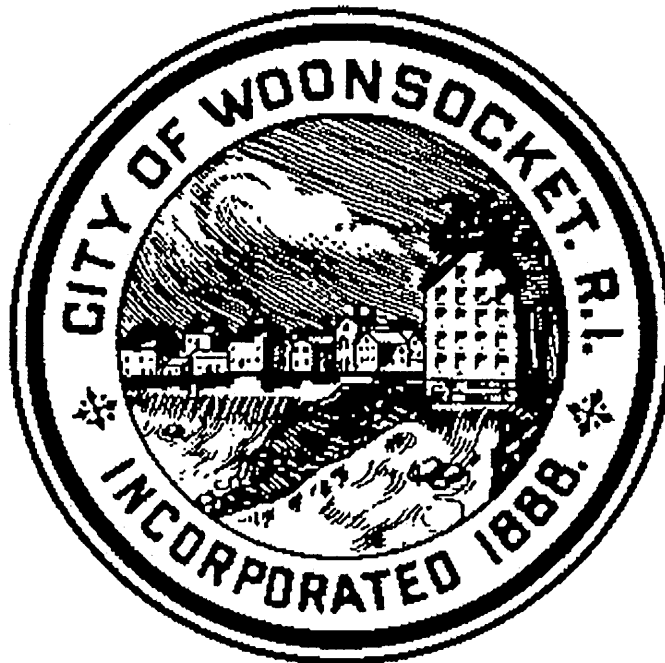


**Annual Financial Report of the  
City of Woonsocket, Rhode Island  
Year Ended June 30, 2015**



# City of Woonsocket, Rhode Island

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# City of Woonsocket, Rhode Island

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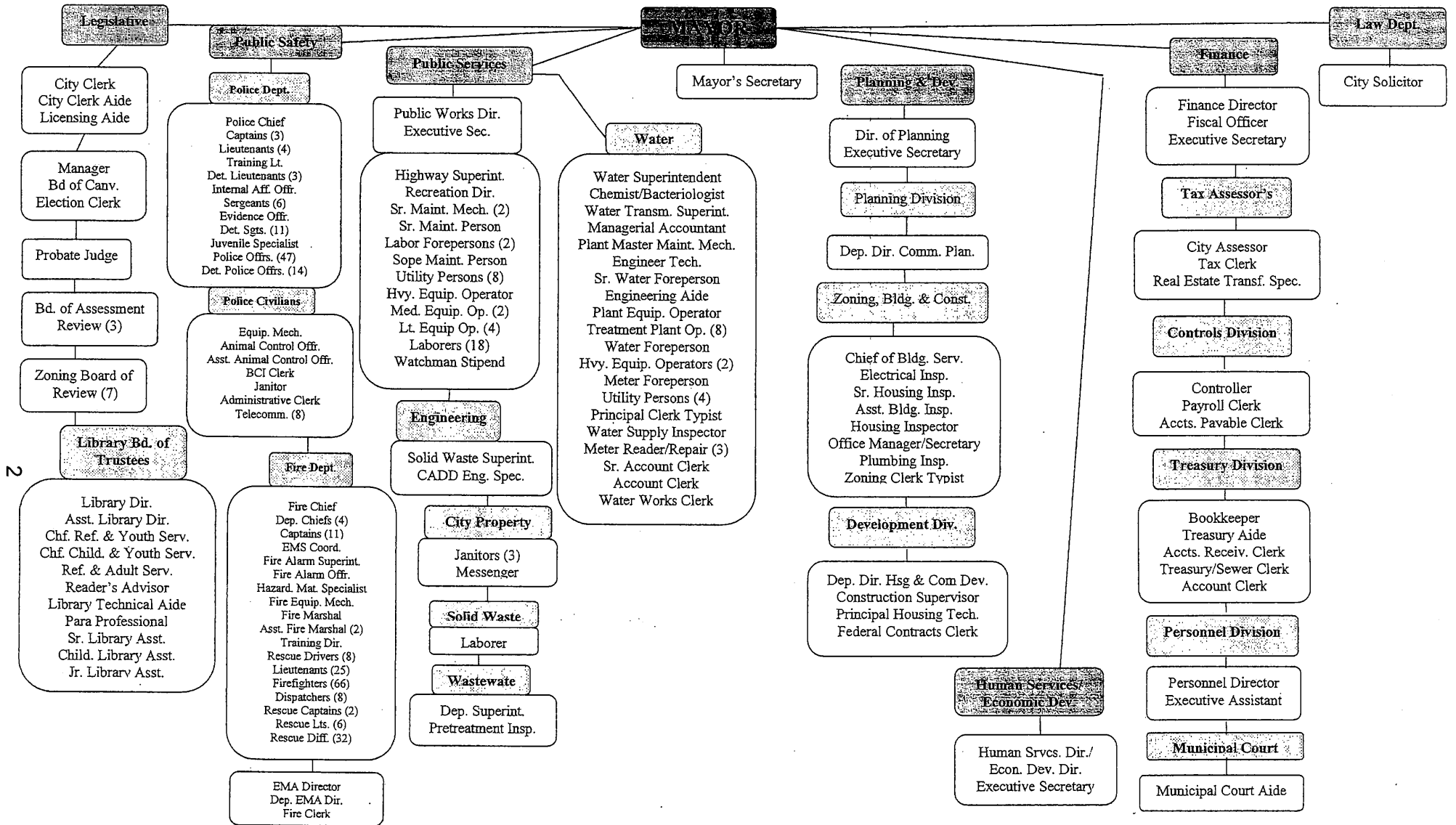
# **Introductory Section**

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**City of Woonsocket, Rhode Island**

**List of Elected and Appointed Officials  
June 30, 2015**

Mayor	Lisa Baldelli-Hunt
City Council	Albert Brien, President Robert Moreau, V.P. Roger Jalette Christopher Beauchamp Daniel M. Gendron Garrett Mancieri Melissa Murray
Tax Assessor	Vacant
Director of Finance	Christine Chamberland
Controller	Cindy Johnston
Fire Chief	Paul Shatraw
Police Chief	Thomas Carey
City Clerk	Christina Duarte
City Solicitor	Michael Marcello
Interim Superintendent of Schools	Patrick McGee
Business Manager	Brad Peryea



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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, 2015, 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, 2015, 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 budgetary comparison information and the pension and other post-employment benefit plan schedules on pages 6 to 15, pages 78 to 80 and pages 81 to 95, 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 February 12, 2016, on our consideration of the City of Woonsocket, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 cursive script that reads "Cohn Reznick LLP".

Hartford, Connecticut  
February 12, 2016



**CITY OF WOONSOCKET, RHODE ISLAND**  
**OFFICE OF THE FINANCE DIRECTOR**

**Management's Discussion and Analysis**  
**Year Ended June 30, 2015**

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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, 2015.

**Financial Highlights**

- During the year, the City implemented GASB 68 related to pensions. GASB 68 required that the net pension liability be recorded on the government-wide financial statements. The result of implementing GASB 68 was a net prior period adjustment as of July 1, 2014 of \$11,029,433 to remove the amount recorded in the prior year for the net pension obligation and to record the deferred outflows related to pensions and the net pension liability of \$117,576,545. The total net pension liability for all plans at June 30, 2015 was \$126,318,262.
- On a government-wide basis, liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows by \$106,868,431. Net position for the governmental activities was a deficit of \$(161,187,813) and net position for business-type activities was \$54,319,382.
- On a government-wide basis, the City's total net position increased by \$2,553,092. The increase is due to a \$2,965,265 decrease in net position for the governmental activities and a \$5,518,357 increase for business-type activities.

Governmental activities decreased mainly due to pension and OPEB expenses for the year totaling \$12,147,835 and \$4,177,179, respectively. These expenses offset positive operations of the general fund and school unrestricted fund of approximately \$5,944,000.

Business-type activities increased due the rate structure approved in prior years that is funding future capital improvements for both the Water fund and the Regional Wastewater fund.

- The City's governmental funds reported combined ending fund balance of \$9,827,013, an increase of \$5,203,528 in comparison with the prior year. \$3,404,144 of this amount is available for spending at the government's discretion (unassigned fund balance). The increase is due to positive operations of the general fund of \$2,634,948 and the school unrestricted fund of \$3,308,955.
- At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$3,921,973. This represents 3.1% of budgetary expenditures and other financing uses.
- The City's total bonded debt and notes payable decreased by \$9,958,282 during the current fiscal year as a result of the issuance of \$6,540,000 of refunding bonds, less principal payments of \$16,498,282.
- The City's total net capital assets increased by \$10,538,096 during the current fiscal year. The increase is primarily attributable to construction in progress at the City's wastewater treatment facility.

## **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 a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows, with the difference between these accounts 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 City'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, planning and development, finance, law, public safety, public works, education, and debt service. 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.

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.

For governmental funds, the City presents 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, City capital fund, WED capital fund, School unrestricted fund and Woonsocket Schools 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.

### **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 and other post-employment 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 and deferred outflows of resources by \$106,868,431 at the close of the current fiscal year.

### Summary Statement of Net Position June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014 (as restated)	2015	2014 (as restated)	2015	2014 (as restated)
Current and other assets	\$ 33,103,862	\$ 29,762,088	\$ 34,738,210	\$ 46,122,837	\$ 67,842,072	\$ 75,884,925
Capital assets (net)	187,471,633	190,953,842	74,682,386	60,662,081	262,154,019	251,615,923
Total assets	220,575,495	220,715,930	109,420,596	106,784,918	329,996,091	327,500,848
Deferred outflows of resources	10,799,187	6,632,802	177,796	150,129	10,976,983	6,782,931
Other liabilities outstanding	25,866,894	29,410,797	5,388,457	4,514,088	31,255,351	33,924,885
Long-term liabilities outstanding	352,907,976	356,137,138	49,398,904	53,619,934	402,306,880	409,757,072
Total liabilities	378,774,870	385,547,935	54,787,361	58,134,022	433,562,231	443,681,957
Deferred inflows of resources	13,787,625	23,345	491,649	-	14,279,274	23,345
Net position:						
Net investment in capital assets	102,916,832	101,963,913	31,172,354	29,583,323	134,089,186	131,547,236
Restricted	5,721,937	4,537,526	7,561,236	22,433,356	13,283,173	26,970,882
Unrestricted	(269,826,582)	(264,723,987)	15,585,792	(3,215,654)	(254,240,790)	(267,939,641)
Total net position	<u>\$(161,187,813)</u>	<u>\$(158,222,548)</u>	<u>\$ 54,319,382</u>	<u>\$ 48,801,025</u>	<u>\$(106,868,431)</u>	<u>\$(109,421,523)</u>

By far, the largest portion of the City's net position 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 \$(254,240,790).

The City's net position increased by \$2,553,092 during the current fiscal year. The increase is due to a \$2,965,265 decrease in net position for the governmental activities and a \$5,518,357 increase for business-type activities.

Governmental activities decreased mainly due to pension and OPEB expenses for the year totaling \$12,147,835 and \$4,177,179, respectively. These expenses offset positive operations of the general fund and school unrestricted fund of approximately \$5,944,000.

Business-type activities increased due the rate structure approved in prior years that is funding future capital improvements for both the Water fund and the Regional Wastewater fund.

**Changes in Net Position  
Years Ended June 30, 2015 and 2014**

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 6,835,168	\$ 7,126,411	\$ 23,733,359	\$ 22,052,582	\$ 30,568,527	\$ 29,178,993
Operating grants and contributions	67,794,701	64,916,857	3,043,158	2,564,647	70,837,859	67,481,504
Capital grants and contributions	5,351,014	5,382,193	-	-	5,351,014	5,382,193
General revenues:						
Property taxes	63,293,047	60,068,868	-	-	63,293,047	60,068,868
Grants and contributions not restricted to specific programs	5,719,930	5,888,847	-	-	5,719,930	5,888,847
Investment income	17,576	6,731	208	81	17,784	6,812
<b>Total revenues</b>	<b>149,011,436</b>	<b>143,389,907</b>	<b>26,776,725</b>	<b>24,617,310</b>	<b>175,788,161</b>	<b>168,007,217</b>
Expenses:						
Executive	153,359	162,597	-	-	153,359	162,597
Legislative - general government	2,269,146	2,099,437	-	-	2,269,146	2,099,437
Planning and development	1,085,732	583,944	-	-	1,085,732	583,944
Finance	1,661,140	1,784,636	-	-	1,661,140	1,784,636
Law	536,535	308,507	-	-	536,535	308,507
Public safety	46,018,271	32,854,930	-	-	46,018,271	32,854,930
Public works	8,098,868	8,338,072	-	-	8,098,868	8,338,072
Economic development	117,155	819,855	-	-	117,155	819,855
Human services	223,096	194,807	-	-	223,096	194,807
Education	82,136,198	78,901,007	-	-	82,136,198	78,901,007
Budget commission	394,821	649,569	-	-	394,821	649,569
Interest and other costs	9,124,849	9,798,878	-	-	9,124,849	9,798,878
Water Fund	-	-	5,448,953	5,514,730	5,448,953	5,514,730
Regional Wastewater Fund	-	-	6,104,575	5,351,428	6,104,575	5,351,428
User Charge Fund	-	-	6,689,257	5,677,027	6,689,257	5,677,027
School Proprietary Fund	-	-	3,173,114	2,983,994	3,173,114	2,983,994
<b>Total expenses</b>	<b>151,819,170</b>	<b>136,496,239</b>	<b>21,415,899</b>	<b>19,527,179</b>	<b>173,235,069</b>	<b>156,023,418</b>
Increase (decrease) in net position before transfers	(2,807,734)	6,893,668	5,360,826	5,090,131	2,553,092	11,983,799
Transfers	(157,531)	-	157,531	-	-	-
Change in net position	(2,965,265)	6,893,668	5,518,357	5,090,131	2,553,092	11,983,799
Net position - July 1 (as restated)	(158,222,548)	(59,209,086)	48,801,025	44,350,876	(109,421,523)	(14,858,210)
Restatement for net pension liability	-	(105,907,130)	-	(639,982)	-	(106,547,112)
<b>Net position - June 30</b>	<b>\$ (161,187,813)</b>	<b>\$ (168,222,548)</b>	<b>\$ 54,319,382</b>	<b>\$ 48,801,025</b>	<b>\$ (106,868,431)</b>	<b>\$ (109,421,523)</b>



**Governmental Activities** - Governmental activities resulted in a decrease of the City's net position by \$2,965,265. A discussion of fiscal year 2015 activity follows:

### Revenues

Governmental activities revenues totaled \$149,011,436 for fiscal year 2015. This represents an increase of \$5,621,529 from the prior year. Operating grants and contributions are the largest revenue source for the City and represent 45.5% 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 42.5% of revenues. Current tax collections were 93.0% of the adjusted tax levy. Capital grants and contributions revenues, which include grants for school building construction and other general government activities, account for 3.6%. Grants and contributions not restricted to a specific programs include payments in lieu of taxes and represents 3.8% of revenues. Charges for services accounted for 4.6% of revenue.

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

- Property taxes increased \$3,224,179 due to an increase in the adopted budget.
- Operating grants and contributions increased by \$2,877,844 due to an increase in education funding.

### Expenses

Governmental expenses totaled \$151,819,170 for the fiscal year, an increase of \$15,322,931. Of the expenses, \$82,136,198 or 54.1% is related to education. Public safety expenses were \$46,018,271 or 30.3%, public works expenses amounted to \$8,098,868 or 5.3% and interest expense on long-term debt was \$9,124,849 or 6.0%.

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

- Public safety expenses increased by \$13,163,341 due to the increases in OPEB related expenses and pension expenses as compared to the prior year. The pension expenses were as a result of the implementation of GASB 68 for this fiscal year.
- Education expenses increased \$3,235,191 due to contractual agreements and increased grant related expenditures.

**Business-Type Activities** - Business-type activities resulted in an increase to the City's net position of \$5,518,357. 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 \$2,469,900. This is consistent with the prior year as the current rate structure is set to provide for future capital replacement. Total net position at the end of the year was \$28,812,242.
- The Regional Wastewater Fund reported net income of \$856,557 at year end. This is consistent with the prior year as the current rate structure is set to provide for future capital replacement. Total net position at the end of the year was \$19,644,356.
- User Charge Fund operations had net income of \$1,872,105. Revenues were consistent with the prior year as the current rate structure is set to provide for future capital replacement, and expenses increased by \$1,013,298 due to an increase in contracted services. At year end, total net position was \$5,447,786.
- Net position in the School Proprietary Fund was \$414,998 at year end. Operations resulted in a change in net position of \$319,795 due to increased grant funding and the transfer in of \$157,531.

## **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, 2015, the City's governmental funds reported combined ending fund balance of \$9,827,013, an increase of \$5,203,528 in comparison with the prior year. Of this total amount, \$462,472 is nonspendable fund balance, \$5,536,008 is restricted fund balance, and \$424,389 constitutes committed fund balance. The remainder is unassigned fund balance of \$3,404,144.

**General Fund.** The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$3,921,973, while total fund balance reached \$4,198,516.

The City's total fund balance in the general fund increased by \$2,634,948 during the current fiscal year due to savings related to the education department funding.

**City Capital Projects Fund.** This fund accounts for financial resources to be used for capital projects of the City. The fund's revenues and other financing sources exceeded expenditures and other financing uses by \$597 for the fiscal year.

**City Capital Fund.** This fund accounts for operating surplus funding set aside for City capital projects as per a resolution enacted by the City of Woonsocket Budget Commission. The fund's expenditures exceeded revenues by \$789,742 for the fiscal year as the part of the amount funded in the prior year was expended in this fiscal year.

**WED Capital Fund.** This fund accounts for operating surplus funding set aside for School Department capital projects as per a resolution enacted by the City of Woonsocket Budget Commission. There was no activity in the fund during the fiscal year.

**School Unrestricted Fund.** This fund accounts for operations of the education department. Fund revenues and transfers in exceeded expenditures and transfers out by \$3,308,955 for the fiscal year. This is a result of cost containment measures.

**Woonsocket Schools Restricted Fund.** This fund accounts for specially financed school programs under grants received from the Federal Government and the State of Rhode Island. Fund revenues and transfers in exceeded expenditures and transfers out by \$8,148 for the fiscal year.

**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. The individual fund's activities is discussed above under business-type activities.

