)	60.7%	374,815	(11272.1%)
2012	55,902,219	98,519,344	(42,617,125)	56.7%	65,494	(65070.3%)
2013	48,760,303	82,493,416	(33,733,113)	59.1%	67,132	(50248.9%)

(Continued)

City of Woonsocket, Rhode Island

Required Supplementary Information

City of Woonsocket Retirement Systems and Other Post Employment Benefit Plans

Schedules of Funding Progress

City General Fund OPEB Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over/Under Funded AAL as a percentage of Covered Payroll
2009	\$	\$ 126,879,850	\$ (126,879,850)	0.0%	\$ 13,690,924	(926.7%)
2010		N/A	N/A	N/A	N/A	N/A
2011		137,878,611	(137,878,611)	0.0%	14,497,752	(951.0%)
2012		146,029,590	(146,029,590)	0.0%	15,969,668	(914.4%)

City Water Fund OPEB Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over/Under Funded AAL as a percentage of Covered Payroll
2009	\$	\$ 5,658,519	\$ (5,658,519)	0.0%	\$ 1,037,452	(545.4%)
2010		N/A	N/A	N/A	N/A	N/A
2011		6,494,760	(6,494,760)	0.0%	15,580,164	(41.7%)
2012		6,227,289	(6,227,289)	0.0%	15,969,668	(39.0%)

City Wastewater Fund OPEB Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date June 30	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over/Under Funded AAL as a percentage of Covered Payroll
2009	\$	\$ 449,526	\$ (449,526)	0.0%	\$ 1,037,452	(43.3%)
2010		N/A	N/A	N/A	N/A	N/A
2011		452,862	(452,862)	0.0%	15,580,164	(2.9%)
2012		447,936	(447,936)	0.0%	15,969,668	(2.8%)

(Continued)

City of Woonsocket, Rhode Island

Required Supplementary Information

City of Woonsocket Retirement Systems and Other Post Employment Benefit Plans

Schedules of Funding Progress

City User Fund OPEB Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over/Under Funded AAL as a percentage of Covered Payroll
2008	\$	\$ 785,007	\$ (785,007)	0.0%	1,037,452	N/A
2010		N/A	N/A	N/A	N/A	N/A
2011		719,494	(719,494)	0.0%	15,580,164	(4.6%)
2012		722,263	(722,263)	0.0%	15,969,668	(4.5%)

School General Fund OPEB Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over/Under Funded AAL percentage of Covered Payroll
2009	\$	47,145,503	(47,145,503)	0.0%	N/A	N/A
2010		N/A	N/A	N/A	N/A	N/A
2011		55,275,280	(55,275,280)	0.0%	N/A	N/A
2012		57,310,469	(57,310,469)	0.0%	N/A	N/A
2013		59,447,193	(59,447,193)	0.0%	N/A	N/A

(Concluded)

City of Woonsocket, Rhode Island

Required Supplementary Information

City of Woonsocket Retirement Systems and Other Post Employment Benefit Plans

Schedules of Employer Contributions

Year Ended June 30,	Annual Required Contributions	Actual Contributions	Percentage Contributed
<b><u>City Police and Fire Employee Pension Plan</u></b>			
2008	\$	\$ 32,122	100.0%
2009	1,695,306	24,046	1.4%
2010	2,707,382	15,612	0.6%
2011	2,775,469	1,011,371	36.4%
2012	3,610,195	1,006,677	27.9%
2013	3,618,476	1,003,151	27.7%
<b><u>City General Fund OPEB Plan</u></b>			
2009	\$ 12,806,653	\$ 3,252,296	25.4%
2010	13,527,882	3,563,869	26.3%
2011	14,279,069	4,156,668	29.1%
2012	14,730,859	4,061,828	27.6%
2013	10,636,204	4,061,828	38.2%
<b><u>School Unrestricted Fund OPEB Plan</u></b>			
2009	\$	\$	N/A
2010	3,884,919	1,934,163	49.8%
2011	4,019,151	2,133,511	53.1%
2012	4,580,611	2,233,551	48.8%
2013	4,755,479	2,009,321	42.3%

(Continued)

City of Woonsocket, Rhode Island

Required Supplementary Information

City of Woonsocket Retirement Systems and Other Post Employment Benefit Plans

Schedules of Employer Contributions

Year Ended June 30,	Annual Required Contributions	Actual Contributions	Percentage Contributed
<b><u>Water Fund OPEB Plan</u></b>			
2009	\$ 531,989	\$ 201,696	37.9%
2010	559,047	220,105	39.4%
2011	586,840	254,275	43.3%
2012	637,266	273,874	43.0%
2013	465,527	273,850	58.8%
<b><u>Wastewater Fund OPEB Plan</u></b>			
2009	\$ 23,951	\$ 23,951	100.0%
2010	24,649	19,892	80.7%
2011	25,311	25,026	98.9%
2012	26,464	23,204	87.7%
2013	24,132	24,280	100.6%
<b><u>User Fund OPEB Plan</u></b>			
2009	\$	\$	N/A
2010			N/A
2011			N/A
2012	32,364	56,128	173.4%
2013	32,107	60,974	189.9%

(Concluded)

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# **Supplemental Schedules**

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## **General Fund**

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The general fund is the principal fund of the City and is used to account for all activities of the City, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the City (i.e., general government, public safety, public works, health, social services, recreation, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