### **General Fund Budgetary Highlights**

Revenues exceeded expenditures and other financing uses by \$6,223,582. This operating result was primarily due to overall actual revenues exceeding budgetary estimates by approximately \$700,000 and education expenditures coming in under budget by \$3,516,890. There were also savings of \$1,324,065 in miscellaneous expenses and \$408,707 in the debt service line due to the refunding.

## School Unrestricted Fund Budgetary Highlights

Revenues and other financing sources exceeded expenditures and other financing uses by \$3,308,955. This operating result was due to overall cost containment as revenues were in line with budgeted expectations.

### 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, 2015 amounted to \$187,471,633 and \$74,682,386, respectively. This investment in capital includes land, construction in progress, buildings, improvements, machinery and equipment, vehicles and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$10,538,096.

#### Capital Assets - Net June 30, 2015 and 2014

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 22,307,537	\$ 22,307,537	\$ 960,321	\$ 960,321	\$ 23,267,858	\$ 23,267,858
Construction in progress	1,257,196	454,729	26,811,932	11,736,865	28,069,128	12,191,594
Buildings and improvements	134,378,040	137,466,106	21,798,394	22,700,545	156,176,434	160,166,651
Machinery and equipment	726,463	955,428	1,693,158	1,409,469	2,419,621	2,364,897
Vehicles	1,123,928	1,235,618	10,054	26,719	1,133,982	1,262,337
Infrastructure	27,678,469	28,534,424	23,408,527	23,828,162	51,086,996	52,362,586
Total	<u>\$ 187,471,633</u>	<u>\$190,953,842</u>	<u>\$ 74,682,386</u>	<u>\$ 60,662,081</u>	<u>\$ 262,154,019</u>	<u>\$ 251,615,923</u>

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

- \$819,000 of improvements to Cass Park.
- Continued construction in progress at the City's wastewater treatment facility of approximately \$14,824,000.

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

**Long-term Debt** - At the end of the current fiscal year, the City had total bonded debt and loans outstanding of \$214,963,173 backed by the full faith and credit of the City.

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

**Outstanding Debt  
General Obligation Bonds and Notes  
June 30, 2015 and 2014**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
General obligation bonds	\$ 163,802,308	\$ 172,858,590	\$43,391,000	\$44,293,000	\$207,193,308	\$217,151,590
Leases payable	89,597	442,188	7,680,268	9,171,455	7,769,865	9,613,643
<b>Totals</b>	<b>\$ 163,891,905</b>	<b>\$ 173,300,778</b>	<b>\$ 51,071,268</b>	<b>\$ 53,464,455</b>	<b>\$ 214,963,173</b>	<b>\$ 226,765,233</b>

The City's total debt decreased by \$11,802,060 during the fiscal year. The decrease is a direct result of principal payments exceeding new issuances.

In June of 2015, the City's bond rating was upgraded to a BB- rating by Fitch and to a B2 rating by 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 \$48,662,302 at June 30, 2015. The City's outstanding general obligation debt is \$207,193,308 at year end, of which \$18,117,308 is subject to legal debt limits. The debt limit calculation does not include \$77,110,000 of pension obligation bonds, \$65,900,000 of Middle School bonds, \$2,675,000 of deficit reduction bonds, and \$43,391,000 of Rhode Island Clean water 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. E.

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

The City of Woonsocket's total general fund budget for fiscal year 2016 is \$135,401,588, which reflects an increase of \$4,207,596 from the fiscal 2015 budget. In the City's 2016 budget, \$16,166,330 of tax and other revenues, or 20.2%, is allocated for educational purposes and \$64,031,024, or 79.8%, is budgeted for general government purposes. Total Education Department budget included in the City's General Fund budget is \$71,370,564, which represents approximately 52.7% of the City's total budget.

The School Department budget for the fiscal year 2016 is \$71,370,564. 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 2016 to contribute \$53,233,700 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 2016 are \$36.58 per thousand for residential real estate, \$40.70 per thousand for commercial and industrial real estate, and \$46.58 per thousand for personal property and \$46.58 per thousand for motor vehicles. The last City-wide property re-valuation occurred in 2008.

### **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"). On March 19, 2015, the Rhode Island Director of Revenue determined that the Budget Commission had met its goal of returning financial stability to the City, and it was disbanded. At that time, all control of the City was returned to its executive, legislative and administrative functions, in accordance with its Charter.

### **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, 2015

	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 12,339,672	\$ 19,415,580	\$ 31,755,252
Cash held in escrow	-	7,561,236	7,561,236
Receivables (net):			
Property taxes	4,586,338	-	4,586,338
Accounts	3,429,170	5,950,759	9,379,929
Intergovernmental	3,135,083	193,902	3,328,985
Loans	50,000	-	50,000
Internal balances	2,190,439	(2,190,439)	-
Prepays and inventory at cost	679,143	264,517	943,660
<b>Total current assets</b>	<b>26,409,845</b>	<b>31,195,555</b>	<b>57,605,400</b>
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash	52,160	277,570	329,730
Investments	-	3,119,139	3,119,139
Permanently restricted:			
Cash	185,929	-	185,929
<b>Total restricted assets</b>	<b>238,089</b>	<b>3,396,709</b>	<b>3,634,798</b>
Other noncurrent assets:			
Receivables (net)			
Property taxes	2,487,423	-	2,487,423
Loans	3,791,263	-	3,791,263
<b>Total receivables (net):</b>	<b>6,278,686</b>	<b>-</b>	<b>6,278,686</b>
Net OPEB asset	-	145,946	145,946
Net pension asset	177,242	-	177,242
Capital assets (net of accumulated depreciation):			
Land	22,307,537	960,321	23,267,858
Construction in progress	1,257,196	26,811,932	28,069,128
Buildings and improvements	134,378,040	21,798,394	156,176,434
Machinery and equipment	726,463	1,693,158	2,419,621
Vehicles	1,123,928	10,054	1,133,982
Infrastructure	27,678,469	23,408,527	51,086,996
<b>Total capital assets (net of accumulated depreciation)</b>	<b>187,471,633</b>	<b>74,682,386</b>	<b>262,154,019</b>
<b>Total noncurrent assets</b>	<b>194,165,650</b>	<b>78,225,041</b>	<b>272,390,691</b>
<b>Total assets</b>	<b>220,575,495</b>	<b>109,420,596</b>	<b>329,996,091</b>
<u>Deferred Outflows of Resources</u>			
Deferred charges on refunding	190,000	-	190,000
Pension related	10,609,187	177,796	10,786,983
<b>Total deferred outflows of resources</b>	<b>10,799,187</b>	<b>177,796</b>	<b>10,976,983</b>

(Continued)

City of Woonsocket, Rhode Island

Statement of Net Position  
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 4,040,245	\$ 1,124,770	\$ 5,165,015
Accrued wages payable	7,100,684	-	7,100,684
Accrued interest payable	2,767,020	521,326	3,288,346
Unearned revenue	347,762	39,211	386,973
Bonds and notes payable	9,916,282	2,138,000	12,054,282
Capital lease obligation	43,901	1,565,150	1,609,051
Compensated absences	1,637,000	-	1,637,000
Landfill post closure obligation	14,000	-	14,000
<b>Total current liabilities</b>	<b>25,866,894</b>	<b>5,388,457</b>	<b>31,255,351</b>
Noncurrent liabilities:			
Bonds, notes and related liabilities	155,247,289	41,253,000	196,500,289
Capital lease obligation	45,696	6,115,118	6,160,814
Compensated absences	6,547,843	339,117	6,886,960
Landfill post closure obligation	528,000	-	528,000
Net OPEB obligation	64,451,964	1,460,571	65,912,535
Net pension liability	126,087,184	231,098	126,318,282
<b>Total noncurrent liabilities</b>	<b>352,907,976</b>	<b>49,398,904</b>	<b>402,306,880</b>
<b>Total liabilities</b>	<b>378,774,870</b>	<b>54,787,361</b>	<b>433,562,231</b>
<u>Deferred Inflows of Resources</u>			
Advance property tax collections	3,982	-	3,982
Pension related	13,783,643	491,649	14,275,292
<b>Total deferred inflows of resources</b>	<b>13,787,625</b>	<b>491,649</b>	<b>14,279,274</b>
<u>Net Position</u>			
Investment in capital assets	102,916,832	31,172,354	134,089,186
Restricted for:			
Endowments:			
Nonexpendable	185,929	-	185,929
Expendable	52,160	-	52,160
Legislative	335,973	-	335,973
Public safety	390,027	-	390,027
Public works	45,435	-	45,435
Economic development	400,426	-	400,426
Education	2,183,804	-	2,183,804
Capital outlay	2,128,183	7,561,236	9,689,419
Unrestricted	(269,826,582)	15,585,792	(254,240,790)
<b>Total net position</b>	<b>\$ (161,187,813)</b>	<b>\$ 54,319,382</b>	<b>\$ (106,868,431)</b>

(Concluded)



City of Woonsocket, Rhode Island

Statement of Activities  
Year Ended June 30, 2015

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	\$ 153,359	\$ -	\$ -	\$ -	\$ (153,359)	\$ -	\$ (153,359)
Legislative - general government	2,269,146	2,200,275	513,672	-	444,801	-	444,801
Planning and development	1,085,732	-	-	-	(1,085,732)	-	(1,085,732)
Finance	1,661,140	-	-	-	(1,661,140)	-	(1,661,140)
Law	536,535	-	-	-	(536,535)	-	(536,535)
Public safety	46,018,271	1,553,160	488,840	-	(43,976,271)	-	(43,976,271)
Public works	8,098,868	1,967,963	309,454	-	(5,821,451)	-	(5,821,451)
Economic development	117,155	302,762	1,474,405	-	1,660,012	-	1,660,012
Human services	223,096	-	24,868	-	(198,228)	-	(198,228)
Education	82,136,198	811,008	64,983,462	5,351,014	(10,990,714)	-	(10,990,714)
Budget commission	394,821	-	-	-	(394,821)	-	(394,821)
Interest and other costs	9,124,849	-	-	-	(9,124,849)	-	(9,124,849)
<b>Total governmental activities</b>	<b>151,819,170</b>	<b>6,835,168</b>	<b>67,794,701</b>	<b>5,351,014</b>	<b>(71,838,287)</b>	<b>-</b>	<b>(71,838,287)</b>
Business-type activities:							
Water Fund	5,448,953	7,918,853	-	-	-	2,469,900	2,469,900
Regional Wastewater Fund	6,104,575	6,961,132	-	-	-	856,557	856,557
User Charge Fund	6,689,257	8,561,284	-	-	-	1,872,027	1,872,027
School Proprietary Fund	3,173,114	292,090	3,043,158	-	-	162,134	162,134
<b>Total business-type activities</b>	<b>21,415,899</b>	<b>23,733,359</b>	<b>3,043,158</b>	<b>-</b>	<b>-</b>	<b>5,360,618</b>	<b>5,360,618</b>
<b>Total</b>	<b>\$ 173,235,069</b>	<b>\$ 30,568,527</b>	<b>\$ 70,837,859</b>	<b>\$ 5,351,014</b>	<b>\$ (71,838,287)</b>	<b>\$ 5,360,618</b>	<b>\$ (66,477,669)</b>
General revenues:							
Property taxes					\$ 63,293,047	\$ -	\$ 63,293,047
Grants and contributions not restricted to specific programs					5,719,930	-	5,719,930
Unrestricted investment earnings					17,576	208	17,784
Transfers					(157,531)	157,531	-
<b>Total general revenues</b>					<b>68,873,022</b>	<b>157,739</b>	<b>69,030,761</b>
Change in net position					(2,965,265)	5,518,357	2,553,092
Net position - July 1, 2014 (as restated)					(158,222,548)	48,801,025	(109,421,523)
Net position - June 30, 2015					<b>\$ (161,187,813)</b>	<b>\$ 54,319,382</b>	<b>\$ (106,868,431)</b>

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City of Woonsocket, Rhode Island

Balance Sheet  
Governmental Funds  
June 30, 2015

	General	City Capital Projects	City Capital Fund	WED Capital Fund	School Unrestricted Fund	Woonsocket Schools Restricted Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>								
Cash and cash equivalents	\$ 4,910,382	\$ 381,807	\$ 1,040,832	\$ -	\$ 3,624,518	\$ -	\$ 2,620,222	\$ 12,577,761
Receivables:								
Property taxes	4,516,406	-	-	-	-	-	-	4,516,406
Loans	-	-	-	-	-	-	3,841,263	3,841,263
Accounts	1,984,748	-	-	-	173,933	125	1,121,307	3,280,113
Intergovernmental	513,329	-	-	-	-	2,469,940	151,814	3,135,083
Due from other funds	6,388,249	270,118	318,385	800,000	5,880,060	-	186,140	13,842,952
Prepays and inventory at cost	276,543	-	-	-	402,600	-	-	679,143
<b>Total assets</b>	<b>\$ 18,589,657</b>	<b>\$ 651,925</b>	<b>\$ 1,359,217</b>	<b>\$ 800,000</b>	<b>\$ 10,081,111</b>	<b>\$ 2,470,065</b>	<b>\$ 7,920,746</b>	<b>\$ 41,872,721</b>
<u>Liabilities</u>								
Accounts payable	\$ 1,588,319	\$ -	\$ 30,337	\$ -	\$ 1,272,241	\$ 272,543	\$ 876,805	\$ 4,040,245
Accrued wages and related liabilities	1,411,282	-	-	-	5,689,402	-	-	7,100,684
Due to other funds	7,599,677	990,801	697	-	1,056,376	1,426,296	429,609	11,503,456
Unearned revenue	279,717	-	-	-	68,045	-	-	347,762
<b>Total liabilities</b>	<b>10,878,995</b>	<b>990,801</b>	<b>31,034</b>	<b>-</b>	<b>8,086,064</b>	<b>1,698,839</b>	<b>1,306,414</b>	<b>22,992,147</b>
<u>Deferred Inflows of Resources</u>								
Unavailable revenue - property taxes	3,508,164	-	-	-	-	-	-	3,508,164
Advance property tax collections	3,982	-	-	-	-	-	-	3,982
Unavailable revenue - intergovernmental receivable	-	-	-	-	-	582,469	-	582,469
Unavailable revenue - loans	-	-	-	-	-	-	3,841,263	3,841,263
Unavailable revenue - EMS charges receivable	-	-	-	-	-	-	1,117,683	1,117,683
<b>Total deferred inflows of resources</b>	<b>3,512,146</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>582,469</b>	<b>4,958,946</b>	<b>9,053,561</b>
<u>Fund Balances</u>								
Nonspendable	276,543	-	-	-	-	-	185,929	462,472
Restricted	-	-	1,328,183	800,000	1,995,047	188,757	1,224,021	5,536,008
Committed	-	-	-	-	-	-	424,389	424,389
Unassigned	3,921,973	(338,876)	-	-	-	-	(178,953)	3,404,144
<b>Total fund balances</b>	<b>4,198,516</b>	<b>(338,876)</b>	<b>1,328,183</b>	<b>800,000</b>	<b>1,995,047</b>	<b>188,757</b>	<b>1,655,386</b>	<b>9,827,013</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 18,589,657</b>	<b>\$ 651,925</b>	<b>\$ 1,359,217</b>	<b>\$ 800,000</b>	<b>\$ 10,081,111</b>	<b>\$ 2,470,065</b>	<b>\$ 7,920,746</b>	<b>\$ 41,872,721</b>

(Continued)

**City of Woonsocket, Rhode Island**  
**Reconciliation of Fund Balance**  
**to Net Position of Governmental Activities**  
**June 30, 2015**

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)	\$	9,827,013
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning net capital assets		190,953,842
Current year capital asset additions		2,108,451
Depreciation expense		(5,590,660)

Other long-term assets are not available resources, and, therefore, are not reported in the funds:

Interest receivable on property taxes		7,306,355
Allowance for doubtful accounts		(4,749,000)

Other long-term assets and deferred outflows are not available to pay for current period expenditures and, therefore, are unavailable in the funds:

Property tax receivable - accrual basis change		3,508,164
Loan receivables - accrual basis change		3,841,263
Intergovernmental receivable - accrual basis change		582,469
EMS charges receivable - accrual basis change		1,117,683
Net pension asset		177,242
Deferred charges on refunding		190,000
Deferred outflows related to pensions		10,609,187

Some liabilities and deferred inflows, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable		(163,802,308)
Premium		(1,361,263)
Capital leases		(89,597)
Compensated absences		(8,184,843)
Landfill post closure obligation		(542,000)
Net OPEB obligation		(64,451,964)
Net pension liability		(126,087,184)
Deferred inflows related to pensions		(13,783,643)
Accrued interest payable		(2,767,020)

Net position of governmental activities	\$	(161,187,813)
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(Concluded)