## City of Woonsocket, Rhode Island

Report of Tax Collector  
Year Ended June 30, 2013

Grand List Year	Uncollected Taxes July 1, 2012	Current Year Levy	Lawful Corrections			Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2013
			Additions	Deductions	Abatements		Taxes	Interest, Liens & Other Fees	Total	
1986	\$ 455	\$	\$	\$	\$	\$ 455	\$	\$	\$ -	\$ 455
1987	343					343			-	343
1989	31,490				31,490	-			-	-
1990	109,241				107,452	1,789			-	1,789
1991	61,146				57,266	3,880			-	3,880
1992	15,198				11,001	4,197			-	4,197
1993	45,703				40,919	4,784			-	4,784
1994	102,786				45,573	57,213	29		29	57,184
1995	102,259				44,365	57,894			-	57,894
1996	114,694			223	48,315	66,156			-	66,156
1997	134,822			883	43,701	90,238			-	90,238
1998	141,800			884	46,012	94,904	276		276	94,628
1999	148,042			883	52,011	95,148			-	95,148
2000	145,992			568	51,447	93,977			-	93,977
2001	289,558			567	138,573	150,418	359	218	577	150,059
2002	278,054			567	137,301	140,186	537	750	1,287	139,649
2003	285,889			383	326	285,180	1,757	2,356	4,113	283,423
2004	290,158		753	427	822	289,662	3,003	2,802	5,805	286,659
2005	309,365		101	1,054	3,924	304,488	5,803	4,023	9,826	298,685
2006	390,934		101,736	1,821	60,164	430,685	10,701	11,087	21,788	419,984
2007	423,580		105,244	1,577	65,382	461,865	11,335	8,071	19,406	450,530
2008	477,905		123,279	620	78,061	522,503	40,983	11,834	52,817	481,520
2009	472,217		135,196	230	89,976	517,207	34,135	14,515	48,650	483,072
2010	1,142,187		149,318	7,805	94,963	1,188,737	282,854	81,048	363,902	905,883
2011	2,475,458		394,542		97,971	2,772,029	1,550,550	223,233	1,773,783	1,221,479
Total prior years	7,989,276	-	1,010,169	18,492	1,347,015	7,633,938	1,942,322	359,937	2,302,259	5,691,616
2012		60,571,348	606,979	313,210	410,429	60,454,688	54,847,990	431,384	55,279,374	5,606,698
Total all years	\$ 7,989,276	\$ 60,571,348	\$ 1,617,148	\$ 331,702	\$ 1,757,444	\$ 68,088,626	\$ 56,790,312	\$ 791,321	\$ 57,581,633	\$ 11,298,314

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# Nonmajor Governmental Funds

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## **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

## **Permanent Funds**

Permanent funds are used to account for resources legally held in trust for specific functions, normally provided by governments. In most cases, only the earnings on the principal can be expended.

City of Woonsocket, Rhode Island

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013

Special Revenue Funds

	Land & Outdoor Recreation Fund	Emergency Shelter Fund	Hamlet Ave Enhancement Fund	Juvenile Fire Setters Educational Fund	Planning Board Fund	Business Revolving Loan Fund
<u>Assets</u>						
Cash and cash equivalents	\$ 127,050	\$	\$	\$ 938	\$ 32,980	\$ 212,388
Receivables:						
Loans						4,371
Intergovernmental		13,232				
Total assets	<u>\$ 127,050</u>	<u>\$ 13,232</u>	<u>\$ -</u>	<u>\$ 938</u>	<u>\$ 32,980</u>	<u>\$ 216,759</u>
<u>Liabilities</u>						
Accounts payable	\$	\$ 13,232	\$	\$	\$	\$
Due to other funds			1,087	1,000		158,191
Total liabilities	<u>-</u>	<u>13,232</u>	<u>1,087</u>	<u>1,000</u>	<u>-</u>	<u>158,191</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue - intergovernmental receivable						4,371
<u>Fund Balances</u>						
Restricted						54,197
Committed	127,050				32,980	
Unassigned			(1,087)	(62)		
Total fund balances	<u>127,050</u>	<u>-</u>	<u>(1,087)</u>	<u>(62)</u>	<u>32,980</u>	<u>54,197</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 127,050</u>	<u>\$ 13,232</u>	<u>\$ -</u>	<u>\$ 938</u>	<u>\$ 32,980</u>	<u>\$ 216,759</u>

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013

Special Revenue Funds

	Community Development Housing Preservation Grant Fund	Rhode Island Home Fund	Library Services Fund	Harris Library Grant Fund	Woonsocket Senior Citizens Fund	Neighborhood Crime Watch Fund	UDAG Loan Repayment Grant
<u>Assets</u>							
Cash and cash equivalents	\$ 1,507	\$ 103,654	\$ 15,911	\$ 55,961	\$ 23,988	\$ 11	\$ 127
Receivables:							
Loans	64,553	3,457,767					
Accounts Intergovernmental		11,610	525				
<b>Total assets</b>	<b>\$ 66,060</b>	<b>\$ 3,573,031</b>	<b>\$ 16,436</b>	<b>\$ 55,961</b>	<b>\$ 23,988</b>	<b>\$ 11</b>	<b>\$ 127</b>
<u>Liabilities</u>							
Accounts payable	\$	\$ 14,320	\$	\$ 34,526	\$ 7,614	\$	\$
<u>Deferred Inflows of Resources</u>							
Unavailable revenue - loans	64,553	3,457,767					
<u>Fund Balances</u>							
Restricted	1,507	100,944	16,436	21,435	16,374	11	127
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 66,060</b>	<b>\$ 3,573,031</b>	<b>\$ 16,436</b>	<b>\$ 55,961</b>	<b>\$ 23,988</b>	<b>\$ 11</b>	<b>\$ 127</b>

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013

Special Revenue Funds

	Comprehensive Planning Grant Fund	Rivers Edge Recreation Grant Fund	Fed & State Drug Forfeiture Police Special Squad Fund	Task Force on Drug & Alcohol Abuse Fund	Bramley Bill Fund	LLEGB Grant 2004-2006 Fund	Community Development Block Grant Fund
<u>Assets</u>							
Cash and cash equivalents	\$ 2,019	\$ 1,966	\$ 142,418	\$ 100	\$ 6,468	\$ 10,373	\$ 15,327
Receivables:							
Intergovernmental					3,184		80,271
Due from other funds			27,973		6,368		158,191
<b>Total assets</b>	<b>\$ 2,019</b>	<b>\$ 1,966</b>	<b>\$ 170,391</b>	<b>\$ 100</b>	<b>\$ 16,020</b>	<b>\$ 10,373</b>	<b>\$ 253,789</b>
<u>Liabilities</u>							
Accounts payable	\$	\$	\$ 1,825	\$	\$ 12,735	\$	\$ 91,170
Due to other funds							31,647
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>1,825</b>	<b>-</b>	<b>12,735</b>	<b>-</b>	<b>122,817</b>
<u>Fund Balances</u>							
Restricted	2,019	1,966	168,566	100		10,373	130,972
Committed					3,285		
<b>Total fund balances</b>	<b>2,019</b>	<b>1,966</b>	<b>168,566</b>	<b>100</b>	<b>3,285</b>	<b>10,373</b>	<b>130,972</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,019</b>	<b>\$ 1,966</b>	<b>\$ 170,391</b>	<b>\$ 100</b>	<b>\$ 16,020</b>	<b>\$ 10,373</b>	<b>\$ 253,789</b>

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013

Special Revenue Funds

	Building Inspection Services Fund	Hazardous Material Grant Fund	Fire Dept P.P.E. Grant Fund	Special Squad Holding Fund	Lead Hazard Control Fund	LLEBG Grant 2002-2004 Fund	EMS Public Fund
<u>Assets</u>							
Cash and cash equivalents	\$ 10,899	\$ 770	\$ 4,753	\$ 45,310	\$ 2,813	\$ 108	\$ 99,030
Receivables:							
Accounts							708,410
Intergovernmental			8,289				
Total assets	<u>\$ 10,899</u>	<u>\$ 770</u>	<u>\$ 13,042</u>	<u>\$ 45,310</u>	<u>\$ 2,813</u>	<u>\$ 108</u>	<u>\$ 807,440</u>
<u>Liabilities</u>							
Accounts payable	\$	\$	\$ 13,940	\$	\$	\$	\$ 99,030
Due to other funds			106				
Total liabilities	<u>-</u>	<u>-</u>	<u>14,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,030</u>
<u>Deferred Inflows of Resources</u>							
Unavailable revenue - EMS charges receivable							708,410
<u>Fund Balances</u>							
Restricted	10,899	770		45,310	2,813	108	
Unassigned			(1,004)				
Total fund balances	<u>10,899</u>	<u>770</u>	<u>(1,004)</u>	<u>45,310</u>	<u>2,813</u>	<u>108</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,899</u>	<u>\$ 770</u>	<u>\$ 13,042</u>	<u>\$ 45,310</u>	<u>\$ 2,813</u>	<u>\$ 108</u>	<u>\$ 807,440</u>

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013

	Woonsocket EMA Grant Fund	Justice Assistance Grant 09 Fund	Library Fines & Fees Fund	Cass Park Improvement Grant Fund	Hamlet Ave. Economic Program Fund	Homeland Security Fire Grant Fund
<u>Assets</u>						
Cash and cash equivalents	\$ 40,470	\$ -	\$ 85,118	\$ -	\$ 775	\$ 3,122
Receivables:						
Accounts			141			
Due from other funds						212
<b>Total assets</b>	<u>\$ 40,470</u>	<u>\$ -</u>	<u>\$ 85,259</u>	<u>\$ -</u>	<u>\$ 775</u>	<u>\$ 3,334</u>
<u>Liabilities</u>						
Accounts payable	\$ 721	\$ -	\$ 5,402	\$ -	\$ -	\$ 3,517
Due to other funds				51		
<b>Total liabilities</b>	<u>721</u>	<u>-</u>	<u>5,402</u>	<u>51</u>	<u>-</u>	<u>3,517</u>
<u>Fund Balances</u>						
Restricted	39,749		79,857			
Committed					775	
Unassigned				(51)		(183)
<b>Total fund balances</b>	<u>39,749</u>	<u>-</u>	<u>79,857</u>	<u>(51)</u>	<u>775</u>	<u>(183)</u>
<b>Total liabilities and fund balances</b>	<u>\$ 40,470</u>	<u>\$ -</u>	<u>\$ 85,259</u>	<u>\$ -</u>	<u>\$ 775</u>	<u>\$ 3,334</u>

(Continued)



**City of Woonsocket, Rhode Island**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013**

Special Revenue Funds

	Recovery Justice Assistance Grant 09 Fund	Recycling Coordinator Fund	Recycling Containers Fund	Lead Hazard Demo Grant Fund	2008 Cop Technology Grant Fund	City Clerk Records Restoration Fund	Justice Assistance Grant 07 Fund
<u>Assets</u>							
Cash and cash equivalents	\$ 4,697	\$ 11,759	\$ 1	\$ 42,518	\$	\$ 141,154	\$ 2,613
Due from other funds					815		
Total assets	<u>\$ 4,697</u>	<u>\$ 11,759</u>	<u>\$ 1</u>	<u>\$ 42,518</u>	<u>\$ 815</u>	<u>\$ 141,154</u>	<u>\$ 2,613</u>
<u>Liabilities</u>							
Accounts payable	\$ 4,680	\$	\$	\$	\$	\$	\$
Due to other funds					815		
Total liabilities	<u>4,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>815</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>							
Restricted	17	11,759		42,518		141,154	2,613
Committed							
Unassigned			1				
Total fund balances	<u>17</u>	<u>11,759</u>	<u>1</u>	<u>42,518</u>	<u>-</u>	<u>141,154</u>	<u>2,613</u>
Total liabilities and fund balances	<u>\$ 4,697</u>	<u>\$ 11,759</u>	<u>\$ 1</u>	<u>\$ 42,518</u>	<u>\$ 815</u>	<u>\$ 141,154</u>	<u>\$ 2,613</u>

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2013

Special Revenue Funds

	Justice Assistance Grant 08 Fund	Brownsfield Assessment Program Fund	Cultural Fund	Justice Assistance Grant 10 Fund	War Memorial Preservation Fund	Police OT Special Projects Fund
<u>Assets</u>						
Cash and cash equivalents	\$ 142	\$ 200,183	\$ 18,852	\$ 8,450	\$ 8,311	\$ 5,002
Receivables:				150		
Accounts Due from other funds	673					
<b>Total assets</b>	<b>\$ 815</b>	<b>\$ 200,183</b>	<b>\$ 18,852</b>	<b>\$ 8,600</b>	<b>\$ 8,311</b>	<b>\$ 5,002</b>
<u>Liabilities</u>						
Accounts payable	\$ 815	\$ 200,000	\$ -	\$ 3,249	\$ -	\$ -
Due to other funds				1,887		
<b>Total liabilities</b>	<b>815</b>	<b>200,000</b>	<b>-</b>	<b>5,136</b>	<b>-</b>	<b>-</b>
<u>Fund Balances</u>						
Restricted		183	18,852	3,464		5,002
Committed					8,311	
<b>Total fund balances</b>	<b>-</b>	<b>183</b>	<b>18,852</b>	<b>3,464</b>	<b>8,311</b>	<b>5,002</b>
<b>Total liabilities and fund balances</b>	<b>\$ 815</b>	<b>\$ 200,183</b>	<b>\$ 18,852</b>	<b>\$ 8,600</b>	<b>\$ 8,311</b>	<b>\$ 5,002</b>