City of Woonsocket, Rhode Island

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year Ended June 30, 2015

	General	City Capital Projects	City Capital Fund	WED Capital Fund	School Unrestricted Fund	Woonsocket Schools Restricted Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>								
General property taxes	\$ 62,272,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,272,728
Revenue in lieu of taxes	3,233,267	-	-	-	-	-	-	3,233,267
Intergovernmental grants and contracts	8,202,652	-	-	-	52,586,262	9,503,376	2,273,939	72,566,229
Departmental revenues	1,937,278	-	-	-	-	-	-	1,937,278
Licenses, fines and fees	1,558,436	-	-	-	-	-	-	1,558,436
Charges for services	599,813	-	-	-	629,973	-	1,571,696	2,801,482
Investment income	14,920	597	974	-	-	-	1,085	17,576
Intergovernmental pension contribution	-	-	-	-	2,523,705	-	-	2,523,705
Contributions	-	-	-	-	-	370,119	172,325	542,444
<b>Total revenues</b>	<b>77,819,094</b>	<b>597</b>	<b>974</b>	<b>-</b>	<b>55,739,940</b>	<b>9,873,495</b>	<b>4,019,045</b>	<b>147,453,145</b>
<b>Expenditures:</b>								
<b>Current:</b>								
Executive	122,829	-	-	-	-	-	-	122,829
Legislative - general government	1,327,091	-	-	-	-	-	131,598	1,458,689
Planning and development	698,661	-	-	-	-	-	-	698,661
Finance	1,294,997	-	-	-	-	-	-	1,294,997
Law	385,038	-	-	-	-	-	-	385,038
Public safety	17,191,532	-	-	-	-	-	665,880	17,857,412
Public works	6,010,113	-	-	-	-	-	289,832	6,299,945
Economic development	1,050	-	-	-	-	-	1,007,779	1,008,829
Human services	96,760	-	-	-	-	-	79,836	176,596
Education	-	-	-	-	68,144,554	10,160,577	30,414	78,335,545
Pension expense	7,019,119	-	-	-	-	-	-	7,019,119
Other fixed and general charges	7,262,100	-	-	-	-	-	-	7,262,100
Budget commission	394,821	-	-	-	-	-	-	394,821
<b>Debt service:</b>								
Principal	9,041,282	-	-	-	-	-	425,274	9,466,556
Interest and other costs	9,496,767	45,000	-	-	-	-	26,736	9,568,503
Capital outlay	-	-	787,446	-	-	-	-	787,446
<b>Total expenditures</b>	<b>60,342,160</b>	<b>45,000</b>	<b>787,446</b>	<b>-</b>	<b>68,144,554</b>	<b>10,160,577</b>	<b>2,657,349</b>	<b>142,137,086</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>17,476,934</b>	<b>(44,403)</b>	<b>(786,472)</b>	<b>-</b>	<b>(12,404,614)</b>	<b>(287,082)</b>	<b>1,361,696</b>	<b>5,316,059</b>
<b>Other financing sources (uses):</b>								
Issuance of refunding bonds	-	6,540,000	-	-	-	-	-	6,540,000
Payment to bond escrow agents	-	(6,495,000)	-	-	-	-	-	(6,495,000)
Transfers in	1,366,344	-	-	-	16,166,330	452,761	42,000	18,027,435
Transfers out	(16,208,330)	-	-	-	(452,761)	(157,531)	(1,366,344)	(18,184,966)
<b>Net other financing sources (uses)</b>	<b>(14,841,986)</b>	<b>45,000</b>	<b>-</b>	<b>-</b>	<b>15,713,569</b>	<b>295,230</b>	<b>(1,324,344)</b>	<b>(112,531)</b>
<b>Net change in fund balances</b>	<b>2,634,948</b>	<b>597</b>	<b>(786,472)</b>	<b>-</b>	<b>3,308,955</b>	<b>8,148</b>	<b>37,352</b>	<b>5,203,528</b>
<b>Fund balances - July 1, 2014</b>	<b>1,563,568</b>	<b>(339,473)</b>	<b>2,114,655</b>	<b>800,000</b>	<b>(1,313,908)</b>	<b>180,609</b>	<b>1,618,034</b>	<b>4,623,485</b>
<b>Fund balances - June 30, 2015</b>	<b>\$ 4,198,516</b>	<b>\$ (338,876)</b>	<b>\$ 1,328,183</b>	<b>\$ 800,000</b>	<b>\$ 1,995,047</b>	<b>\$ 188,757</b>	<b>\$ 1,655,386</b>	<b>\$ 9,827,013</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, 2015**

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) \$ 5,203,528

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	2,108,451
Depreciation expense	<u>(5,590,660)</u>

Total (3,482,209)

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	1,130,926
Change in property tax interest and lien revenue	<u>427,365</u>

Total 1,558,291

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:

Debt issued or incurred:	
Issuance of refunding bonds	(6,540,000)
Deferred charge on refunding	190,000
Principal repayments:	
General obligation bonds	9,291,282
General obligation refunding bonds	6,305,000
Capital lease	<u>352,591</u>

Total 9,598,873

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:

Premium	71,478
Claims and judgments	59,430
Compensated absences	141,499
Landfill postclosure obligation	14,000
Net OPEB obligation	(4,177,179)
Pension expense	(12,147,835)
Accrued interest payable	<u>194,859</u>

Total (15,843,748)

Change in net position of governmental activities (Exhibit B) \$ (2,965,265)

## City of Woonsocket, Rhode Island

Statement of Net Position  
Proprietary Funds  
June 30, 2015

	Business-Type Activities Enterprise Funds				Total
	Major Funds			Nonmajor Fund	
	Water Fund	Regional Wastewater Fund	User Charge Fund	School Proprietary Fund	
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 11,392,419	\$ 330,748	\$ 7,531,667	\$ 160,746	\$ 19,415,580
Cash held in escrow	4,078,430	3,482,806	-	-	7,561,236
Receivables, net of allowances for collection losses	2,147,306	361,287	3,442,166	-	5,950,759
Intergovernmental receivables	-	-	-	193,902	193,902
Due from other funds	1,002,704	7,124,928	2,348,877	235,117	10,711,626
Prepaid expenses	91,863	169,201	3,453	-	264,517
Total current assets	18,712,722	11,468,970	13,326,163	589,765	44,097,620
Noncurrent assets:					
Restricted cash	277,570	-	-	-	277,570
Restricted investments	1,019,417	2,028,532	71,190	-	3,119,139
Net OPEB asset	-	6,664	139,282	-	145,946
Capital assets (net):					
Land	390,000	570,321	-	-	960,321
Construction in progress	2,527,664	24,023,020	261,248	-	26,811,932
Buildings and improvements	-	21,798,394	-	-	21,798,394
Machinery and equipment	134,782	-	1,537,139	21,237	1,693,158
Vehicles	-	3,441	-	6,613	10,054
Infrastructure	23,408,527	-	-	-	23,408,527
Total capital assets (net)	26,460,973	46,395,176	1,798,387	27,850	74,682,386
Total noncurrent assets	27,757,960	48,430,372	2,008,859	27,850	78,225,041
Total assets	46,470,682	59,899,342	15,335,022	617,615	122,322,661
Deferred outflows of resources - pension related	152,097	25,699	-	-	177,796
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	428,607	240,243	253,303	202,617	1,124,770
Accrued interest payable	132,996	385,417	2,913	-	521,326
Due to other funds	2,135,114	1,850,931	8,916,020	-	12,902,065
Unearned revenue	39,211	-	-	-	39,211
Bonds and notes payable	873,000	1,210,000	55,000	-	2,138,000
Capital lease obligation	-	1,565,150	-	-	1,565,150
Total current liabilities	3,608,928	5,251,741	9,227,236	202,617	18,290,522
Noncurrent liabilities:					
Bonds, notes and related liabilities	11,806,000	28,787,000	660,000	-	41,253,000
Capital lease obligation	-	6,115,118	-	-	6,115,118
Compensated absences	316,758	22,359	-	-	339,117
Net OPEB obligation	1,460,571	-	-	-	1,460,571
Net pension liability	197,695	33,403	-	-	231,098
Total noncurrent liabilities	13,781,024	34,957,880	660,000	-	49,398,904
Total liabilities	17,389,952	40,209,621	9,887,236	202,617	67,689,426
Deferred inflows of resources - pension related	420,585	71,064	-	-	491,649
<u>Net Position</u>					
Net investment in capital assets	17,860,403	12,200,714	1,083,387	27,850	31,172,354
Restricted by regulatory agencies	4,078,430	3,482,806	-	-	7,561,236
Unrestricted	6,873,409	3,960,836	4,364,399	387,148	15,585,792
Total net position	\$ 28,812,242	\$ 19,644,356	\$ 5,447,786	\$ 414,998	\$ 54,319,382

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, 2015Business-Type Activities  
Enterprise Funds

	Major Funds			Nonmajor Fund	Total
	Water Fund	Regional Wastewater Fund	User Charge Fund	School Proprietary Fund	
Operating revenues:					
Charges for services	\$ 7,918,853	\$ 6,961,132	\$ 8,561,284	\$ 292,090	\$ 23,733,359
Intergovernmental	-	-	-	3,043,158	3,043,158
Total operating revenues	7,918,853	6,961,132	8,561,284	3,335,248	26,776,517
Operating expenses:					
Personnel services	2,408,745	323,544	64,382	171,223	2,967,894
Contractual services	711,586	3,153,508	762,855	2,911,431	7,539,380
Supplies and materials	460,602	5,155	-	60,854	526,611
Fixed and general charges	176,141	172,234	5,427,890	-	5,776,265
Repairs and maintenance	202,310	27,863	250,145	-	480,318
Administrative	347,818	3,287	26,245	-	377,350
Depreciation	646,223	1,035,451	142,180	29,606	1,853,460
Total operating expenses	4,953,425	4,721,042	6,673,697	3,173,114	19,521,278
Operating income (loss)	2,965,428	2,240,090	1,887,587	162,134	7,255,239
Nonoperating revenues (expenses):					
Interest income	-	-	78	130	208
Interest expense	(495,528)	(1,383,533)	(15,560)	-	(1,894,621)
Net nonoperating revenues (expenses)	(495,528)	(1,383,533)	(15,482)	130	(1,894,413)
Transfers:					
Transfer in	-	-	-	157,531	157,531
Change in net position	2,469,900	856,557	1,872,105	319,795	5,518,357
Net position - July 1, 2014 (as restated)	26,342,342	18,787,799	3,575,681	95,203	48,801,025
Net position - June 30, 2015	\$ 28,812,242	\$ 19,644,356	\$ 5,447,786	\$ 414,998	\$ 54,319,382

See Notes to the Financial Statements.

## City of Woonsocket, Rhode Island

Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2015Business-Type Activities  
Enterprise Funds

	Major Funds			Nonmajor Fund	Total
	Water Fund	Regional Wastewater Fund	User Charge Fund	School Proprietary Fund	
Cash flows from operating activities:					
Receipts from customers and users	\$ 7,770,142	\$ 7,593,972	\$ 7,332,769	\$ 292,090	\$ 22,988,973
Operating grants	-	-	-	3,001,926	3,001,926
Payments to suppliers	(2,304,918)	(4,548,174)	(5,229,772)	(3,484,715)	(15,567,579)
Payments to employees	(2,437,319)	(321,201)	(64,382)	(171,223)	(2,994,125)
Net cash provided by (used in) operating activities	3,027,905	2,724,597	2,038,615	(361,922)	7,429,195
Cash flows from noncapital financing activities:					
Transfer from other funds	-	-	-	157,531	157,531
Cash flows from capital and related financing activities:					
Cash released from escrow	-	14,824,461	47,659	-	14,872,120
Principal payments on debt	(845,000)	(1,493,187)	(55,000)	-	(2,393,187)
Interest paid on debt	(467,670)	(998,116)	(15,759)	-	(1,481,545)
Purchase of capital assets	(487,676)	(14,954,320)	(431,770)	-	(15,873,766)
Net cash provided by (used in) capital and related financing activities	(1,800,346)	(2,621,162)	(454,870)	-	(4,876,378)
Cash flows from investing activities:					
Purchase of investments	(2)	(24)	-	-	(26)
Interest received on investments	-	-	78	130	208
Net cash provided by (used in) investing activities	(2)	(24)	78	130	182
Net increase (decrease) in cash and cash equivalents	1,227,557	103,411	1,583,823	(204,261)	2,710,530
Cash and cash equivalents (including restricted cash) - July 1, 2014	10,442,432	227,337	5,947,844	365,007	16,982,620
Cash and cash equivalents (including restricted cash) - June 30, 2015	\$ 11,669,989	\$ 330,748	\$ 7,531,667	\$ 160,746	\$ 19,693,150
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 2,965,428	\$ 2,240,090	\$ 1,887,587	\$ 162,134	\$ 7,255,239
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	646,223	1,035,451	142,180	29,606	1,853,460
(Increase) decrease in:					
Receivables	(148,637)	632,840	(1,228,515)	(41,232)	(785,544)
Due from other funds	82,414	(1,361,979)	(2,113,349)	(204,898)	(3,597,812)
Prepays	(113,848)	(181,547)	662	-	(294,733)
Increase (decrease) in:					
Accounts payable	(513,748)	(301,223)	(9,477)	(24,148)	(848,596)
Compensated absences	80,439	4,948	-	-	85,387
Net OPEB obligation	(42,530)	(1,724)	-	-	(44,254)
Net pension liability	(487,068)	(71,945)	-	-	(559,013)
Deferred inflows of resources - pension related	420,585	71,064	-	-	491,649
Unearned revenue	(74)	-	-	-	(74)
Due to other funds	138,721	658,622	3,359,527	(283,384)	3,873,486
Net cash provided by (used in) operating activities	\$ 3,027,905	\$ 2,724,597	\$ 2,038,615	\$ (361,922)	\$ 7,429,195

See Notes to Financial Statements.



## City of Woonsocket, Rhode Island

Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2015

	Police & Fire Retirement Plan	Private- Purpose Trust Fund	Agency Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Assets</u>			
Cash	\$ 115,205	\$ 75,790	\$ 892,157
Investments:			
U.S. Government obligations	5,243,659	-	-
U.S. Government agency obligations	1,855,835	-	-
Corporate and foreign bonds	4,600,252	-	-
Municipal bonds	325,860	-	-
Mutual funds:			
Money market	6,906,022	-	-
Equity	17,160,511	-	-
Fixed income	6,275,831	-	-
	<u>42,367,970</u>	<u>-</u>	<u>-</u>
Total investments			
Accounts receivable	-	1,375	3,086
Due from other funds	-	-	21,259
	<u>42,483,175</u>	<u>77,165</u>	<u>916,502</u>
Total assets			
<u>Liabilities</u>			
Deposits held for others	-	-	744,090
Accounts payable	316,453	-	2,096
Due to other funds	-	-	170,316
	<u>316,453</u>	<u>-</u>	<u>916,502</u>
Total liabilities			
<u>Net Position</u>			
Net position held in trust for pension benefits and other purposes	<u>\$ 42,166,722</u>	<u>\$ 77,165</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, 2015**

	<u>Police &amp; Fire Retirement Plan</u>	<u>Private- Purpose Trust Fund</u>
Additions:		
Contributions:		
Employer	\$ 3,550,035	\$ -
Plan members	3,256	-
Other	-	6,764
Total contributions	<u>3,553,291</u>	<u>6,764</u>
Investment income (loss):		
Interest and dividends	613,495	308
Realized gains on sale of investments	795,784	-
Net change in fair value of investments	<u>(736,628)</u>	<u>-</u>
Total investment income (loss)	672,651	308
Less investment expenses	<u>250,428</u>	<u>-</u>
Net investment income (loss)	<u>422,223</u>	<u>308</u>
Total additions	<u>3,975,514</u>	<u>7,072</u>
Deductions:		
Benefits	8,025,228	-
Administration	<u>137,308</u>	<u>-</u>
Total deductions	<u>8,162,536</u>	<u>-</u>
Change in net position	(4,187,022)	7,072
Net position - July 1, 2014	<u>46,353,744</u>	<u>70,093</u>
Net position - June 30, 2015	<u>\$ 42,166,722</u>	<u>\$ 77,165</u>

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015**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 Rhode Island Director of Revenue established a Budget Commission under RIGL 45-9-6. The Budget Commission was put in place as a result of recurring, as well as projected future, deficits by the Woonsocket Education Department. The purpose of the Budget Commission was to initiate and assure the implementation of appropriate measures to secure the financial stability of the City, and it had the authority to review and approve all expenditures, regardless of the source of funding. On March 19, 2015, the Rhode Island Director of Revenue determined that the Budget Commission had met its goal of returning financial stability to the City, and it was disbanded. At that time, all control of the City was returned to its executive, legislative and administrative functions, in accordance with its Charter.

**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.

**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.

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

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 *City Capital Fund* accounts for operating surplus funding set aside for City capital projects as per a resolution enacted by the City of Woonsocket Budget Commission.
- The *WED Capital Fund* accounts for operating surplus funding set aside for School Department capital projects as per a resolution enacted by the City of Woonsocket Budget Commission.
- 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 *Woonsocket Schools Restricted Fund* accounts for specially financed school programs under grants received from the Federal Government and the State of Rhode Island.

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  
June 30, 2015

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.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the City's Police and Fire Employee pension plan, Rhode Island Municipal Employees' Retirement System (MERS) and the Employees' Retirement System of Rhode Island (ERSRI) have been determined on the same basis as they are reported by the City's Police and Fire Employee pension plan, MERS and ERSRI. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

**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.

## City of Woonsocket, Rhode Island

## Notes to Financial Statements

June 30, 2015

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.

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.

Investments for the Town are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

**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 13% to 64% of outstanding receivable balances at June 30, 2015 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, 2012, and the next statistical revaluation will be conducted in 2015 for the 2016 tax year.

City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

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.

It is the policy of the City to record deferred inflows 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 inflows 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  
June 30, 2015

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 noncurrent 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 net 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 reports the deferred charge on refunding and deferred outflows related to pensions in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The deferred outflows applicable to pensions related to contributions made by the City after the measurement date and the net difference between projected and actual earnings on plan investments. The deferred outflows related to contributions will be recognized in the following year while the deferred outflows related to projected and actual earnings will be amortized over the average remaining service life of all plan members.

In addition to liabilities, the statement of net 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. The City reports advance collections and deferred inflows of resources related to pensions in this category. The deferred inflows of resources related to pensions is the net difference between projected and actual earnings on pension plan investments. This deferred inflow will be amortized over a five year period



## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

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.

**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 and investments 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.

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015**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.

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.

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.

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015**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.
- 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.

City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

- 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, 2015, there were no additional appropriations.

**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.

**C. Budget - GAAP reconciliation**

A reconciliation of revenues and expenditures between the accounting treatment required by GAAP (Exhibit D) and budgetary requirements (RSI-1 and 2) is as follows:

General Fund

	<u>Revenues</u>	<u>Expenditures</u>
Balance, budgetary basis (RSI-1), June 30, 2015	\$ 132,398,428	\$ 110,008,516
Activity from funds consolidated with the General Fund for financial reporting	3,245	(475,000)
Encumbrances outstanding at June 30, 2014	-	305,163
Interfund transfers recorded as revenue and expenditures for budget purposes	(1,366,344)	(42,000)
Education Department revenues and expenditures reported in the General Fund for budget purposes	<u>(53,216,235)</u>	<u>(49,454,519)</u>
Balance, GAAP basis (Exhibit D), June 30, 2015	<u>\$ 77,819,094</u>	<u>\$ 60,342,160</u>

City of Woonsocket, Rhode Island

Notes to Financial Statements

Special Revenue Fund - School Unrestricted Fund

	<u>Revenues</u>	<u>Expenditures</u>
Balance, budgetary basis (RSI-2), June 30, 2015	\$ 53,216,235	\$ 65,620,849
Teachers' retirement system on-behalf payments	<u>2,523,705</u>	<u>2,523,705</u>
Balance, GAAP basis (Exhibit D), June 30, 2015	<u>\$ 55,739,940</u>	<u>\$ 68,144,554</u>

**D. Deficit fund balance**

The following funds had a deficit fund balance at June 30, 2015:

Special Revenue Funds

Juvenile Fire Setters Educational Fund	\$ 60
Business Revolving Loan Fund	157,991
RI LEAP Grant	11,412
Homeland Security Fire Grant Fund	9,490

Future revenue recognition of unavailable revenue and future grant proceeds will fund the deficits.

**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. Expenditures exceeded appropriations in the following General Fund departments:

<u>Department</u>	
City clerk	\$ 7,248
Planning and development	99,598
Police division	62,823
Fire division	608,452
Emergency management division	1,099
Personnel administration	5,255
Budget commission	136,553
Claims and judgments	122,169

**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, 2015, 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").

City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

The City's bank balance of \$34,895,973 was insured and collateralized as follows:

Insured	\$ 1,423,867
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>33,472,106</u>
Total amount subject to custodial credit risk	<u>\$ 34,895,973</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.

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
U.S. government obligations	\$ 5,243,659	\$ -	\$ 140,142	\$ 3,314,521	\$ 1,018,105	\$ 770,891
U.S. government agency obligations	1,855,835	-	-	60,748	160,348	1,634,739
Corporate and foreign bonds	4,600,252	-	280,871	845,258	1,308,604	2,165,519
Municipal bonds	325,860	-	-	59,422	50,047	216,391
Mutual funds:						
Money market	10,025,161	-	10,025,161	-	-	-
Equity	17,160,511	17,160,511	-	-	-	-
Fixed income	6,275,831	-	-	6,275,831	-	-
Total	<u>\$ 45,487,109</u>	<u>\$ 17,160,511</u>	<u>\$10,446,174</u>	<u>\$10,555,780</u>	<u>\$ 2,537,104</u>	<u>\$ 4,787,540</u>

Interest rate risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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.

City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

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.

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	\$ 5,243,659	\$ 500,000	\$ 4,743,659
U.S. government agency obligations	1,855,835	-	1,855,835
Corporate and foreign bonds	4,600,252	-	4,600,252
Municipal bonds	<u>325,860</u>	<u>-</u>	<u>325,860</u>
 Total	 <u>\$ 12,025,606</u>	 <u>\$ 500,000</u>	 <u>\$ 11,525,606</u>

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

Average Rating	U.S. Government Obligations	U.S. Government Agency Obligations	Corporate and Foreign Bonds	Municipal Bonds	Fixed Income Mutual Funds	Money Market Mutual Funds
AAA	\$ 4,789,576	\$ 78,018	\$ 215,837	\$ 35,484	\$ 6,275,831	\$ -
AA	-	-	524,632	37,074	-	-
A	-	-	1,169,050	153,122	-	-
BBB	-	-	2,241,793	64,910	-	-
Unrated	<u>454,083</u>	<u>1,777,817</u>	<u>448,940</u>	<u>35,270</u>	<u>-</u>	<u>10,025,161</u>
 Total	 <u>\$ 5,243,659</u>	 <u>\$ 1,855,835</u>	 <u>\$ 4,600,252</u>	 <u>\$ 325,860</u>	 <u>\$ 6,275,831</u>	 <u>\$10,025,161</u>

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015**B. Receivables**

Receivable balances have been disaggregated by type and presented separately in the financial statements. Receivables for the City's financial statements, including the applicable allowances for uncollectible accounts, are presented below.

Governmental Activities:

	Governmental Activities	General Fund	School Unrestricted Fund	Woonsocket Schools Restricted Fund	Nonmajor Governmental Funds	Total
Property taxes	\$7,306,355	\$11,803,387	\$ -	\$ -	\$ -	\$19,109,742
Loans	-	-	-	-	3,841,263	3,841,263
Accounts	149,057	1,984,748	173,933	125	2,035,775	4,343,638
Intergovernmental	-	513,329	-	2,469,940	151,814	3,135,083
Gross receivables	7,455,412	14,301,464	173,933	2,470,065	6,028,852	30,429,726
Less allowance for uncollectibles	<u>(4,749,000)</u>	<u>(7,286,981)</u>	<u>-</u>	<u>-</u>	<u>(914,468)</u>	<u>(12,950,449)</u>
Net receivable	<u>\$2,706,412</u>	<u>\$ 7,014,483</u>	<u>\$ 173,933</u>	<u>\$2,470,065</u>	<u>\$5,114,384</u>	<u>\$17,479,277</u>

Business-Type Activities:

	Water Fund	Regional Wastewater Fund	User Charge Fund	Total
Accounts receivable	\$ 2,847,306	\$ 480,469	\$ 3,976,816	\$ 7,304,591
Less allowance for uncollectibles	<u>(700,000)</u>	<u>(119,182)</u>	<u>(534,650)</u>	<u>(1,353,832)</u>
Net receivable	<u>\$ 2,147,306</u>	<u>\$ 361,287</u>	<u>\$ 3,442,166</u>	<u>\$ 5,950,759</u>



## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015**C. Capital assets**

Capital asset activity for the fiscal year was as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 22,307,537	\$ -	\$ -	\$ 22,307,537
Construction in progress	454,729	802,467	-	1,257,196
Total capital assets, not being depreciated	<u>22,762,266</u>	<u>802,467</u>	<u>-</u>	<u>23,564,733</u>
Capital Assets, being depreciated:				
Buildings and improvements	213,993,756	611,311	-	214,605,067
Machinery and equipment	9,970,398	16,461	-	9,986,859
Vehicles	9,409,551	316,314	-	9,725,865
Infrastructure	63,774,082	361,898	-	64,135,980
Total capital assets, being depreciated	<u>297,147,787</u>	<u>1,305,984</u>	<u>-</u>	<u>298,453,771</u>
Total capital assets	<u>319,910,053</u>	<u>2,108,451</u>	<u>-</u>	<u>322,018,504</u>
Less accumulated depreciation for:				
Buildings and improvements	76,527,650	3,699,377	-	80,227,027
Machinery and equipment	9,014,970	245,426	-	9,260,396
Vehicles	8,173,933	428,004	-	8,601,937
Infrastructure	35,239,658	1,217,853	-	36,457,511
Total accumulated depreciation	<u>128,956,211</u>	<u>5,590,660</u>	<u>-</u>	<u>134,546,871</u>
Total capital assets, being depreciated, net	<u>168,191,576</u>	<u>(4,284,676)</u>	<u>-</u>	<u>163,906,900</u>
Governmental Activities capital assets, net	<u>\$ 190,953,842</u>	<u>\$ (3,482,209)</u>	<u>\$ -</u>	<u>\$ 187,471,633</u>

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 960,321	\$ -	\$ -	\$ 960,321
Construction in progress	<u>11,736,865</u>	<u>15,075,067</u>	<u>-</u>	<u>26,811,932</u>
Total capital assets, not being depreciated	<u>12,697,186</u>	<u>15,075,067</u>	<u>-</u>	<u>27,772,253</u>
Capital assets, being depreciated:				
Buildings and improvements	54,592,986	129,859	-	54,722,845
Machinery and equipment	7,910,105	463,098	-	8,373,203
Vehicles	740,412	-	-	740,412
Infrastructure	<u>38,406,043</u>	<u>205,741</u>	<u>-</u>	<u>38,611,784</u>
Total capital assets, being depreciated	<u>101,649,546</u>	<u>798,698</u>	<u>-</u>	<u>102,448,244</u>
Total capital assets	<u>114,346,732</u>	<u>15,873,765</u>	<u>-</u>	<u>130,220,497</u>
Less accumulated depreciation for:				
Building and improvements	31,892,441	1,032,010	-	32,924,451
Machinery and equipment	6,500,636	179,409	-	6,680,045
Vehicles	713,693	16,665	-	730,358
Infrastructure	<u>14,577,881</u>	<u>625,376</u>	<u>-</u>	<u>15,203,257</u>
Total accumulated depreciation	<u>53,684,651</u>	<u>1,853,460</u>	<u>-</u>	<u>55,538,111</u>
Total capital assets, being depreciated, net	<u>47,964,895</u>	<u>(1,054,762)</u>	<u>-</u>	<u>46,910,133</u>
Business-type activities capital assets, net	<u>\$ 60,662,081</u>	<u>\$14,020,305</u>	<u>\$ -</u>	<u>\$ 74,682,386</u>

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

Governmental activities:	
Legislative	\$ 108,126
Public safety	669,893
Public works	1,302,478
Human services	33,077
Education	<u>3,477,086</u>
Total depreciation expense - governmental activities	<u>\$ 5,590,660</u>
Business-type activities:	
Water fund	\$ 646,223
Regional wastewater fund	1,035,451
User charge fund	142,180
School proprietary fund	<u>29,606</u>
Total depreciation expense - business-type activities	<u>\$ 1,853,460</u>

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015**D. Interfund accounts****1. Interfund payables and receivables**

A summary of interfund balances is as follows:

<u>Major Funds:</u>	<u>Corresponding Fund</u>	Due From	Due To
General Fund:			
City Capital Projects Fund	N/A	\$ 307,361	\$ 70,118
School Unrestricted Fund	N/A	-	4,453,764
City Capital Fund	N/A	697	318,385
Water Fund	N/A	1,877,710	219,427
Regional Wastewater Fund	N/A	1,660,521	399,641
User Charge Fund	N/A	2,301,869	2,114,186
Juvenile Fire Setters Educational Fund	N/A	1,000	-
Fed and State Forfeiture Police Special Squad Fund	N/A	-	22,702
Woonsocket EMA Grant Fund	N/A	-	1,000
Cass Park Improvement Grant Fund	N/A	37	-
Municipal Court Fund	N/A	13,116	300
RI LEAP Grant	N/A	11,412	-
Homeland Security Fire Grant Fund	N/A	39,710	154
Renaud Field Donations Fund	N/A	4,500	-
Wasilewski-Bebe Fire COLA Escrow Fund	N/A	3,457	-
Deduction Services Fund	N/A	166,859	-
Total General Fund		<u>6,388,249</u>	<u>7,599,677</u>
City Capital Projects Fund:			
General Fund	N/A	70,118	307,361
Water Fund	N/A	-	641,492
Regional Wastewater Fund	N/A	-	41,948
Brownfield Assessment Program Fund	N/A	200,000	-
Total City Capital Projects Fund		<u>270,118</u>	<u>990,801</u>
City Capital Fund:			
General Fund	N/A	<u>318,385</u>	<u>697</u>
WED Capital Fund:			
Schools Unrestricted Fund	N/A	<u>800,000</u>	<u>-</u>
School Unrestricted Fund:			
General Fund	N/A	4,453,764	-
WED Capital Fund	N/A	-	800,000
Woonsocket Schools Restricted Fund	N/A	1,426,296	-
School Proprietary Fund	N/A	-	235,117
Woonsocket School Department agency funds	N/A	-	21,259
Total School Unrestricted Fund		<u>5,880,060</u>	<u>1,056,376</u>

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

	<u>Corresponding Fund</u>	<u>Due From</u>	<u>Due To</u>
Woonsocket Schools Restricted Fund:			
School Unrestricted Fund	N/A	\$ -	\$ 1,426,296
Water Fund:			
General Fund	N/A	219,427	1,877,710
City Capital Projects Fund	N/A	641,492	-
User Charge Fund	N/A	141,375	44,691
Regional Wastewater Fund	N/A	410	210,563
Fire EMA Donations Fund	N/A	-	2,150
Total Water Fund		<u>1,002,704</u>	<u>2,135,114</u>
Regional Wastewater Fund:			
General Fund	N/A	399,641	1,660,521
City Capital Projects Fund	N/A	41,948	-
Water Fund	N/A	210,563	410
User Charge Fund	N/A	6,472,776	190,000
Total Regional Wastewater Fund		<u>7,124,928</u>	<u>1,850,931</u>
User Charge Fund:			
General Fund	N/A	2,114,186	2,301,869
Water Fund	N/A	44,691	141,375
Regional Wastewater Fund	N/A	190,000	6,472,776
Total User Charge Fund		<u>2,348,877</u>	<u>8,916,020</u>
Nonmajor Funds:			
Nonmajor Governmental Funds:			
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	22,702	-
Community Development Block Grant Fund	Business Revolving Loan Fund	158,191	-
Woonsocket EMA Grant Fund	General Fund	1,000	-
Woonsocket EMA Grant Fund	Homeland Security Fire Grant Fund	-	1,643
Cass Park Improvement Grant Fund	General Fund	-	37
Municipal Court Fund	General Fund	300	13,116
RI LEAP Grant	General Fund	-	11,412
Homeland Security Fire Grant Fund	General Fund	154	39,710
Homeland Security Fire Grant Fund	Woonsocket EMA Grant Fund	1,643	-
Brownsfield Assessment Program Fund	City Capital Project Fund	-	200,000
Fire EMA Donations Fund	General Fund	2,150	-
Renaud Field Donations Fund	General Fund	-	4,500
Total Nonmajor Governmental Funds		<u>186,140</u>	<u>429,609</u>
Nonmajor Proprietary Fund:			
School Proprietary Fund	School Unrestricted Fund	<u>235,117</u>	-
Fiduciary Fund:			
Wasilewski-Bebe Fire COLA Escrow Fund	General Fund	-	3,457
Deduction Services Fund - Agency Fund	General Fund	-	166,859
Woonsocket School Department agency funds	School Unrestricted Fund	<u>21,259</u>	-
Total Fiduciary Funds		<u>21,259</u>	<u>170,316</u>
Grand Total		<u>\$ 24,575,837</u>	<u>\$ 24,575,837</u>

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

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 fiscal year is as follows:

	Corresponding <u>Fund</u>	Transfers <u>In</u>	Transfers <u>Out</u>
Major Funds:			
General Fund:			
School Unrestricted Fund – regular appropriation	N/A	\$ -	\$ 16,166,330
EMS Public Fund	N/A	1,366,344	-
Woonsocket Senior Citizens Fund	N/A	<u>-</u>	<u>42,000</u>
Total General Fund		<u>1,366,344</u>	<u>16,208,330</u>
School Unrestricted Fund:			
General Fund	N/A	16,166,330	-
Woonsocket Schools Restricted Fund	N/A	<u>-</u>	<u>452,761</u>
Total School Unrestricted Fund		<u>16,166,330</u>	<u>452,761</u>
Woonsocket Schools Restricted Fund:			
School Unrestricted Fund	N/A	452,761	-
School Proprietary Fund	N/A	<u>-</u>	<u>157,531</u>
Total Woonsocket Schools Restricted Fund		<u>452,761</u>	<u>157,531</u>
Nonmajor Governmental Funds:			
Enterprise Fund:			
School Proprietary Fund	Woonsocket Schools Restricted Fund	<u>157,531</u>	<u>-</u>
Special Revenue Funds:			
Woonsocket Senior Citizens Fund	General Fund	42,000	-
EMS Public Fund	General Fund	<u>-</u>	<u>1,366,344</u>
Total Special Revenue Funds		<u>42,000</u>	<u>1,366,344</u>
Grand Total		<u>\$ 18,184,966</u>	<u>\$ 18,184,966</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  
June 30, 2015

## E. 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, 2014 (as restated)	Additions	Deductions	Balance June 30, 2015	Current Portion
General purpose bonds and notes:									
Highway & roads	\$ 12,000,000	06/30/99	06/30/20	5.415	\$ 4,920,000	\$ -	\$ 720,000	\$ 4,200,000	\$ 760,000
Library & school	17,940,000	10/01/00	10/01/20	4.0-6.5	8,620,000	-	7,345,000	1,275,000	185,000
Davison Ave landfill	5,000,000	05/26/05	03/01/35	5.0-6.0	4,240,000	-	130,000	4,110,000	135,000
Pension obligation	90,000,000	01/15/03	06/30/33	4.07-4.42	79,380,000	-	2,270,000	77,110,000	2,405,000
Promac settlement	2,450,000	03/06/09	06/30/19	4.25	1,193,590	-	251,282	942,308	251,282
Middle School	74,000,000	01/12/09	06/30/34	2.0-6.0	68,035,000	-	2,135,000	65,900,000	2,205,000
HUD loan school	2,050,000	07/21/10	08/21/19	1.9	1,300,000	-	250,000	1,050,000	250,000
Deficit bonds	11,500,000	03/10/11	06/15/16	7.125	5,170,000	-	2,495,000	2,675,000	2,675,000
Refunding bonds	6,540,000	03/11/15	11/15/20	1.83	-	6,540,000	-	6,540,000	1,050,000
Total bonds and notes					172,858,590	6,540,000	15,596,282	163,802,308	9,916,282
Premium					1,432,741	-	71,478	1,361,263	-
Total bond, notes and related liabilities					174,291,331	6,540,000	15,667,760	165,163,571	9,916,282
Lease purchase obligations:									
Recycling containers	1,300,000	10/15/07	10/15/14	3.92	177,317	-	177,317	-	-
Fire apparatus	263,981	02/15/12	02/15/17	4.09	131,773	-	42,176	89,597	43,901
Fire apparatus	857,626	10/15/08	10/15/14	3.50	133,098	-	133,098	-	-
Total lease purchase obligations					442,188	-	352,591	89,597	43,901
Compensated absences - City					6,476,779	1,625,060	1,701,028	6,400,811	1,280,000
Compensated absences - School Department					1,849,563	3,063,059	3,128,590	1,784,032	357,000
Claims and judgments					59,430	-	59,430	-	-
Landfill post closure obligation					556,000	-	14,000	542,000	14,000
Net OPEB obligation - City					48,963,442	7,488,035	4,038,080	52,413,397	-
Net OPEB obligation - School Department					11,311,343	1,805,172	1,077,948	12,038,567	-
Net pension liability					123,569,365	36,678,667	34,160,848	126,087,184	-
Total long-term obligations					\$ 367,519,441	\$ 57,199,993	\$ 60,200,275	\$ 364,519,159	\$ 11,611,183