(Continued)

**City of Woonsocket, Rhode Island**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2013**

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	Special Revenue Funds				Permanent Funds		
	Retiree Medical	Woonsocket Schools Restricted Fund	Police Miscellaneous Grants Fund	Woonsocket Parks Donations Fund	Total Special Revenue Funds	School Permanent Fund	Total Nonmajor Governmental Funds
<u>Assets</u>							
Cash and cash equivalents	\$ 130,790	\$ 715,509	\$ 19,180	\$ 506	\$ 2,356,021	\$ 238,304	\$ 2,594,325
Receivables:							
Loans					3,526,691		3,526,691
Accounts Intergovernmental		124			709,350		709,350
Due from other funds	34,725	1,223,832			1,340,418		1,340,418
		11,745			240,702		240,702
<b>Total assets</b>	<b>\$ 165,515</b>	<b>\$ 1,951,210</b>	<b>\$ 19,180</b>	<b>\$ 506</b>	<b>\$ 8,173,182</b>	<b>\$ 238,304</b>	<b>\$ 8,411,486</b>
<u>Liabilities</u>							
Accounts payable	\$	\$ 750,633	\$ 4,857	\$ 26	\$ 1,057,960	\$	\$ 1,057,960
Due to other funds		895,317			1,294,433		1,294,433
<b>Total liabilities</b>	<b>-</b>	<b>1,645,950</b>	<b>4,857</b>	<b>26</b>	<b>2,352,393</b>	<b>-</b>	<b>2,352,393</b>
<u>Deferred Inflows of Resources</u>							
Unavailable revenue - intergovernmental receivable		251,112			255,483		255,483
Unavailable revenue - loans					3,522,320		3,522,320
Unavailable revenue - EMS charges receivable					708,410		708,410
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>251,112</b>	<b>-</b>	<b>-</b>	<b>4,486,213</b>	<b>-</b>	<b>4,486,213</b>
<u>Fund Balances</u>							
Nonspendable						185,929	185,929
Restricted	80,790		14,323	480	1,025,688	52,375	1,078,063
Committed	84,725	54,148			311,274		311,274
Unassigned					(2,386)		(2,386)
<b>Total fund balances</b>	<b>165,515</b>	<b>54,148</b>	<b>14,323</b>	<b>480</b>	<b>1,334,576</b>	<b>238,304</b>	<b>1,572,880</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 165,515</b>	<b>\$ 1,951,210</b>	<b>\$ 19,180</b>	<b>\$ 506</b>	<b>\$ 8,173,182</b>	<b>\$ 238,304</b>	<b>\$ 8,411,486</b>

(Concluded)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2013

Special Revenue Funds

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	Land & Outdoor Recreation Fund	Emergency Shelter Fund	Hamlet Ave Enhancement Fund	Juvenile Fire Setters Educational Fund	Planning Board Fund	Business Revolving Loan Fund
Revenues:						
Intergovernmental	\$	\$ 127,987	\$	\$	\$	\$
Charges for services						205,423
Investment income	1					
Contributions					833	
<b>Total revenues</b>	<b>1</b>	<b>127,987</b>	<b>-</b>	<b>-</b>	<b>833</b>	<b>205,423</b>
Expenditures:						
Current:						
Legislative					693	
Public safety		127,987				
<b>Total expenditures</b>	<b>-</b>	<b>127,987</b>	<b>-</b>	<b>-</b>	<b>693</b>	<b>-</b>
Net change in fund balances	1	-	-	-	140	205,423
Fund balances - July 1, 2012 (as restated)	127,049		(1,087)	(62)	32,840	(151,226)
Fund balances - June 30, 2013	\$ 127,050	\$ -	\$ (1,087)	\$ (62)	\$ 32,980	\$ 54,197

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2013

Special Revenue Funds

	Community Development Housing Preservation Grant Fund	Rhode Island Home Fund	Library Services Fund	Harris Library Grant Fund	Woonsocket Senior Citizens Fund	Neighborhood Crime Watch Fund	UDAG Loan Repayment Grant
Revenues:							
Intergovernmental	\$	\$ 433,912	\$	\$ 193,184	\$ 12,568	\$	\$
Investment income			2				
Contributions			1,075				
Total revenues	-	433,912	1,077	193,184	12,568	-	-
Expenditures:							
Current:							
Legislative			4,877	184,064			
Economic development		442,693			58,805		
Human services							
Total expenditures	-	442,693	4,877	184,064	58,805	-	-
Excess (deficiency) of revenues over expenditures	-	(8,781)	(3,800)	9,120	(46,237)	-	-
Other financing sources (uses):							
Transfers in					60,000		
Net change in fund balances	-	(8,781)	(3,800)	9,120	13,763	-	-
Fund balances - July 1, 2012 (as restated)	1,507	109,725	20,236	12,315	2,611	11	127
Fund balances - June 30, 2013	\$ 1,507	\$ 100,944	\$ 16,436	\$ 21,435	\$ 16,374	\$ 11	\$ 127

(Continued)

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City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2013