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

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015Business-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	Additions	Deductions	Balance	Current Portion
					July 1, 2014 (as restated)			June 30, 2015	
Water Fund:									
RI Clean water bonds	10,165,000	05/13/03	09/01/24	3.49	\$ 6,435,000	\$ -	\$ 480,000	\$ 5,955,000	\$ 500,000
RI Clean water bonds	4,000,000	03/23/05	09/01/25	2.70	2,690,000	-	185,000	2,505,000	191,000
RI Clean water bonds	4,400,000	06/06/13	09/01/33	2.10	<u>4,399,000</u>	-	<u>180,000</u>	<u>4,219,000</u>	<u>182,000</u>
Total Water Fund bonds					13,524,000	-	845,000	12,679,000	873,000
Compensated absences					236,319	106,291	25,852	316,758	-
Net OPEB obligation					1,503,101	272,204	314,734	1,460,571	-
Net pension liability					<u>684,763</u>	<u>870,275</u>	<u>1,357,343</u>	<u>197,695</u>	<u>-</u>
Total Water Fund long-term obligations					<u>15,948,183</u>	<u>1,248,770</u>	<u>2,542,929</u>	<u>14,654,024</u>	<u>873,000</u>
Regional Wastewater Fund:									
RI Clean water bonds	10,000,000	06/06/13	09/01/34	2.12	9,999,000	-	1,000	9,998,000	406,000
RI Clean water bonds	20,000,000	03/06/14	09/01/34	2.12	<u>20,000,000</u>	-	<u>1,000</u>	<u>19,999,000</u>	<u>804,000</u>
Total Regional Wastewater Fund bonds					29,999,000	-	2,000	29,997,000	1,210,000
Lease purchase obligations:									
Wastewater lease	21,151,452	07/29/03	07/29/19	4.90	9,171,455	-	1,491,187	7,680,268	1,565,150
Compensated absences					17,411	10,377	5,429	22,359	-
Net OPEB obligation					1,724	21,697	23,421	-	-
Net pension liability					<u>105,348</u>	<u>133,848</u>	<u>205,793</u>	<u>33,403</u>	<u>-</u>
Total Regional Wastewater Fund long-term obligations					<u>39,294,938</u>	<u>165,922</u>	<u>1,727,830</u>	<u>37,733,030</u>	<u>2,775,150</u>
User Charge Fund:									
RI Clean water bonds	1,100,000	12/12/07	09/01/27	1.54	<u>770,000</u>	-	<u>55,000</u>	<u>715,000</u>	<u>55,000</u>
Total enterprise fund long-term obligations					<u>\$56,013,121</u>	<u>\$ 1,414,692</u>	<u>\$ 4,325,759</u>	<u>\$53,102,054</u>	<u>\$3,703,150</u>

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

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	
2016	\$ 9,916,282	\$ 8,907,230	\$ 2,138,000	\$ 1,086,839	\$ 22,048,351
2017	7,516,282	8,401,188	2,177,000	1,054,191	19,148,661
2018	7,871,282	8,036,227	2,213,000	1,017,714	19,138,223
2019	8,138,462	7,675,337	2,258,000	975,871	19,047,670
2020-2024	36,220,000	32,693,534	12,200,000	4,025,210	85,138,744
2025-2029	43,205,000	21,912,567	10,174,000	2,433,885	77,725,452
2030-2034	50,625,000	7,322,584	10,261,000	1,054,640	69,263,224
2035-2037	310,000	15,500	1,970,000	28,612	2,324,112
Totals	<u>\$163,802,308</u>	<u>\$ 94,964,167</u>	<u>\$ 43,391,000</u>	<u>\$ 11,676,962</u>	<u>\$313,834,437</u>

## 2. Capital leases

At June 30, 2015, 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 \$263,981 less \$175,987 of accumulated depreciation are recorded under capital leases as of June 30, 2015. For the year ended June 30, 2015, \$43,997 was included in depreciation expense.

### Business-Type Activities

Buildings totaling \$25,000,000 less \$6,250,003 of accumulated depreciation are recorded under a capital lease in the Regional Wastewater Fund as of June 30, 2015. For the year ended June 30, 2015, \$416,667 was included in depreciation expense.

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, 2015:

Year Ending June 30,	Governmental Activities	Business-Type Activities
2016	\$ 47,566	\$ 1,922,542
2017	47,565	1,922,542
2018	-	1,922,542
2019	-	1,922,542
2020	-	961,272
Totals	95,131	8,651,440
Less amount representing interest	(5,534)	(971,172)
Present value of minimum lease payments	<u>\$ 89,597</u>	<u>\$ 7,680,268</u>



## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015**3. Landfill post closure 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 post closure 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 Costs*, the City has recognized a liability equal to the estimated cost of post closure care of the landfill. The estimated liability for landfill post closure care costs is \$542,000 as of June 30, 2015. The estimated total current cost of the landfill post closure care (\$542,000) 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, 2015. 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 \$207,193,308 total bonds payable at June 30, 2015 (including bonds payable of the Water Fund and Clean Water Obligations), approximately \$18,117,308 are subject to the statutory limitation. The total assessed value of the City of Woonsocket's taxable property was \$1,622,076,746, limiting the amount of total debt subject to the statute to \$48,662,302.

**5. Current year advance refunding**

In March 2015, the City issued \$6,540,000 of general obligation refunding bonds with an interest rate of 1.83%. These refunding bonds were issued to advance and defease bonds issued in 2000. The refunding resulted in an economic gain of \$660,688 with a total savings of \$675,159.

**F. Restricted net position**

The amount of restricted net position, which was restricted by enabling legislation, totaled \$188,757 at June 30, 2015.

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015**G. Fund balance classifications**

As of June 30, 2015, fund balances are composed of the following:

Fund Balance Component	General Fund	City Capital Projects Fund	City Capital Fund	WED Capital Fund	School Unrestricted Fund	Woonsocket Schools Restricted Fund	Other Governmental Funds	Total
<b>Nonspendable:</b>								
Permanent fund principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,929	\$ 185,929
Inventory/prepaid items	276,543	-	-	-	-	-	-	276,543
Total Nonspendable	276,543	-	-	-	-	-	185,929	462,472
<b>Restricted:</b>								
<b>Legislative:</b>								
City clerk records	-	-	-	-	-	-	142,841	142,841
Cultural programs	-	-	-	-	-	-	3,367	3,367
Employee benefits	-	-	-	-	-	-	80,790	80,790
Library	-	-	-	-	-	-	95,856	95,856
Senior citizens	-	-	-	-	-	-	13,119	13,119
<b>Public safety:</b>								
Law enforcement programs	-	-	-	-	-	-	334,699	334,699
Fire rescue programs	-	-	-	-	-	-	55,328	55,328
<b>Public works:</b>								
Building inspections	-	-	-	-	-	-	10,922	10,922
Brownsfield assessment	-	-	-	-	-	-	616	616
Hazardous material grants	-	-	-	-	-	-	771	771
Recreation	-	-	-	-	-	-	21,342	21,342
Recycling program	-	-	-	-	-	-	11,784	11,784
<b>Economic development:</b>								
CDBG grants	-	-	-	-	-	-	195,964	195,964
Lead abatement	-	-	-	-	-	-	56,234	56,234
Loan programs	-	-	-	-	-	-	145,428	145,428
Planning grants	-	-	-	-	-	-	2,800	2,800
<b>Education</b>								
Education programs	-	-	-	-	1,995,047	188,757	-	2,183,804
Scholarship programs	-	-	-	-	-	-	52,160	52,160
Capital outlay	-	-	1,328,183	800,000	-	-	-	2,128,183
Total Restricted	-	-	1,328,183	800,000	1,995,047	188,757	1,224,021	5,536,008
<b>Committed:</b>								
<b>Legislative:</b>								
Employee benefits	-	-	-	-	-	-	251,889	251,889
<b>Public safety:</b>								
Substance abuse	-	-	-	-	-	-	104	104
Law enforcement programs	-	-	-	-	-	-	7,154	7,154
Fire rescue programs	-	-	-	-	-	-	6,566	6,566
<b>Public works:</b>								
Recreation	-	-	-	-	-	-	140,777	140,777
Recycling program	-	-	-	-	-	-	1	1
<b>Economic development:</b>								
Planning grants	-	-	-	-	-	-	17,898	17,898
Total Committed	-	-	-	-	-	-	424,389	424,389
<b>Unassigned</b>	3,921,973	(338,876)	-	-	-	-	(178,953)	3,404,144
<b>Totals</b>	<b>\$ 4,198,516</b>	<b>\$ (338,876)</b>	<b>\$ 1,328,183</b>	<b>\$ 800,000</b>	<b>\$ 1,995,047</b>	<b>\$ 188,757</b>	<b>\$ 1,655,386</b>	<b>\$ 9,827,013</b>

City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

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 <u>Paid</u>	Claims Payable <u>June 30</u>
2015	\$ 920,514	\$ 12,997,701	\$ 13,223,925	\$ 694,290
2014	1,075,542	13,393,300	13,548,328	920,514

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  
June 30, 2015**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, 2015.

**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. These are the Municipal Employees' Retirement System of Rhode Island (MERS), the Employees' Retirement System of Rhode Island (Teachers' Plan), and the Police and Fire Employee Pension Plan.

**1. Municipal Employees' Retirement System of Rhode Island (MERS)****Plan description**

The Municipal Employees' Retirement System of Rhode Island (MERS) is an agent multiple-employer defined benefit pension plan administered by the Employees' Retirement System of Rhode Island (ERSRI). The plan represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with ERSRI for plan administration and investment only.

MERS was established under Rhode Island General Law and placed under the management of ERSRI's Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate. Benefit provisions are subject to amendment by the General Assembly.

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at [www.ersri.org](http://www.ersri.org).

**A. Benefit provisions**

The plan provides retirement, survivor's benefits and certain lump-sum death benefits.

General employees

For general employees prior to June 30, 2012, the plan provided retirement benefits equal to 2% of a member's final average salary multiplied by the number of years of total service up to a maximum of 75%. Such benefits are available to members at least age 58 with 10 years of service or after 30 years of service at any age. Benefits accrued at June 30, 2012 are protected under the Rhode Island Retirement Security Act until it is exceeded by the member's full years of service credit, including service after June 30, 2012, multiplied by the average of five consecutive years of compensation.

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

Effective July 1, 2012, the retirement age will mirror the Social Security Normal Retirement Age not to exceed age 67. Members will receive a benefit accrual of 1.0% per year based on the five-year average compensation.

Joint and survivor options are available as well as the Service Retirement Allowance (SRA) Plus option that provides for the payment of a larger benefit before the attainment of age sixty-two (62) and a reduced amount thereafter. The reduced amount is equal to the benefit before age sixty-two (62), including cost-of-living increases, minus the member's estimated social security benefit payable at age sixty-two (62).

Policemen and Firemen

Prior to June 30, 2012, police and fire personnel may retire at age 55 if they have 10 years of service or after 25 years of service at any age. An option may be elected to provide a 20 year service pension with a benefit equal to 2.5% for each year of service up to a maximum of 75% for police and fire personnel. Benefits are based on the average of the highest three consecutive years' earnings, exclusive of overtime.

The new retirement age will be 55 years old with 25 years of total service or for members with five years of service but less than 25 years of service the new retirement age will mirror the Social Security Normal Retirement Age not to exceed 67. Police officers or firefighters, that are at least 45 years old, have 10 or more years of contributing service and are eligible to retire prior to age 52 under the law in effect on June 30, 2012, may retire at age 52.

As of June 30, 2012, members will continue to have a frozen benefit accrual of 2.0% per year for a standard 25 year with any age and out plan; 2.5% for a standard 20 year with any age and out plan. Effective July 1, 2012, the optional 20 and 25 year with retirement at any age plans have been eliminated. The benefit accrual for all plans will be 2.0% per year based on the five-year average compensation, exclusive of overtime. Police and fire employees may retire with a reduced pension benefit if they have 20 years of service and are within five years of their retirement eligibility. The actuarially reduced benefit will be calculated based on how close the member is to the eligibility date that is prescribed in the Rhode Island Retirement Security Act.

Plan members are vested after five years of service.

An optional cost-of-living provision may be elected for police and fire personnel and general employees. The Cost-of-Living Adjustment (COLA) has been suspended for any unit whose funding level is less than 80%. The COLA provision can be reviewed in a five-year interval. When the funding level of a plan exceeds 80% funded eligible retirees may receive a COLA annually effective on their date of retirement plus one month.

The COLA will be calculated as the five (5) year smoothed investment rate of return less 5.50%, with a 0.00% floor and a 4.00% cap. For police and fire units, COLA will be delayed until the later of age 55 or three years after retirement. For general employee units, COLA will be delayed until the later of the Social Security Normal Retirement Age or three years after retirement. The COLA will be applied to the first \$25,000 of benefits indexed annually.

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

The plan also provides nonservice-connected disability benefits after 5 years of service; service-connected disability pensions with no minimum service requirement.

**C. Contributions**

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees are required to contribute 2% of their salaries. Public safety employees (police and fire) are required to contribute 8% of their salaries. The City contributes at a rate of covered payroll employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The City's contribution rates for general employees, police and fire respectively were 10.02%, 23.44%, and 9.03% of annual covered payroll respectively.

**D. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

The City reported the following net pension liabilities (assets) for the general employees, police and fire, respectively:

General Employees (City)	\$ 1,549,984
Police	12,332,664
Fire	(177,242)

The net pension liability (asset) was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. Separately issued actuarial valuation reports were prepared for each participating entity in accordance with GASB 68, which calculated each entity's total pension liability (asset).

The City's net position for each group noted above that was used to calculate the net pension liability was based upon the audit performed by the Office of the Auditor General as of June 30, 2014.

Subsequent to the measurement date, litigation was settled that amended certain benefit provisions. These benefit changes are not expected to have a material effect on the net pension liability.

For the year ended June 30, 2015, the City recognized pension expense as follows:

General Employees (City)	\$ 514,452
Police	1,062,591
Fire	<u>167,477</u>
Total	<u>\$ 1,744,520</u>

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

The City reports deferred outflows of resources and deferred inflows of resources related to pensions for each of the three plans from the following sources as follows:

General Employees (City)

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 66,445	\$ -
Net difference between projected and actual earnings on pension plan investments	-	3,297,454
City contributions subsequent to measurement date	1,071,207	-
	<hr/>	<hr/>
Total	<u>\$ 1,137,652</u>	<u>\$ 3,297,454</u>
Net amount of deferred inflow and outflow excluding City contributions subsequent to		<u>\$ 3,231,009</u>

The \$1,071,207 amount reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2016	\$ 805,212
2017	805,212
2018	805,212
2019	<u>815,373</u>
Total	<u>\$ 3,231,009</u>

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015Police

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ -	\$ 211,414
Net difference between projected and actual earnings on pension plan investments	-	1,856,898
City contributions subsequent to measurement date	<u>1,448,665</u>	<u>-</u>
Total	<u>\$ 1,448,665</u>	<u>\$ 2,068,312</u>
Net amount of deferred inflow and outflow excluding City contributions subsequent to measurement date		<u>\$ 2,068,312</u>

The \$1,448,665 amount reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2016	\$ 503,662
2017	503,662
2018	503,662
2019	503,664
2020	39,438
Thereafter	<u>14,224</u>
Total	<u>\$ 2,068,312</u>



City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

Fire

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ 246,293
Net difference between projected and actual earnings on pension plan investments		2,229,206
City contributions subsequent to measurement date	<u>1,030,888</u>	<u>-</u>
Total	<u>\$ 1,030,888</u>	<u>\$ 2,475,499</u>
Net amount of deferred inflow and outflow excluding City contributions subsequent to		<u>\$ 2,475,499</u>

The \$1,030,888 amount reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2016	\$ 710,391
2017	650,504
2018	557,301
2019	<u>557,303</u>
Total	<u>\$ 2,475,499</u>

**E. Actuarial Assumptions**

For all three plans the total pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll – closed
Asset valuation method	5 year smoothed market
Remaining amortization	21 years at June 30, 2014
Inflation	2.75%
Salary increases	3.50 – 7.50%, including inflation-general 4.00 – 14.00%, including inflation – police and fire
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

Mortality rates for male employees were based on 115% of RP-2000 Combined Healthy for Males with White Collar adjustments, projected with Scale AA from 2000. Mortality rates for female employees were based on 95% of RP-2000 Combined Healthy for Females with White Collar adjustments, projected with Scale AA from 2000.

The actuarial assumptions used in the June 30, 2013 valuation rolled forward to June 30, 2014 and the calculations of the total pension liability at June 30, 2014 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on forward-looking medium-term (10 year) capital market return assumptions developed by eight investment consulting firms. The June 30, 2014 expected arithmetic returns over the medium term by asset class as developed by the State Investment Commission's investment consultant, which are generally consistent with the averages utilized by the actuary, are summarized in the following table:

Asset Class	Target Allocation	Medium-Term Expected Real Rate of Return
Global equity	38.0%	6.1%
Private equity	7.0%	9.1%
Equity hedge funds	8.0%	4.8%
Absolute return hedge	7.0%	3.0%
Real return	14.0%	3.9%
Real estate	8.0%	4.5%
Core fixed	15.0%	0.3%
Cash	3.0%	-0.5%
Total	100.0%	

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall medium-term expected rate of return best-estimate on an arithmetic basis. To arrive at the long-term expected return estimate, the actuary adjusts the medium-term number to reflect the longer 30-year time frame required for actuarial calculations. This process produces the actuarial expected return, which is based on a 30-year horizon, and can differ from the medium-term, 10-year-horizon return expectations.