Special Revenue Funds

	Comprehensive Planning Grant Fund	Rivers Edge Recreation Grant Fund	Fed & State Drug Forfeiture Police Special Squad Fund	Task Force on Drug & Alcohol Abuse Fund	Bramley Bill Fund	LLEBG Grant 2004-2006 Fund	Community Development Block Grant Fund
Revenues:							
Intergovernmental	\$	\$	\$ 39,009	\$ 156,857	\$ 38,207	\$	\$ 1,039,110
Investment income	1	1				4	
Total revenues	1	1	39,009	156,857	38,207	4	1,039,110
Expenditures:							
Current:							
Public safety			30,701	153,673	44,575		639,710
Economic development							413,176
Debt service:							59,989
Principal							
Interest and other costs							
Total expenditures	-	-	30,701	153,673	44,575	-	1,112,875
Net change in fund balances	1	1	8,308	3,184	(6,368)	4	(73,765)
Fund balances - July 1, 2012 (as restated)	2,018	1,965	160,258	(3,084)	9,653	10,369	204,737
Fund balances - June 30, 2013	\$ 2,019	\$ 1,966	\$ 168,566	\$ 100	\$ 3,285	\$ 10,373	\$ 130,972

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2013

Special Revenue Funds

	Building Inspection Services Fund	Hazardous Material Grant Fund	Fire Dept P.P.E. Grant Fund	Special Squad Holding Fund	Lead Hazard Control Fund	LLEBG Grant 2002-2004 Fund	EMS Public Fund
Revenues:							
Intergovernmental	\$	\$	\$ 224,928	\$ 48,961	\$	\$	\$
Charges for services							1,210,453
Investment income	4				1		
Total revenues	4	-	224,928	48,961	1	-	1,210,453
Expenditures:							
Current:							
Public safety			225,116	26,421			56,629
Total expenditures	-	-	225,116	26,421	-	-	56,629
Excess (deficiency) of revenues over expenditures	4	-	(188)	22,540	1	-	1,153,824
Other financing sources (uses):							
Transfers out							(1,153,824)
Net change in fund balances	4	-	(188)	22,540	1	-	-
Fund balances - July 1, 2012 (as restated)	10,895	770	(816)	22,770	2,812	108	
Fund balances - June 30, 2013	\$ 10,899	\$ 770	\$ (1,004)	\$ 45,310	\$ 2,813	\$ 108	\$ -

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2013

	Woonsocket EMA Grant Fund	Justice Assistance Grant 09 Fund	Library Fines & Fees Fund	Cass Park Improvement Grant Fund	Hamlet Ave. Economic Program Fund	Homeland Security Fire Grant Fund
Revenues:						
Intergovernmental	\$ 4,500	\$	\$	\$	\$	\$ 6,077
Charges for services			54,306			
Investment income					1	
Total revenues	4,500	-	54,306	-	1	6,077
Expenditures:						
Current:						
Legislative			47,161			
Public safety	18,779	6,428				5,427
Culture and recreation				51		
Total expenditures	18,779	6,428	47,161	51	-	5,427
Net change in fund balances	(14,279)	(6,428)	7,145	(51)	1	650
Fund balances - July 1, 2012 (as restated)	54,028	6,428	72,712		774	(833)
Fund balances - June 30, 2013	\$ 39,749	\$ -	\$ 79,857	\$ (51)	\$ 775	\$ (183)

(Continued)



City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2013

Special Revenue Funds

	Recovery Justice Assistance Grant 09 Fund	Recycling Coordinator Fund	Recycling Containers Fund	Lead Hazard Demo Grant Fund	2008 Cop Technology Grant Fund	City Clerk Records Restoration Fund	Justice Assistance Grant 07 Fund
Revenues:							
Charges for services	\$	\$	\$	\$	\$	\$ 31,264	\$
Investment income		4				6	1
Total revenues	-	4	-	-	-	31,270	1
Expenditures:							
Current:							
Legislative						21,290	
Public safety	32,795			9,288			
Total expenditures	32,795	-	-	9,288	-	21,290	-
Excess (deficiency) of revenues over expenditures	(32,795)	4	-	(9,288)	-	9,980	1
Other financing sources (uses):							
Transfers in					3,684		
Net change in fund balances	(32,795)	4	-	(9,288)	3,684	9,980	1
Fund balances - July 1, 2012 (as restated)	32,812	11,755	1	51,806	(3,684)	131,174	2,612
Fund balances - June 30, 2013	\$ 17	\$ 11,759	\$ 1	\$ 42,518	\$ -	\$ 141,154	\$ 2,613

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2013

Special Revenue Funds

	Justice Assistance Grant 08 Fund	Brownsfield Assessment Program Fund	Cultural Fund	Justice Assistance Grant 10 Fund	War Memorial Preservation Fund	Police OT Special Projects Fund
Revenues:						
Intergovernmental	\$	\$	\$	\$	\$	\$
Investment income		73		25,361		2
Contributions			5,283		870	
Total revenues	-	73	5,283	25,361	870	2
Expenditures:						
Current:						
Public safety				30,524		
Human services			12,741			
Total expenditures	-	-	12,741	30,524	-	-
Excess (deficiency) of revenues over expenditures	-	73	(7,458)	(5,163)	870	2
Other financing sources (uses):						
Transfers in	673					
Net change in fund balances	673	73	(7,458)	(5,163)	870	2
Fund balances - July 1, 2012 (as restated)	(673)	110	26,310	8,627	7,441	5,000
Fund balances - June 30, 2013	\$ -	\$ 183	\$ 18,852	\$ 3,464	\$ 8,311	\$ 5,002