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015**F. Discount rate**

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. Changes in the net pension liability**

The City's net pension liability was measured at June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013. The changes in net pension liability for each plan for the fiscal year were as follows:

General Employees (City)	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2014	\$ 62,910,670	\$ 57,643,266	\$ 5,267,404
Service cost	1,020,440	-	1,020,440
Interest	4,582,516	-	4,582,516
Changes in assumptions	85,597	-	85,597
Contributions - employer	-	1,000,863	(1,000,863)
Contributions - member	-	222,933	(222,933)
Net investment income	-	8,312,035	(8,312,035)
Benefit payments, including refunds of member contributions	(4,641,346)	(4,641,346)	-
Pension plan administrative expense	-	(52,050)	52,050
Other	-	(77,808)	77,808
Net change	1,047,207	4,764,627	(3,717,420)
Balance at June 30, 2015	\$ 63,957,877	\$ 62,407,893	\$ 1,549,984

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

Police	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2014	\$ 45,401,135	\$ 31,114,536	\$ 14,286,599
Service cost	859,388	-	859,388
Interest	3,347,966	-	3,347,966
Changes in assumptions	(250,852)		(250,852)
Contributions - employer	-	948,214	(948,214)
Contributions - member	-	413,635	(413,635)
Net investment income	-	4,613,983	(4,613,983)
Benefit payments, including refunds of member contributions	(2,382,563)	(2,382,563)	-
Pension plan administrative expense	-	(28,893)	28,893
Other	-	(36,502)	36,502
Net change	1,573,939	3,527,874	(1,953,935)
Balance at June 30, 2015	\$ 46,975,074	\$ 34,642,410	\$ 12,332,664
Fire	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2014	\$ 38,055,800	\$ 35,408,504	\$ 2,647,296
Service cost	1,190,291	-	1,190,291
Interest	2,860,552	-	2,860,552
Changes in assumptions	(399,383)		(399,383)
Contributions - employer	-	516,516	(516,516)
Contributions - member	-	550,936	(550,936)
Net investment income	-	5,442,627	(5,442,627)
Benefit payments, including refunds of member contributions	(1,020,514)	(1,020,514)	-
Pension plan administrative expense	-	(34,082)	34,082
Other	-	1	(1)
Net change	2,630,946	5,455,484	(2,824,538)
Balance at June 30, 2015	\$ 40,686,746	\$ 40,863,988	\$ (177,242)

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015**H. Sensitivity of the net pension liability to changes in the discount rate**

The following presents the City's net pension liability for each of the three MERS plans, calculated using the discount rate of 7.50%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

<u>Net Pension Liability (Asset)</u>	1% Decrease <u>(6.50%)</u>	Current Discount <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
General employees (City)	\$ 8,427,311	\$ 1,549,984	\$(5,327,343)
Police	17,277,361	12,332,664	7,387,965
Fire	<u>3,997,311</u>	<u>(177,242)</u>	<u>(4,351,794)</u>
Totals	<u>\$29,701,983</u>	<u>\$13,705,406</u>	<u>\$ 2,291,172</u>

**I. Plan fiduciary net position**

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

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

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

ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at [www.ersri.org](http://www.ersri.org).

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015**B. Benefit provisions**

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

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

Cost-of-living adjustments are provided but are currently suspended until the collective plans covering state employees and teachers reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments are provided at five-year intervals.

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

**C. Contributions**

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2015, the City's teachers were required to contribute 3.75% of their annual covered salary. The state and the City are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by the City; the rates were 8.42% and 13.41% of annual covered payroll for the fiscal year ended June 30, 2015 for the state and City of Woonsocket, respectively. The City contributed \$4,282,918, equal to 100% of the required contributions for each year.

City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

**D. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

At June 30, 2015, the City reported a liability of \$52,940,748 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the City as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$ 52,940,748
State's proportionate share of the net pension liability associated with the City	<u>36,303,910</u>
Total	<u>\$ 89,244,658</u>

The net pension liability was measured as of June 30, 2014, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2014, the City's proportion was 2.17505093%.

Subsequent to June 30, 2014 (the measurement date), litigation challenging the various pension reform measures enacted in previous years by the General Assembly (2009, 2010, and 2011) was settled. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly.

The amended benefit provisions in the newly enacted legislation and settlement agreement have not been reflected in the determination of the net pension liability at June 30, 2014 (the measurement date). These amended benefit provisions are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rate from 3.75% to 11% and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost-of-living increases will occur at 4 year rather 5 year intervals.
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

These amendments are not considered to have a material effect on the net pension liability had they been retroactively applied to the calculation of the total pension liability at June 30, 2013 rolled forward to June 30, 2014. An actuarial analysis of the pension settlement provisions enacted by the General Assembly and approved by the Court indicated that the funded ratio at June 30, 2014 for teachers (determined on a funding basis) decreased from 59.6% to 58.2%.

For the year ended June 30, 2015, City recognized gross pension expense of \$3,680,233 and revenue of \$2,523,705 for support provided by the State. The City reports deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions		1,875,262
Net difference between projected and actual earnings on pension plan investments		4,558,765
City contributions subsequent to measurement date	<u>4,921,641</u>	<u>-</u>
Total	<u>\$ 4,921,641</u>	<u>\$ 6,434,027</u>
Net amount of deferred inflow and outflow excluding City contributions subsequent to		<u>\$ 6,434,027</u>

The \$4,291,641 amount reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

Other amounts reported as deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2016	\$ 1,405,196
2017	1,405,196
2018	1,405,196
2019	1,405,196
2020	265,505
Thereafter	<u>547,738</u>
Total	<u>\$ 6,434,027</u>



## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015**E. Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2013, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization	21 years at June 30, 2014
Inflation	2.75%
Salary increases	3.50 – 13.50%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality – male and female teachers: 97% and 92%, respectively, of rates in GRS table based on male and female teacher experience, projected with Scale AA from 2000.

The actuarial assumptions used in the June 30, 2013 valuation rolled forward to June 30, 2014 and the calculation of the total pension liability at June 30, 2014 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on forward-looking medium-term (10 year) capital market return assumptions developed by eight investment consulting firms. The June 30, 2014 expected arithmetic returns over the medium term by asset class as developed by the State Investment Commission's investment consultant, which are generally consistent with the averages utilized by the actuary, are summarized in the following table:

Asset Class	Target Allocation	Medium-Term Expected Real Rate of Return
Global equity	38.0%	6.05%
Private equity	7.0%	9.05%
Equity hedge funds	8.0%	4.75%
Absolute return hedge	7.0%	2.95%
Real return	14.0%	3.85%
Real estate	8.0%	4.45%
Core fixed	15.0%	0.25%
Cash	3.0%	-0.50%
Total	100.0%	

City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall medium-term expected rate of return best-estimate on an arithmetic basis. To arrive at the long-term expected return estimate, the actuary adjusts the medium-term number to reflect the longer 30-year time frame required for actuarial calculations. This process produces the actuarial expected return, which is based on a 30-year horizon, and can differ from the medium-term, 10-year-horizon return expectations.

**F. Discount rate**

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. Sensitivity of the net pension liability to changes in the discount rate**

The following presents the City's proportionate share of the net pension liability of the ERS, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease <u>(6.50%)</u>	Current Discount <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
City's proportional share of the net pension liability	\$ 66,301,744	\$ 52,940,748	\$ 39,305,596

**H. Plan fiduciary net position**

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

**3. City police and fire employee pension plans**

**A. Plan description**

**1. Plan administration**

The City Police and Fire Employee 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.

City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

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.

2. Participant Membership

Inactive plan participants as of July 1, 2015:	
Retirees and beneficiaries currently receiving benefits	193
Disabled employees currently receiving benefits	<u>43</u>
Total	<u>236</u>

The plan has no active members and is closed to new participants

**B. Plan provisions**

*Police 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. Retirement benefits are payable in the form of a 66.7% joint and survivor annuity, if the participant is married at the retirement date, or a life annuity, if the participant is single at the retirement date. During the fiscal year, a cost-of-living provision was added to the plan.

*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. Retirement benefits are payable in the form of a 66.7% joint and survivor annuity, if the participant is married at the retirement date, or a life annuity, if the participant is single at the retirement date. During the fiscal year, a cost-of-living provision was added to the plan.

**C. Contributions required**

The City establishes contributions based on an actuarially determined contribution calculated by an independent actuary. The actuarially determined contribution is based on a 16-year contribution schedule (beginning with the 2012 plan year) targeted to fully fund the plan in that timeframe. The actuarially determined contribution is calculated in accordance with the Funding Improvement Plan developed by the Pension Study Commission.

*Police plan:*

Participants were required to contribute 7% of their annual salary.

*Firemen's plan:*

Participants were required to contribute 8% of their annual salary.

City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

**D. Investments**

*Investment policy.* The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the City of Woonsocket Pension Board by a majority vote of its members. It is the policy of the City of Woonsocket Pension Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Pension Board periodically reviews the asset allocation and strategic objectives in light of market conditions, benefit payments, expenses, and expected contributions from the City of Woonsocket. The Pension Board adopted an asset allocation policy, which is a blend of Higher Risk, Lower Risk, and Liquidity assets. These blends translate into the following allocations:

Asset Class	Long-Term Target Allocation	Short-Term Target Allocation
Domestic equity	54.400%	26.940%
International equity	15.950%	9.485%
Fixed income	27.500%	33.250%
Cash	2.150%	30.325%
Total	100.000%	100.000%

**E. Concentrations:** There were no investments in any one organization that represented 5% or more of the pension plans' net position.

**F. Rate of return:** For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.47%. The money-weighted rate of return expresses investment performance, adjusted for the changing amounts actually invested.

**G. Net pension liability**

The City's net pension liability at June 30, 2015 is \$59,494,886. The components of the net pension liability were as follows:

Total pension liability	\$ 101,661,608
Plan fiduciary net position	<u>42,166,722</u>
Net pension liability	<u>\$ 59,494,886</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>41.48%</u>

City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

H. Actuarial assumptions

Cost method	Entry age normal
Measurement date	June 30, 2015
Valuation date	July 1, 2015
Amortization method	Closed, 19 years remaining as of July 1, 2015, based on the Funding Improvement Plan.
Asset valuation method	Fair Value of Assets adjusted to phase in asset gains and losses over a five-year period at a rate of 20% per year. Valuation assets are further limited to a 20% corridor around market value.
Mortality	RP2000 Mortality Table, projected to 2010 using Scale AA and then fully generational using Scale AA in future years. The mortality table is further modified to assume 115% of the male rates and 95% of the female rates.
Discount rate	6.01% per annum
Inflation	2.2%
Salary projection	N/A. No active participants
Cost-of-living increase	Beginning in 2015, Alternating 0.00% and 2.00% until fiscal year ended 2023, at which point the COLA is 2.00% each year until the plan becomes at least 80% funded, at which point the COLA becomes 3.00%

Long-term rate of return

Best estimates of geometric nominal rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Nominal Expected Rate of Return
Domestic equity	8.60%
International equity	7.90%
Fixed income	4.30%
Cash	1.70%

The assumed inflation rate is 2.20% per annum.

I. Discount rate

The discount rate used to measure the total pension liability was 6.01%. The projection of cash flows used to determine the discount rate assumed that plan contributions are determined in accordance with the Funding Improvement Plan. Furthermore, it is assumed that the City will deposit 50% of the required contribution for year 1, 70% of the required contribution for year 2, 90% of the required contribution for year 3, and 100% thereafter. This 20% per year increase is allowable and required under the Funding Improvement Plan for plans not making the annual required contribution. The initial percentage of 50% was determined based on historical contribution rates.

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through the fiscal year ending June 30, 2036 (or 21 years out). At that point in time, the plan's expected fiduciary net position will be insufficient to satisfy benefit payments. Therefore, the long-term expected rate of return on pension plan investments (7.50%) was applied to years 1 through 21 (FYE 2016 - FYE 2036) of projected benefit payments and a bond rate of 3.73% was applied to projected benefit payments after the FYE June 30, 2036 to determine the total pension liability.

The bond rate of 3.73% is from the Moody's Bond Index Yield on June 30, 2015. It reflects 20-year, tax-exempt general obligation municipal bonds with an average rating of AA.

**J. Changes in the Net Pension Liability**

Police and Fire	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2014	\$ 88,534,461	\$ 46,353,744	\$ 42,180,717
Service cost	-	-	-
Interest	5,227,317	-	5,227,317
Changes in benefit terms	12,365,666	-	12,365,666
Differences between expected and actual experience	2,159,333	-	2,159,333
Changes in assumptions	1,400,059	-	1,400,059
Contributions - employer	-	3,550,035	(3,550,035)
Contributions - member	-	3,256	(3,256)
Net investment income	-	422,223	(422,223)
Benefit payments, including refunds of member contributions	(8,025,228)	(8,025,228)	-
Pension plan administrative expense	-	(137,308)	137,308
Other	-	-	-
Net change	13,127,147	(4,187,022)	17,314,169
Balance at June 30, 2015	\$ 101,661,608	\$ 42,166,722	\$ 59,494,886

City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

**K. Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability, calculated using the discount rate of 6.01% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.01%) or 1-percentage point higher (7.01%) than the current rate:

	1% Decrease (5.01%)	Current Discount Rate (6.01%)	1% Increase (7.01%)
Net pension liability	\$70,170,740	\$59,494,886	\$50,505,864

**L. Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions**

For the year ended June 30, 2015, City recognized gross pension expense of \$19,054,773. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 2,248,137	\$ -

The other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2016	\$ 562,034
2017	562,034
2018	562,034
2019	<u>562,035</u>
Total	<u>\$ 2,248,137</u>

**4. Status 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 not in accordance with the provision contained in the original legislation. The City has received a waiver from the General Assembly of the State of Rhode Island related to that provision. The annual required contribution for the fiscal year was \$3,465,000 using a 30-year amortization period versus \$8,337,635 using a 5-year amortization period.

City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

5. Other post-employment benefit plan

A. 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.

B. Benefit provisions and contributions

1. Benefit provisions

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.

2. Employer contributions

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

3. Employee contributions

There are no employee contributions to the plan.

C. Funded status and funding progress

The funded status of the plan as of the most recent actuarial valuation date July 1, 2014 was as follows:

Actuarial Valuation Date	(A) Actuarial Value Of Assets	(B) Actuarial 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, 2015						
City	\$ -	\$ 121,531,905	\$(121,531,905)	0%	N/A	N/A
Water	-	4,670,297	(4,670,297)	0%	N/A	N/A
Wastewater	-	413,663	(413,663)	0%	N/A	N/A
User	-	351,894	(351,894)	0%	N/A	N/A
School	-	26,151,259	(26,151,259)	0%	N/A	N/A



City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

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.

**D. 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.

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, 2014
Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of salary, closed
Remaining Amortization Period	30 years decreasing, closed
Asset Valuation Method	N/A
Actuarial Assumptions:	
Investment rate of return	4.0%
Salary Increases	2.5%
Healthcare inflation rate:	
Initial Medical/Dental Trend Rates	7.0% / 5.0%
Ultimate Medical/Dental Trend Rates	5.0% / 5.0%

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015**E. Annual OPEB Cost and Net OPEB Obligation (NOO)**

The changes in the Net OPEB Obligation (NOO) were as follows:

City Plan

	City General Fund	Water Fund	Wastewater Fund	User Fund
Annual required contribution (ARC)	\$ 7,855,203	\$ 283,476	\$ 21,710	\$ 41,908
Interest on NOO	1,958,538	60,124	69	(5,736)
Adjustment to ACR	<u>(2,325,706)</u>	<u>(71,396)</u>	<u>(82)</u>	<u>6,811</u>
Annual OPEB Cost (AOC)	7,488,035	272,204	21,697	42,983
Contribution made	<u>(4,038,080)</u>	<u>(314,734)</u>	<u>(30,085)</u>	<u>(38,868)</u>
Increase (decrease) in net OPEB obligation	3,449,955	(42,530)	(8,388)	4,115
Net OPEB obligation (asset), July 1, 2014	<u>48,963,442</u>	<u>1,503,101</u>	<u>1,724</u>	<u>(143,397)</u>
Net OPEB obligation (asset), June 30, 2015	<u>\$ 52,413,397</u>	<u>\$ 1,460,571</u>	<u>\$ (6,664)</u>	<u>\$ (139,282)</u>

Woonsocket Education Department Plan

Annual required contribution (ARC)	\$ 1,938,656
Interest on the NOO	452,454
Adjustment to ARC	<u>(585,938)</u>
Annual OPEB cost (AOC)	1,805,172
Contribution made	<u>(1,077,948)</u>
Change in net OPEB obligation	727,224
NOO - July 1, 2014	<u>11,311,343</u>
NOO - June 30, 2015	<u>\$ 12,038,567</u>

Three year trend informationCity General Fund

Year Ending June 30	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
2013	\$ 10,407,858	39.0%	\$ 46,360,287
2014	6,252,110	58.4%	48,963,442
2015	7,488,035	53.9%	52,413,397

City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015

Three year trend information

Water Fund

<u>Year Ending June 30</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$ 457,939	59.8%	\$ 1,540,294
2014	257,490	114.4%	1,503,101
2015	272,204	115.6%	1,460,571

Wastewater Fund

<u>Year Ending June 30</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation(Asset)</u>
2013	\$ 24,091	100.8%	\$ 8,060
2014	21,036	76.9%	1,724
2015	21,697	138.7%	(6,664)

User Fund

<u>Year Ending June 30</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Asset</u>
2013	\$ 32,689	186.5%	\$ (119,486)
2014	20,516	216.5%	(143,397)
2015	42,983	90.4%	(139,282)

School Unrestricted Fund

<u>Year Ending June 30</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$ 4,733,251	42.5%	\$ 10,727,872
2014	1,731,970	66.3%	11,311,343
2015	1,805,172	59.7%	12,038,567

## City of Woonsocket, Rhode Island

Notes to Financial Statements  
June 30, 2015**D. Prior period adjustment**

Pursuant to implementation of the requirements of GASB 68 the equity of the following funds was restated as follows:

	Governmental Activities	Business-type Activities	Water	Regional Wastewater
Net position as previously reported at June 30, 2014	\$ (52,315,418)	\$ 49,441,007	\$ 26,896,993	\$ 18,873,130
To remove net pension obligation	11,029,433	-	-	-
To record deferred outflows for pension contribution made after measurement date	6,632,802	150,129	130,112	20,017
To record beginning net pension liability (NPL)	<u>(123,569,365)</u>	<u>(790,111)</u>	<u>(684,763)</u>	<u>(105,348)</u>
Net position as restated as of July 1, 2014	<u>\$ (158,222,548)</u>	<u>\$ 48,801,025</u>	<u>\$ 26,342,342</u>	<u>\$ 18,787,799</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, 2015**