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2013

	Special Revenue Funds				Permanent Funds		
	Retiree Medical	Woonsocket Schools Restricted Fund	Police Miscellaneous Grants Fund	Woonsocket Parks Donations Fund	Total Special Revenue Funds	School Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>							
Intergovernmental	\$	\$ 7,938,929	\$ 22,500	\$	\$ 10,312,090	\$	\$ 10,312,090
Charges for services					1,501,446		1,501,446
Investment income					101	193	294
Contributions	56,177	31,486		4,814	100,538		100,538
<b>Total revenues</b>	<b>56,177</b>	<b>7,970,415</b>	<b>22,500</b>	<b>4,814</b>	<b>11,914,175</b>	<b>193</b>	<b>11,914,368</b>
<b>Expenditures:</b>							
<b>Current:</b>							
Legislative					258,085		258,085
Public safety			8,177		776,520		776,520
Public works				4,334	4,334		4,334
Economic development					1,082,403		1,082,403
Human services					71,597		71,597
Education		8,085,632			8,085,632	973	8,086,605
<b>Debt service:</b>							
Principal					413,176		413,176
Interest and other costs					59,989		59,989
<b>Total expenditures</b>	<b>-</b>	<b>8,085,632</b>	<b>8,177</b>	<b>4,334</b>	<b>10,751,736</b>	<b>973</b>	<b>10,752,709</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>56,177</b>	<b>(115,217)</b>	<b>14,323</b>	<b>480</b>	<b>1,162,439</b>	<b>(780)</b>	<b>1,161,659</b>
<b>Other financing sources (uses)</b>							
Transfers in	20,000	158,870			243,227		243,227
Transfers out		(68,233)			(1,222,057)		(1,222,057)
<b>Net other financing sources (uses)</b>	<b>20,000</b>	<b>90,637</b>	<b>-</b>	<b>-</b>	<b>(978,830)</b>	<b>-</b>	<b>(978,830)</b>
<b>Net change in fund balances</b>	<b>76,177</b>	<b>(24,580)</b>	<b>14,323</b>	<b>480</b>	<b>183,609</b>	<b>(780)</b>	<b>182,829</b>
<b>Fund balances - July 1, 2012 (as restated)</b>	<b>89,338</b>	<b>78,728</b>			<b>1,150,967</b>	<b>239,084</b>	<b>1,390,051</b>
<b>Fund balances - June 30, 2013</b>	<b>\$ 165,515</b>	<b>\$ 54,148</b>	<b>\$ 14,323</b>	<b>\$ 480</b>	<b>\$ 1,334,576</b>	<b>\$ 238,304</b>	<b>\$ 1,572,880</b>

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# Fiduciary Funds

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Fiduciary funds are used to account for assets held by the City in a trustee capacity for individuals, private organizations or other governments.

## **Private-Purpose Trust Funds**

A fiduciary trust fund type used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments.

## **Agency Funds**

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

City of Woonsocket, Rhode Island  
 Combining Statement of Fiduciary Net Position  
 Private-Purpose Trust Funds  
 June 30, 2013

	John S. Bellows Trust	EMS Public Fund	Valois Animal Trust Fund	Animal Donation Trust Fund	Education Department Private Purpose Trust Funds	Total Private- Purpose Trust Funds
<u>Assets</u>						
Cash and cash equivalents	<u>\$ 19,605</u>	<u>\$ 304</u>	<u>\$ 22,289</u>	<u>\$ 50</u>	<u>\$ 47,251</u>	<u>\$ 89,499</u>
<u>Net Position</u>						
Held in trust for other purposes	<u>\$ 19,605</u>	<u>\$ 304</u>	<u>\$ 22,289</u>	<u>\$ 50</u>	<u>\$ 47,251</u>	<u>\$ 89,499</u>

## City of Woonsocket, Rhode Island

**Combining Statement of Changes in Fiduciary Net Position  
Private-Purpose Trust Funds  
Year Ended June 30, 2013**

	John S. Bellows Trust	EMS Public Fund	Valois Animal Trust Fund	Animal Donation Trust Fund	Education Department Private Purpose Trust Funds	Total Private- Purpose Trust Funds
<b>Additions:</b>						
Contributions	\$	\$	\$	\$	200	\$ 200
Investment income					152	152
<b>Total additions</b>	-	-	-	-	352	352
<b>Deductions:</b>						
Program expenses					300	300
<b>Changes in net position</b>	-	-	-	-	52	52
<b>Net position - July 1, 2012</b>	19,605	304	22,289	50	47,199	89,447
<b>Net position - June 30, 2013</b>	\$ 19,605	\$ 304	\$ 22,289	\$ 50	\$ 47,251	\$ 89,499

## City of Woonsocket, Rhode Island

**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**Year Ended June 30, 2013**

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<u>Assets</u>				
Cash:				
Sidewalk deposit fund	\$ 3,156	\$ 1	\$	\$ 3,157
Curbing deposit fund	2,100	560		2,660
Construction escrow fund	1			1
Deduction services fund	156,401	6,304,502	6,174,764	286,139
Fire dental plan	142,992	194,471	162,039	175,424
Woonsocket School Department agency funds	93,055	240,976	171,526	162,505
Thundermist / Putnam Hydro funds	37			37
	<u>\$ 397,742</u>	<u>\$ 6,740,510</u>	<u>\$ 6,508,329</u>	<u>\$ 629,923</u>
Total cash				
	<u>\$ 397,742</u>	<u>\$ 6,740,510</u>	<u>\$ 6,508,329</u>	<u>\$ 629,923</u>
<u>Liabilities</u>				
Deposits held for others:				
Sidewalk deposit fund	\$ 3,156	\$ 1	\$	\$ 3,157
Curbing deposit fund	2,100	560		2,660
Construction escrow fund	1			1
Deduction services fund	27,082	6,156,266	6,064,447	118,901
Fire dental plan	142,992	194,471	162,039	175,424
Woonsocket School Department agency funds	93,055	240,976	171,526	162,505
Thundermist / Putnam Hydro funds	37			37
	<u>268,423</u>	<u>6,592,274</u>	<u>6,398,012</u>	<u>462,685</u>
Total deposits held for others				
	<u>268,423</u>	<u>6,592,274</u>	<u>6,398,012</u>	<u>462,685</u>
Due to other funds:				
Deduction services fund	129,319	148,236	110,317	167,238
	<u>129,319</u>	<u>148,236</u>	<u>110,317</u>	<u>167,238</u>
Total liabilities				
	<u>\$ 397,742</u>	<u>\$ 6,740,510</u>	<u>\$ 6,508,329</u>	<u>\$ 629,923</u>

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## **Trend Information**

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## City of Woonsocket, Rhode Island

Net Position by Component  
Last Ten Years  
(Unaudited)