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
<b>Property taxes:</b>				
Current taxes	\$ 59,978,600	\$ 59,978,600	\$ 60,012,488	\$ 33,888
Prior taxes	1,248,000	1,248,000	1,371,014	123,014
Interest on taxes	800,000	800,000	889,226	89,226
Payment in lieu taxes	3,306,034	3,306,034	3,233,267	(72,767)
<b>Total property taxes</b>	<b>65,332,634</b>	<b>65,332,634</b>	<b>65,505,995</b>	<b>173,361</b>
<b>State aid - City:</b>				
Telephone tax	559,030	559,030	508,769	(50,261)
Meals and beverage tax	527,242	527,242	484,659	(42,583)
Distressed communities	1,032,042	1,032,042	1,032,042	-
Chapter 26 - school housing	5,351,014	5,351,014	5,351,014	-
State library construction	364,974	364,974	364,975	1
State motor vehicle phase-out	388,319	388,319	408,725	20,406
Hotel tax	62,861	62,861	52,468	(10,393)
<b>Total state aid - City</b>	<b>8,285,482</b>	<b>8,285,482</b>	<b>8,202,652</b>	<b>(82,830)</b>
<b>Licenses, fees and rents:</b>				
Business licenses and fees	1,100,915	1,100,915	1,132,220	31,305
Trash collection fee	-	-	211,385	211,385
Interest - trash pickup	20,000	20,000	22,653	2,653
Rental of City properties	186,146	186,146	192,178	6,032
<b>Total licenses, fees and rents</b>	<b>1,307,061</b>	<b>1,307,061</b>	<b>1,558,436</b>	<b>251,375</b>
<b>Investment income - short term</b>				
	4,500	4,500	14,879	10,379
<b>Departmental revenues:</b>				
Host community	1,277,719	1,277,719	1,231,846	(45,873)
Wastewater department	172,234	172,234	172,234	-
Water department	176,141	176,141	176,141	-
Solid waste program	153,704	153,704	153,704	-
Federal housing	183,000	183,000	203,353	20,353
<b>Total departmental revenues</b>	<b>1,962,798</b>	<b>1,962,798</b>	<b>1,937,278</b>	<b>(25,520)</b>
<b>Restricted receipts:</b>				
Education department - General Fund	53,114,414	53,114,414	53,216,235	101,821
<b>Miscellaneous revenues:</b>				
City pension administration	70,000	70,000	70,000	-
Miscellaneous - City	1,619,715	1,619,715	1,892,953	273,238
<b>Total miscellaneous revenues</b>	<b>1,689,715</b>	<b>1,689,715</b>	<b>1,962,953</b>	<b>273,238</b>
<b>Total revenues</b>	<b>131,696,604</b>	<b>131,696,604</b>	<b>132,398,428</b>	<b>701,824</b>
<b>Expenditures:</b>				
<b>Executive:</b>				
Office of the Mayor	128,827	128,827	122,829	5,998

(Continued)

## City of Woonsocket, Rhode Island

**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Year Ended June 30, 2015**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Legislative:				
City council	\$ 74,643	\$ 94,193	\$ 74,110	\$ 20,083
City clerk	133,941	133,791	141,039	(7,248)
Probate court	8,821	9,421	9,396	25
Board of assessment reviews	1,050	1,050	1,050	-
Board of canvassers	111,271	111,271	100,298	10,973
Zoning board of reviews	14,110	14,110	10,683	3,427
Board of library trustees	992,512	992,512	990,515	1,997
<b>Total legislative</b>	<b>1,336,348</b>	<b>1,356,348</b>	<b>1,327,091</b>	<b>29,257</b>
Planning and development	524,063	599,063	698,661	(99,598)
Finance department	1,447,271	1,447,271	1,294,997	152,274
Law:				
City solicitor	469,750	469,750	385,038	84,712
Public safety:				
Police division	8,113,301	8,111,636	8,174,459	(62,823)
Fire division	8,397,995	8,401,052	9,009,504	(608,452)
Emergency management division	7,862	6,470	7,569	(1,099)
<b>Total public safety</b>	<b>16,519,158</b>	<b>16,519,158</b>	<b>17,191,532</b>	<b>(672,374)</b>
Public works:				
Office of the director	714,101	714,101	783,155	(69,054)
Engineering division	190,061	190,061	174,183	15,878
Highway division	2,783,418	2,783,418	2,263,495	519,923
City property division	333,458	298,458	274,980	23,478
Thundermist hydro	18,976	18,976	17,271	1,705
Parks and recreation division	113,600	113,600	75,218	38,382
Solid waste disposal division	2,598,092	2,598,092	2,421,811	176,281
<b>Total public works</b>	<b>6,751,706</b>	<b>6,716,706</b>	<b>6,010,113</b>	<b>706,593</b>
Economic development	5,279	5,279	1,050	4,229
Human services:				
Personnel administration	98,505	133,505	138,760	(5,255)
Budget commission	258,268	258,268	394,821	(136,553)
Education:				
Education department expenditures	52,971,409	52,971,409	49,454,519	3,516,890
Miscellaneous:				
Insurance	882,526	882,526	814,836	67,690
Claims and judgments	57,500	57,500	179,669	(122,169)
Contingency	100,000	5,000	-	5,000
Contribution to City funds	6,756,296	6,756,296	5,925,426	830,870
Pension	7,529,549	7,529,549	7,019,119	510,430
Miscellaneous	544,250	544,250	512,006	32,244
<b>Total miscellaneous</b>	<b>15,870,121</b>	<b>15,775,121</b>	<b>14,451,056</b>	<b>1,324,065</b>
Debt service	18,946,756	18,946,756	18,538,049	408,707
<b>Total expenditures</b>	<b>115,327,461</b>	<b>115,327,461</b>	<b>110,008,516</b>	<b>5,318,945</b>
Excess of revenues over expenditures before other financing uses	16,369,143	16,369,143	22,389,912	6,020,769
Other financing uses:				
Transfers out to school department	(16,166,330)	(16,166,330)	(16,166,330)	-
<b>Net change in fund balance</b>	<b>\$ 202,813</b>	<b>\$ 202,813</b>	<b>\$ 6,223,582</b>	<b>\$ 6,020,769</b>

(Concluded)

City of Woonsocket, Rhode Island

**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
School Unrestricted Fund  
Year Ended June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues:</b>				
State aid	\$ 50,668,414	\$ 50,668,414	\$ 50,668,414	\$ -
Tuition career center and other	660,000	660,000	396,511	(263,489)
RF Harris Fund	-	-	14,645	14,645
Evening and summer school	-	-	23,880	23,880
Athletic receipts	10,000	10,000	9,696	(304)
Facility rentals	100,000	100,000	98,606	(1,394)
Miscellaneous	1,000	1,000	86,635	85,635
SAFFA (Impact Aid)	50,000	50,000	42,041	(7,959)
Indirect cost	425,000	425,000	432,871	7,871
Medicaid	1,200,000	1,200,000	1,442,936	242,936
<b>Total revenues</b>	<u>53,114,414</u>	<u>53,114,414</u>	<u>53,216,235</u>	<u>101,821</u>
<b>Expenditures:</b>				
Salaries	39,233,262	39,233,262	38,055,354	1,177,908
Employee benefits	17,187,631	17,187,631	14,986,437	2,201,194
Professional and technical services	1,107,195	1,107,195	1,197,519	(90,324)
Property services	453,611	453,611	593,301	(139,690)
Other purchased services	7,516,293	7,516,293	8,027,418	(511,125)
Supplies	2,973,130	2,973,130	2,475,675	497,455
Property and equipment	610,717	610,717	222,594	388,123
Other	55,900	55,900	62,551	(6,651)
<b>Total expenditures</b>	<u>69,137,739</u>	<u>69,137,739</u>	<u>65,620,849</u>	<u>3,516,890</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(16,023,325)</u>	<u>(16,023,325)</u>	<u>(12,404,614)</u>	<u>3,618,711</u>
<b>Other financing sources (uses):</b>				
Transfers in - general fund	16,166,330	16,166,330	16,166,330	-
Transfers out - Woonsocket Schools Restricted Fund	-	-	(452,761)	(452,761)
<b>Net other financing sources (uses)</b>	<u>16,166,330</u>	<u>16,166,330</u>	<u>15,713,569</u>	<u>(452,761)</u>
<b>Net change in fund balance</b>	<u>\$ 143,005</u>	<u>\$ 143,005</u>	<u>\$ 3,308,955</u>	<u>\$ 3,165,950</u>



## City of Woonsocket, Rhode island

## Municipal Employees' Retirement System of Rhode island

**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability**  
**June 30, 2015**

	<u>City</u>	<u>Police</u>	<u>Fire</u>
Total pension liability:			
Service cost	\$ 1,020,440	\$ 859,388	\$ 1,190,291
Interest	4,582,516	3,347,966	2,860,552
Change of assumptions	85,597	(250,852)	(399,383)
Benefit payments, including refunds of member contributions	<u>(4,641,346)</u>	<u>(2,382,563)</u>	<u>(1,020,514)</u>
Net change in total pension liability	1,047,207	1,573,939	2,630,946
Total pension liability - July 1	<u>62,910,670</u>	<u>45,401,135</u>	<u>38,055,800</u>
Total pension liability - June 30 (a)	<u><u>\$ 63,957,877</u></u>	<u><u>\$ 46,975,074</u></u>	<u><u>\$ 40,686,746</u></u>
Plan fiduciary net position:			
Contributions - employer	\$ 1,000,863	\$ 948,214	\$ 516,516
Contributions - member	222,933	413,635	550,936
Net investment income	8,312,035	4,613,983	5,442,627
Benefit payments, including refunds of member contributions	(4,641,346)	(2,382,563)	(1,020,514)
Administration	(52,050)	(28,893)	(34,082)
Other	<u>(77,808)</u>	<u>(36,502)</u>	<u>1</u>
Net change in plan fiduciary net position	4,764,627	3,527,874	5,455,484
Plan fiduciary net position - July 1	<u>57,643,266</u>	<u>31,114,536</u>	<u>35,408,504</u>
Plan fiduciary net position - June 30 (b)	<u><u>\$ 62,407,893</u></u>	<u><u>\$ 34,642,410</u></u>	<u><u>\$ 40,863,988</u></u>
Net pension liability - June 30 (a)-(b)	<u><u>\$ 1,549,984</u></u>	<u><u>\$ 12,332,664</u></u>	<u><u>\$ (177,242)</u></u>

## City of Woonsocket, Rhode Island

## Municipal Employees' Retirement System of Rhode Island

**Required Supplementary Information**  
**Schedule of Net Pension Liability**  
**June 30, 2015**

	City	Police	Fire
Total pension liability	\$ 63,957,877	\$ 46,975,074	\$ 40,686,746
Plan fiduciary net position	<u>(62,407,893)</u>	<u>(34,642,410)</u>	<u>(40,863,988)</u>
Net pension liability (asset)	<u>\$ 1,549,984</u>	<u>\$ 12,332,664</u>	<u>\$ (177,242)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>97.58%</u>	<u>73.75%</u>	<u>100.44%</u>
Covered-employee payroll	<u>\$ 10,444,622</u>	<u>\$ 5,146,036</u>	<u>\$ 6,908,246</u>
Net pension liability as a percentage of covered-employee payroll	<u>14.84%</u>	<u>239.65%</u>	<u>-2.57%</u>

City of Woonsocket, Rhode Island**Municipal Employees' Retirement System of Rhode Island****Required Supplementary Information****Schedules of Contributions****June 30, 2015**

Employee Group	Actuarial Determined Contribution as a Percentage of Payroll	Actual Amount Contributed by Participating Employers	Total Employer Contribution for the Prior Fiscal Year	Contribution Excess (Deficiency)	Covered Payroll
City	9.58%	9.58%	\$ 1,000,863	\$ -	\$ 10,444,622
Police	18.43%	18.43%	948,214	-	5,146,036
Fire	7.48%	7.48%	516,516	-	6,908,246

## City of Woonsocket, Rhode Island

## Municipal Employees' Retirement System of Rhode Island

## Notes to Required Supplementary Information

June 30, 2015

Changes of benefit terms	None
Change in assumptions	None
Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of payroll, closed
Asset Valuation Method	5 year smoothed market
Remaining Amortization Period	21 years
Inflation	2.75%
Salary Increases: City Police and Fire	3.50%-7.50%, average, including inflation 4.00%-14.00%, average, including inflation
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation

## City of Woonsocket, Rhode Island

## Employees' Retirement System of Rhode Island

Required Supplementary Information  
Schedule of Proportionate Share of the Net Pension Liability

June 30, 2015

	2015
City's proportion of the net pension liability (asset)	<u>2.17505093%</u>
City's proportionate share of the net pension liability (asset)	\$ 52,940,748
State's proportionate share of the net pension liability associated with City	<u>36,303,910</u>
Total	<u>\$ 89,244,658</u>
City's covered-employee payroll	<u>\$ 46,807,004</u>
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>113.10%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>61.40%</u>

## Schedule of Contributions

	2015
Contractually required contribution	\$ 4,282,918
Contributions in relation to the contractually required contribution	<u>4,282,918</u>
Contribution deficiency (excess)	<u>\$ -</u>
City's covered-employee payroll	<u>\$ 46,807,004</u>
Contributions as a percentage of covered-employee payroll	<u>9.15%</u>

## City of Woonsocket, Rhode Island

## Employees' Retirement System of Rhode Island

## Notes to Required Supplementary Information

June 30, 2015

Changes of benefit terms	None
Change in assumptions	None
Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of payroll, closed
Remaining Amortization Period	21 years
Inflation	2.75%
Salary Increases	3.50%-13.50%, average, including inflation
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation

**City of Woonsocket, Rhode island**  
**Police and Fire Employee Pension Plan**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability**  
**Last Two Years**

	2015	2014
Total pension liability:		
Service cost	\$ -	\$ -
Interest	5,227,317	5,897,857
Changes in benefit terms	12,365,666	-
Differences between expected and actual experience	2,159,333	(832,201)
Change of assumptions	1,400,059	8,827,989
Benefit payments, including refunds of member contributions	(8,025,228)	(7,852,600)
Net change in total pension liability	13,127,147	6,041,045
Total pension liability - July 1	88,534,461	82,493,416
Total pension liability - June 30 (a)	\$ 101,661,608	\$ 88,534,461
Plan fiduciary net position:		
Contributions - employer	\$ 3,550,035	\$ 3,466,953
Contributions - member	3,256	3,125
Net investment income	422,223	3,665,445
Benefit payments, including refunds of member contributions	(8,025,228)	(8,304,351)
Administration	(137,308)	(84,461)
Net change in plan fiduciary net position	(4,187,022)	(1,253,289)
Plan fiduciary net position - July 1	46,353,744	47,607,033
Plan fiduciary net position - June 30 (b)	\$ 42,166,722	\$ 46,353,744
Net pension liability - June 30 (a)-(b)	\$ 59,494,886	\$ 42,180,717

**City of Woonsocket, Rhode Island**  
**Police and Fire Employee Pension Plan**  
**Required Supplementary Information**  
**Schedule of Net Pension Liability**  
**Last Two Years**

	2015	2014
Total pension liability	\$ 101,661,608	\$ 88,534,461
Plan fiduciary net position	<u>(42,166,722)</u>	<u>(46,353,744)</u>
Net pension liability (asset)	<u>\$ 59,494,886</u>	<u>\$ 42,180,717</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>41.48%</u>	<u>52.36%</u>
Covered-employee payroll *	<u>\$ -</u>	<u>\$ -</u>
Net pension liability as a percentage of covered-employee payroll	<u>N/A</u>	<u>N/A</u>

\* All employees in the plan are retired as of June 30, 2015 and the plan is closed.

**Schedule of Investment Returns**  
**Last Two Years**

Annual money weighted rate of return, net investment expense	<u>1.47%</u>	<u>8.28%</u>
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City of Woonsocket, Rhode Island

## Police and Fire Employee Pension Plan

Required Supplementary Information  
Schedule of Contributions  
Last Ten Fiscal Years

Fiscal Year	Actuarial Determined Contribution	Contributions in Relation to the Actuarial Determined Contributions	Contribution Excess (Deficiency)	Covered Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2015	\$ 3,548,000	\$ 3,550,035	\$ 2,035	\$ -	N/A
2014	3,465,000	3,466,953	1,953	-	N/A
2013	3,618,476	1,003,151	(2,615,325)	65,494	1531.67%
2012	3,610,195	1,006,677	(2,603,518)	374,815	268.58%
2011	2,775,469	1,011,371	(1,764,098)	374,815	269.83%
2010	2,707,382	15,612	(2,691,770)	622,556	2.51%
2009	1,695,606	24,046	(1,671,560)	1,228,245	1.96%
2008	-	32,122	32,122	1,117,844	2.87%
2007	-	36,086	36,086	1,193,429	3.02%
2006	-	33,894	33,894	1,094,677	3.10%

N/A - All employees in the plan are retired as of June 30, 2015 and the plan is closed.