Fiscal Year

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:										
Net investment in capital assets	\$ 101,948,625	\$ 97,455,150	\$ 96,210,608	\$ 93,385,222	\$ 101,536,700	\$ 96,694,726	\$ 95,941,555	\$ 98,765,441	\$ 96,764,605	\$ 99,282,244
Restricted	2,318,397									
Unrestricted	(163,476,108)	(154,586,083)	(135,120,405)	(129,143,063)	(120,907,484)	(99,805,656)	(93,961,974)	(94,444,081)	(86,411,157)	(87,459,569)
Total governmental activities net position	(59,209,086)	(57,130,933)	(38,909,797)	(35,757,841)	(19,370,784)	(3,110,930)	1,979,581	4,321,360	10,353,448	11,822,675
Business-type activities:										
Net investment in capital assets	29,948,199	31,456,816	29,159,522	27,245,486	24,797,024	24,557,529	22,421,976	39,639,035	33,912,566	25,609,018
Restricted	16,755,396									
Unrestricted	(2,352,719)	9,737,835	9,554,887	7,858,114	7,789,772	6,722,588	6,016,244	(11,490,825)	(6,602,329)	2,484,352
Total business-type activities net position	44,350,876	41,194,651	38,714,409	35,103,600	32,586,796	31,280,117	28,438,220	28,148,210	27,310,237	28,093,370
Total net position:										
Net investment in capital assets	131,896,824	128,911,966	125,370,130	120,630,708	126,333,724	121,252,255	118,363,531	138,404,476	130,677,171	124,891,262
Restricted	19,073,793									
Unrestricted	(165,828,827)	(144,848,248)	(125,565,518)	(121,284,949)	(113,117,712)	(93,083,068)	(87,945,730)	(105,934,906)	(93,013,486)	(84,975,217)
Total net position	\$ (14,858,210)	\$ (15,936,282)	\$ (195,388)	\$ (654,241)	\$ 13,216,012	\$ 28,169,187	\$ 30,417,801	\$ 32,469,570	\$ 37,663,685	\$ 39,916,045

City of Woonsocket, Rhode Island

Changes in Net Position  
Last Ten Years  
(Unaudited)

Fiscal Year

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses:</b>										
<b>Governmental activities:</b>										
Executive	\$ 175,339	\$ 127,200	\$ 141,797	\$ 146,668	\$ 210,076	\$ 153,651	\$ 180,137	\$ 340,852	\$ 330,415	\$ 122,823
Legislative	2,324,463	1,424,654	1,366,402	1,225,806	1,434,284	1,645,928	1,520,754	1,649,687	1,481,862	1,772,859
Planning and development	1,178,352	612,450	690,177	715,071	775,314	794,841	806,388	786,247	715,484	728,710
Finance	2,271,095	1,572,842	1,385,553	1,525,472	2,006,066	1,710,406	1,644,305	1,490,673	1,406,037	1,382,414
Law	403,660	487,258	620,842	191,769	382,216	226,052	215,840	250,016	249,775	206,247
Public safety	34,955,286	34,890,322	34,637,335	33,575,589	24,310,365	21,894,317	20,608,274	20,805,230	16,785,406	15,501,932
Public works	8,300,406	6,950,730	7,202,354	7,761,137	8,070,942	8,576,164	8,931,813	9,022,351	9,086,127	9,520,002
Economic development	1,119,173	1,645,254	2,531,324	2,225,884	1,966,042	4,065,480	3,956,618	2,571,553	1,744,384	91,452
Human services	307,969	262,439	334,611	223,392	380,099	323,987	300,562	347,947	344,503	455,618
Other fixed and general charges		9,047,074	8,863,842	10,205,688	7,428,058	7,954,591	9,691,228	7,692,105	9,764,711	13,968,521
Education	79,069,690	83,653,677	82,596,333	76,967,143	78,998,410	81,124,700	74,619,064	72,289,108	68,158,886	65,536,612
Interest and other costs	11,701,389	10,925,297	10,600,441	9,170,992	7,103,776	7,328,322	6,697,190	7,527,520	5,955,479	6,110,751
Budget commission	549,144									
Other										10,472
<b>Total governmental activities expenses</b>	<b>142,355,966</b>	<b>151,599,197</b>	<b>150,971,011</b>	<b>143,934,611</b>	<b>133,065,648</b>	<b>135,798,439</b>	<b>129,172,173</b>	<b>124,773,289</b>	<b>116,023,069</b>	<b>115,408,413</b>
<b>Business-type activities:</b>										
Water Fund	6,102,394	5,764,643	5,843,994	5,603,322	5,821,402	5,342,511	6,128,007	5,043,242	5,965,382	4,519,246
Regional Wastewater Fund	5,621,716	5,938,863	6,145,985	5,040,488	5,146,717	5,499,245	5,324,676	10,010,922	9,249,793	9,313,182
Thundermist hydro	-	-	1,732	21,354	8,506	14,226	13,290	24,518	15,403	97,995
User Charge Fund	5,344,560	6,501,521	6,192,121	5,811,673	5,702,595	5,790,891	5,753,844			
School Proprietary Fund	2,576,240	2,571,009	2,711,848	2,738,282	2,736,494	2,842,042	2,687,295	2,617,668	2,486,521	2,340,480
<b>Total business-type activities expenses</b>	<b>19,644,910</b>	<b>20,776,036</b>	<b>20,895,680</b>	<b>19,215,119</b>	<b>19,415,714</b>	<b>19,488,915</b>	<b>19,907,112</b>	<b>17,696,350</b>	<b>17,717,099</b>	<b>16,270,903</b>
<b>Total expenses</b>	<b>162,000,876</b>	<b>172,375,233</b>	<b>171,866,691</b>	<b>163,149,730</b>	<b>152,481,362</b>	<b>155,287,354</b>	<b>149,079,285</b>	<b>142,469,639</b>	<b>133,740,168</b>	<b>131,679,316</b>
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Legislative	1,853,214	1,144,648	1,324,179	1,163,711	1,307,113	1,714,515	2,080,136	1,561,061	1,806,259	867,065
Planning		205,102	209,160	9,521	136,186	162,374	150,082	382,971	427,236	281,996
Finance		80,168	50,644	73,356	54,000	52,000	52,000	3,530	13,440	11,395
Public safety	1,505,480	1,271,866	1,361,706	1,264,407	1,188,112	1,261,340	458,361	734,134	712,050	647,469
Public works	3,565,250	1,723,286	1,685,764	1,511,539	836,048	602,751	504,802	635,421	683,089	385,379
Economic development	967,384	522,988	685,983	486,687	1,083,586	780,151	774,988			
Human resources			73,841	92,268	82,862	54,836	54,836			
Other fixed and general charges		1,354,660	1,128,571	1,134,018	419,801	1,097,946	1,484,683			
Education	917,036	3,585,837	3,567,184	3,180,721	2,676,933	2,832,663	2,210,755	1,073,741	1,072,560	854,357
Operating grants and contributions	61,649,075	63,547,583	69,056,919	61,844,050	62,732,110	67,578,563	66,400,300	47,997,623	46,420,421	45,814,158
Capital grants and contributions	5,414,892	165,572	417,160	1,152,382	2,227,181	167,000	167,560			
<b>Total governmental activities program revenues</b>	<b>75,872,331</b>	<b>73,601,710</b>	<b>79,561,111</b>	<b>71,912,660</b>	<b>72,743,932</b>	<b>76,304,139</b>	<b>74,338,503</b>	<b>52,388,481</b>	<b>51,135,055</b>	<b>48,861,819</b>

(Continued)

City of Woonsocket, Rhode Island

Changes in Net Position  
Last Ten Years  
(Unaudited)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Business-type activities:</b>										
Charges for services:										
Water Fund	\$ 7,537,390	\$ 7,232,680	\$ 7,328,130	\$ 7,192,384	\$ 7,418,711	\$ 8,027,520	\$ 6,729,477	\$ 7,205,602	\$ 5,945,239	\$ 5,192,319
Regional Wastewater Fund	5,541,200	7,109,179	6,649,082	5,671,962	6,015,124	5,878,340	5,060,833	10,665,676	10,578,167	10,108,599
Thundermist hydro			145,783	94,521						
User Charge Fund	7,182,172	6,527,603	5,952,491	5,662,763	5,503,431	5,512,651	5,308,093			
School Proprietary Fund	342,042	2,502,867	2,541,913	2,786,468	575,785	597,454	697,887	2,448,965	2,503,202	2,432,624
Operating grants and contributions	2,198,330				2,078,140	2,049,806	1,920,320			
<b>Total business-type activities program revenues</b>	<b>22,801,134</b>	<b>23,372,329</b>	<b>22,617,399</b>	<b>21,408,098</b>	<b>21,591,191</b>	<b>22,065,771</b>	<b>20,516,610</b>	<b>20,320,243</b>	<b>19,026,608</b>	<b>17,733,542</b>
<b>Total program revenues</b>	<b>98,673,465</b>	<b>96,974,039</b>	<b>102,178,510</b>	<b>93,320,758</b>	<b>94,335,123</b>	<b>98,369,910</b>	<b>94,855,113</b>	<b>72,708,724</b>	<b>70,161,663</b>	<b>66,595,361</b>
<b>Net revenue (expense):</b>										
Governmental activities	(66,483,635)	(77,997,487)	(71,409,900)	(72,021,951)	(60,321,716)	(59,494,300)	(54,833,670)	(72,384,808)	(64,888,014)	(66,546,594)
Business-type activities	3,156,224	2,596,293	1,721,719	2,192,979	2,175,477	2,576,856	609,496	2,623,893	1,309,509	1,462,639
<b>Total governmental net revenue (expense)</b>	<b>(63,327,411)</b>	<b>(75,401,194)</b>	<b>(69,688,181)</b>	<b>(69,828,972)</b>	<b>(58,146,239)</b>	<b>(56,917,444)</b>	<b>(54,224,172)</b>	<b>(69,760,915)</b>	<b>(63,578,505)</b>	<b>(65,083,955)</b>
<b>General revenues and other changes in net assets:</b>										
Governmental activities:										
Property taxes	60,275,781	55,896,272	53,820,107	47,806,294	44,670,491	43,526,292	41,098,056	39,253,412	36,507,984	38,492,120
Grants and contributions not restricted to specific programs	2,504,824	2,408,192	2,397,853	6,664,268	8,919,513	10,603,884	11,269,260	11,576,621	11,002,606	10,326,694
Unrestricted investment earnings	294	2,443	6,912	16,235	26,215	258,413	334,666	635,764	474,416	653,320
Other general revenues - net						15,200		17,667,275	15,403,356	15,152,522
Host community agreement revenue		2,088,216	653,297	1,159,097						
Transfers			(1,989,475)	(11,000)						
<b>Total governmental activities</b>	<b>62,780,899</b>	<b>60,395,123</b>	<b>54,888,694</b>	<b>55,634,894</b>	<b>53,616,219</b>	<b>54,403,789</b>	<b>52,701,982</b>	<b>69,133,072</b>	<b>63,388,362</b>	<b>64,624,656</b>
Business-type activities:										
Unrestricted investment earnings	1	133,316	123,745	260,398	283,492	265,041	389,409	162,726	265,859	273,124
Other				52,427	(821,997)					
Transfers			1,989,475	11,000						
<b>Total business-type activities</b>	<b>1</b>	<b>133,316</b>	<b>2,113,220</b>	<b>323,825</b>	<b>(538,505)</b>	<b>265,041</b>	<b>389,409</b>	<b>162,726</b>	<b>265,859</b>	<b>273,124</b>
<b>Total general revenues</b>	<b>62,780,900</b>	<b>60,528,439</b>	<b>57,001,914</b>	<b>55,958,719</b>	<b>53,077,714</b>	<b>54,668,830</b>	<b>53,091,391</b>	<b>69,295,798</b>	<b>63,654,221</b>	<b>64,897,780</b>
<b>Change in net position:</b>										
Governmental activities	(3,702,736)	(17,602,364)	(16,521,206)	(16,387,057)	(6,705,497)	(5,090,511)	(2,131,688)	(3,251,736)	(1,499,652)	(1,921,938)
Business-type activities	3,156,225	2,729,609	3,834,939	2,516,804	1,636,972	2,841,897	998,907	2,786,619	1,575,368	1,735,763
<b>Total change in net position</b>	<b>\$ (546,511)</b>	<b>\$ (14,872,755)</b>	<b>\$ (12,686,267)</b>	<b>\$ (13,870,253)</b>	<b>\$ (5,068,525)</b>	<b>\$ (2,248,614)</b>	<b>\$ (1,132,781)</b>	<b>\$ (465,117)</b>	<b>\$ 75,716</b>	<b>\$ (186,175)</b>

(Concluded)