## City of Woonsocket, Rhode Island

## Police and Fire Employee Pension Plan

## Notes to Required Supplementary Information

June 30, 2015

Changes of benefit terms	None
Change in assumptions	None
Method and assumptions used in calculation of actuarially determined contributions	Actuarially determined contributions rates are calculated as of July 1, one year prior to the end of the fiscal year
The following actuarial methods and assumptions were used to determine the contribution rates reported in that schedule:	
Actuarial Cost Method	Entry age normal
Amortization Method	Closed, based upon the Funding Improvement Plan
Remaining Amortization Period	19 years
Asset Valuation Method	Fair value, 5 year smoothed
Inflation	2.2%
Salary Increases	N/A - No active participants
Investment Rate of Return	7.5%, net of pension plan investment expense, including inflation
Cost of Living Increases	Beginning in 2015, Alternating 0.00% and 2.00% until fiscal year ended 2023, at which point the COLA is 2.00% each year until the plan becomes at least 80% funded, at which point the COLA becomes 3.00%

**City of Woonsocket, Rhode Island  
Required Supplementary Information  
City of Woonsocket Other Post-Employment Benefit Plans  
Schedules of Funding Progress  
Last Seven Years**

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over (Under) Funded AAL as a Percentage of Covered Payroll
<b><u>City General Fund OPEB Plan</u></b>						
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%)
2013	-	95,973,786	(95,973,786)	0.0%	N/A	N/A
2014	-	118,808,135	(118,808,135)	0.0%	N/A	N/A
2015	-	121,531,905	(121,531,905)	0.0%	N/A	N/A
<b><u>City Water Fund OPEB Plan</u></b>						
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%)
2013	-	4,704,854	(4,704,854)	0.0%	N/A	N/A
2014	-	4,746,950	(4,746,950)	0.0%	N/A	N/A
2015	-	4,670,297	(4,670,297)	0.0%	N/A	N/A
<b><u>City Wastewater Fund OPEB Plan</u></b>						
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%)
2013	-	433,198	(433,198)	0.0%	N/A	N/A
2014	-	425,986	(425,986)	0.0%	N/A	N/A
2015	-	413,663	(413,663)	0.0%	N/A	N/A

(Continued)

**City of Woonsocket, Rhode Island  
Required Supplementary Information  
City of Woonsocket Other Post-Employment Benefit Plans  
Schedules of Funding Progress  
Last Seven Years**

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over (Under) Funded AAL as a Percentage of Covered Payroll
<b><u>City User Fund OPEB Plan</u></b>						
2009	\$ -	\$ 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%)
2013	-	400,931	(400,931)	0.0%	N/A	N/A
2014	-	374,956	(374,956)	0.0%	N/A	N/A
2015	-	351,894	(351,894)	0.0%	N/A	N/A
<b><u>Education Department OPEB Plan</u></b>						
2009	\$ -	47,145,503	(47,145,503)	0.0%	N/A	N/A
2010	-	55,275,280	(55,275,280)	0.0%	N/A	N/A
2011	-	57,310,469	(57,310,469)	0.0%	N/A	N/A
2012	-	59,447,193	(59,447,193)	0.0%	N/A	N/A
2013	-	24,746,975	(24,746,975)	0.0%	N/A	N/A
2014	-	25,592,568	(25,592,568)	0.0%	N/A	N/A
2015	-	26,151,259	(26,151,259)	0.0%	N/A	N/A

(Concluded)

**City of Woonsocket, Rhode Island**

**Other Post-Employment Benefit Plans**

**Required Supplementary Information  
Schedules of Employer Contributions  
Last Seven Years**

Year Ended June 30,	Annual Required Contributions	Actual Contributions	Percentage Contributed
<b><u>City General Fund OPEB Plan</u></b>			
2015	\$ 7,855,203	\$ 4,038,080	51.4%
2014	6,635,685	3,648,955	55.0%
2013	10,636,204	4,061,828	38.2%
2012	14,730,859	4,061,828	27.6%
2011	14,279,069	4,156,668	29.1%
2010	13,527,882	3,563,869	26.3%
2009	12,806,653	3,252,296	25.4%
<b><u>Education Department OPEB Plan</u></b>			
2015	\$ 1,938,656	\$ 1,077,948	55.6%
2014	1,843,726	1,148,499	62.3%
2013	4,755,479	2,009,321	42.3%
2012	4,580,611	2,233,551	48.8%
2011	4,019,151	2,133,511	53.1%
2010	3,884,919	1,934,163	49.8%
2009	-	-	N/A

(Continued)

City of Woonsocket, Rhode Island

Other Post-Employment Benefit Plans

Required Supplementary Information  
Schedules of Employer Contributions  
Last Seven Years

Year Ended June 30,	Annual Required Contributions	Actual Contributions	Percentage Contributed
<b><u>City Water Fund OPEB Plan</u></b>			
2015	\$ 283,476	\$ 314,734	111.0%
2014	270,234	294,683	109.0%
2013	465,527	273,850	58.8%
2012	637,266	273,874	43.0%
2011	586,840	254,275	43.3%
2010	559,047	220,105	39.4%
2009	531,989	201,696	37.9%
<b><u>City Wastewater Fund OPEB Plan</u></b>			
2015	\$ 21,710	\$ 30,085	138.6%
2014	21,103	27,372	129.7%
2013	24,132	24,280	100.6%
2012	26,464	23,204	87.7%
2011	25,311	25,026	98.9%
2010	24,649	19,892	80.7%
2009	23,951	23,951	100.0%
<b><u>City User Fund OPEB Plan</u></b>			
2015	\$ 41,908	\$ 38,868	92.7%
2014	19,527	44,427	227.5%
2013	32,107	60,974	189.9%
2012	32,364	56,128	173.4%
2011	-	-	N/A
2010	-	-	N/A
2009	-	-	N/A

(Concluded)

## City of Woonsocket, Rhode Island

## Other Post-Employment Benefit Plans

## Notes to Required Supplementary Information

June 30, 2015

Changes of benefit terms	None
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Change in assumptions	None
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The following actuarial methods and assumptions were used to determine the contribution rates reported in that schedule:

Actuarial Cost Method	Entry age normal
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Amortization Method	Level percent of salary, closed
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Remaining Amortization Period	30 years decreasing, closed
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Investment Rate of Return	4.0%, net of pension plan investment expense, including inflation
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Salary increases	2.5%
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Medical Healthcare Inflation Rate - Initial	7.0%
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Medical Healthcare Inflation Rate - Ultimate	5.0%
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Dental Healthcare Inflation Rate - Initial	5.0%
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Dental Healthcare Inflation Rate - Ultimate	5.0%
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Inflation	2.50%
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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, 2015

Grand List Year	Uncollected Taxes July 1, 2014	Current Year Levy	Lawful Corrections			Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2015
			Additions	Deductions	Abatements		Taxes	Interest, Liens & Other Fees	Total	
1990	\$ 1,789	\$ -	\$ -	\$ -	\$ -	\$ 1,789	\$ -	\$ -	\$ -	\$ 1,789
1991	3,880	-	-	-	-	3,880	-	-	-	3,880
1992	4,197	-	-	-	-	4,197	-	-	-	4,197
1993	4,784	-	-	-	-	4,784	-	-	-	4,784
1994	57,111	-	4,039	-	-	61,150	4,039	-	4,039	57,111
1995	57,821	-	-	-	-	57,821	-	-	-	57,821
1996	66,156	-	-	-	-	66,156	45	155	200	66,111
1997	90,238	-	-	-	-	90,238	-	-	-	90,238
1998	94,628	-	-	-	-	94,628	-	-	-	94,628
1999	95,148	-	-	-	-	95,148	-	-	-	95,148
2000	93,977	-	-	-	-	93,977	-	-	-	93,977
2001	150,059	-	-	-	-	150,059	-	-	-	150,059
2002	139,494	-	-	-	-	139,494	724	824	1,548	138,770
2003	134,647	-	-	-	-	134,647	166	-	166	134,481
2004	284,075	-	-	-	386	283,689	4,495	914	5,409	279,194
2005	295,166	-	-	-	386	294,780	3,383	1,331	4,714	291,397
2006	414,285	-	-	-	32,234	382,051	18,810	2,644	21,454	363,241
2007	445,679	-	-	-	32,060	413,619	22,740	2,826	25,566	390,879
2008	456,856	-	-	-	24,732	432,124	22,747	3,092	25,839	409,377
2009	460,402	-	-	-	23,731	436,671	20,944	2,357	23,301	415,727
2010	845,172	-	-	-	26,435	818,737	45,141	10,961	56,102	773,596
2011	911,075	-	200	-	28,961	882,314	69,900	17,402	87,302	812,414
2012	1,510,625	-	662	112	18,768	1,492,407	426,295	73,859	500,154	1,066,112
2013	2,999,267	-	3,165	-	14,439	2,987,993	1,688,013	237,129	1,925,142	1,299,980
Total prior years	9,616,531	-	8,066	112	202,132	9,422,353	2,327,442	353,494	2,680,936	7,094,911
2014	-	67,803,066	65,770	138	973,379	66,895,319	62,186,843	560,855	62,747,698	4,708,476
Total all years	\$ 9,616,531	\$ 67,803,066	\$ 73,836	\$ 250	\$ 1,175,511	\$ 76,317,672	\$ 64,514,285	\$ 914,349	\$ 65,428,634	\$ 11,803,387

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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, 2015

Special Revenue Funds

	Land & Outdoor Recreation Fund	Emergency Shelter Fund	Hamlet Ave Enhancement Fund	Juvenile Fire Setters Educational Fund	Woonsocket Police Confiscated Cash Fund	Planning Board Fund	Business Revolving Loan Fund
<u>Assets</u>							
Cash and cash equivalents	\$ 127,472	\$ -	\$ -	\$ 940	\$ 7,154	\$ 19,140	\$ 200
Receivables:							
Loans	-	-	-	-	-	-	39,800
Intergovernmental	-	34,656	-	-	-	-	-
<b>Total assets</b>	<b>\$ 127,472</b>	<b>\$ 34,656</b>	<b>\$ -</b>	<b>\$ 940</b>	<b>\$ 7,154</b>	<b>\$ 19,140</b>	<b>\$ 40,000</b>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ 34,656	\$ -	\$ -	\$ -	\$ 1,242	\$ -
Due to other funds	-	-	-	1,000	-	-	158,191
<b>Total liabilities</b>	<b>-</b>	<b>34,656</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>1,242</b>	<b>158,191</b>
<u>Deferred Inflows of Resources</u>							
Unavailable revenue - loans	-	-	-	-	-	-	39,800
<u>Fund Balances</u>							
Committed	127,472	-	-	-	7,154	17,898	-
Unassigned	-	-	-	(60)	-	-	(157,991)
<b>Total fund balances</b>	<b>127,472</b>	<b>-</b>	<b>-</b>	<b>(60)</b>	<b>7,154</b>	<b>17,898</b>	<b>(157,991)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 127,472</b>	<b>\$ 34,656</b>	<b>\$ -</b>	<b>\$ 940</b>	<b>\$ 7,154</b>	<b>\$ 19,140</b>	<b>\$ 40,000</b>

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2015

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	\$ 145,739	\$ 38,208	\$ 16,482	\$ 4,870	\$ 11	\$ 129
Receivables:							
Loans	64,553	3,736,910	-	-	-	-	-
Intergovernmental	-	10,400	-	-	12,568	-	-
Total assets	<u>\$ 66,060</u>	<u>\$ 3,893,049</u>	<u>\$ 38,208</u>	<u>\$ 16,482</u>	<u>\$ 17,438</u>	<u>\$ 11</u>	<u>\$ 129</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ 10,840	\$ -	\$ -	\$ 4,319	\$ -	\$ -
<u>Deferred inflows of Resources</u>							
Unavailable revenue - loans	64,553	3,736,910	-	-	-	-	-
<u>Fund Balances</u>							
Restricted	1,507	145,299	38,208	16,482	13,119	11	129
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 66,060</u>	<u>\$ 3,893,049</u>	<u>\$ 38,208</u>	<u>\$ 16,482</u>	<u>\$ 17,438</u>	<u>\$ 11</u>	<u>\$ 129</u>

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2015

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	\$ 2,023	\$ 1,970	\$ 276,907	\$ 117	\$ 104	\$ 3,889	\$ 66,919
Receivables:							
Intergovernmental	-	-	-	-	-	-	91,355
Due from other funds	-	-	22,702	-	-	-	158,191
<b>Total assets</b>	<b>\$ 2,023</b>	<b>\$ 1,970</b>	<b>\$ 299,609</b>	<b>\$ 117</b>	<b>\$ 104</b>	<b>\$ 3,889</b>	<b>\$ 316,465</b>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ 9,254	\$ -	\$ -	\$ -	\$ 122,008
<u>Fund Balances</u>							
Restricted	2,023	1,970	290,355	117	-	3,889	194,457
Committed	-	-	-	-	104	-	-
<b>Total fund balances</b>	<b>2,023</b>	<b>1,970</b>	<b>290,355</b>	<b>117</b>	<b>104</b>	<b>3,889</b>	<b>194,457</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,023</b>	<b>\$ 1,970</b>	<b>\$ 299,609</b>	<b>\$ 117</b>	<b>\$ 104</b>	<b>\$ 3,889</b>	<b>\$ 316,465</b>

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2015

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	\$ 10,922	\$ 771	\$ 15,116	\$ 31,838	\$ 2,818	\$ 108	\$ 418,771
Receivables:							
Accounts	-	-	-	-	-	-	1,117,683
Total assets	<u>\$ 10,922</u>	<u>\$ 771</u>	<u>\$ 15,116</u>	<u>\$ 31,838</u>	<u>\$ 2,818</u>	<u>\$ 108</u>	<u>\$ 1,536,454</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ 8,550	\$ -	\$ -	\$ -	\$ 418,771
<u>Deferred Inflows of Resources</u>							
Unavailable revenue - EMS charges receivable	-	-	-	-	-	-	1,117,683
<u>Fund Balances</u>							
Restricted	10,922	771	-	31,838	2,818	108	-
Committed	-	-	6,566	-	-	-	-
Total fund balances	<u>10,922</u>	<u>771</u>	<u>6,566</u>	<u>31,838</u>	<u>2,818</u>	<u>108</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,922</u>	<u>\$ 771</u>	<u>\$ 15,116</u>	<u>\$ 31,838</u>	<u>\$ 2,818</u>	<u>\$ 108</u>	<u>\$ 1,536,454</u>

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2015

Special Revenue Funds

	Woonsocket EMA Grant Fund	Library Fines & Fees Fund	Cass Park Improvement Grant Fund	Municipal Court Fund	Hamlet Ave. Economic Program Fund	RI LEAP Grant	Homeland Security Fire Grant Fund
<u>Assets</u>							
Cash and cash equivalents	\$ 11,596	\$ 59,402	\$ 245,562	\$ 13,576	\$ 777	\$ -	\$ 27,047
Receivables:							
Accounts	-	3,251	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	2,835
Due from other funds	1,000	-	-	300	-	-	1,797
Total assets	<u>\$ 12,596</u>	<u>\$ 62,653</u>	<u>\$ 245,562</u>	<u>\$ 13,876</u>	<u>\$ 777</u>	<u>\$ -</u>	<u>\$ 31,679</u>
<u>Liabilities</u>							
Accounts payable	\$ 736	\$ 21,487	\$ 233,416	\$ 760	\$ -	\$ -	\$ 1,459
Due to other funds	1,643	-	37	13,116	-	11,412	39,710
Total liabilities	<u>2,379</u>	<u>21,487</u>	<u>233,453</u>	<u>13,876</u>	<u>-</u>	<u>11,412</u>	<u>41,169</u>
<u>Fund Balances</u>							
Restricted	10,217	41,166	12,109	-	777	-	-
Unassigned	-	-	-	-	-	(11,412)	(9,490)
Total fund balances	<u>10,217</u>	<u>41,166</u>	<u>12,109</u>	<u>-</u>	<u>777</u>	<u>(11,412)</u>	<u>(9,490)</u>
Total liabilities and fund balances	<u>\$ 12,596</u>	<u>\$ 62,653</u>	<u>\$ 245,562</u>	<u>\$ 13,876</u>	<u>\$ 777</u>	<u>\$ -</u>	<u>\$ 31,679</u>

(Continued)



City of Woonsocket, Rhode Island

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2015

Special Revenue Funds

	Justice Assistance Grant 2012 Fund	Recycling Coordinator Fund	Recycling Containers Fund	Lead Hazard Demo Grant Fund	City Clerk Records Restoration Fund	Justice Assistance Grant 07 Fund
<u>Assets</u>						
Cash and cash equivalents	\$ 6,604	\$ 11,784	\$ 1	\$ 53,416	\$ 142,841	\$ -
Receivables:						
Accounts	3	-	-	-	-	-
Total assets	<u>\$ 6,607</u>	<u>\$ 11,784</u>	<u>\$ 1</u>	<u>\$ 53,416</u>	<u>\$ 142,841</u>	<u>\$ -</u>
<u>Liabilities</u>						
Accounts payable	\$ 3,239	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Fund Balances</u>						
Restricted	3,368	11,784	-	53,416	142,841	-
Committed	-	-	1	-	-	-
Total fund balances	<u>3,368</u>	<u>11,784</u>	<u>1</u>	<u>53,416</u>	<u>142,841</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 6,607</u>	<u>\$ 11,784</u>	<u>\$ 1</u>	<u>\$ 53,416</u>	<u>\$ 142,841</u>	<u>\$ -</u>

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2015

Special Revenue Funds

	Brownsfield Assessment Program Fund	Cultural Fund	Justice Assistance Grant 10 Fund	Fire EMA Donations Fund	War Memorial Preservation Fund	Police OT Special Projects Fund
<u>Assets</u>						
Cash and cash equivalents	\$ 200,616	\$ 3,447	\$ -	\$ 48,875	\$ 13,305	\$ 5,013
Due from other funds	-	-	-	2,150	-	-
Total assets	<u>\$ 200,616</u>	<u>\$ 3,447</u>	<u>\$ -</u>	<u>\$ 51,025</u>	<u>\$ 13,305</u>	<u>\$ 5,013</u>
<u>Liabilities</u>						
Accounts payable	\$ -	\$ 80	\$ -	\$ 5,914	\$ -	\$ -
Due to other funds	200,000	-	-	-	-	-
Total liabilities	<u>200,000</u>	<u>80</u>	<u>-</u>	<u>5,914</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>						
Restricted	616	3,367	-	45,111	-	5,013
Committed	-	-	-	-	13,305	-
Total fund balances	<u>616</u>	<u>3,367</u>	<u>-</u>	<u>45,111</u>	<u>13,305</u>	<u>5,013</u>
Total liabilities and fund balances	<u>\$ 200,616</u>	<u>\$ 3,447</u>	<u>\$ -</u>	<u>\$ 51,025</u>	<u>\$ 13,305</u>	<u>\$ 5,013</u>

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2015

	Special Revenue Funds				Permanent Funds	Total Nonmajor Governmental Funds	
	Retiree Medical	Police Miscellaneous Grants Fund	Renaud Field Donations Fund	Woonsocket Parks Donations Fund	Total Special Revenue Funds	School Permanent Fund	Total Nonmajor Governmental Funds
<u>Assets</u>							
Cash and cash equivalents	\$ 332,634	\$ -	\$ 10,010	\$ 1,502	\$ 2,382,133	\$ 238,089	\$ 2,620,222
Receivables:							
Loans	-	-	-	-	3,841,263	-	3,841,263
Accounts Intergovernmental	45	-	-	325	1,121,307	-	1,121,307
Due from other funds	-	-	-	-	151,814	-	151,814
	-	-	-	-	186,140	-	186,140
<b>Total assets</b>	<b>\$ 332,679</b>	<b>\$ -</b>	<b>\$ 10,010</b>	<b>\$ 1,827</b>	<b>\$ 7,682,657</b>	<b>\$ 238,089</b>	<b>\$ 7,920,746</b>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ -	\$ 74	\$ 876,805	\$ -	\$ 876,805
Due to other funds	-	-	4,500	-	429,609	-	429,609
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>4,500</b>	<b>74</b>	<b>1,306,414</b>	<b>-</b>	<b>1,306,414</b>
<u>Deferred Inflows of Resources</u>							
Unavailable revenue - loans	-	-	-	-	3,841,263	-	3,841,263
Unavailable revenue - EMS charges receivable	-	-	-	-	1,117,683	-	1,117,683
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,958,946</b>	<b>-</b>	<b>4,958,946</b>
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	185,929	185,929
Restricted	80,790	-	5,510	1,753	1,171,861	52,160	1,224,021
Committed	251,889	-	-	-	424,389	-	424,389
Unassigned	-	-	-	-	(178,953)	-	(178,953)
<b>Total fund balances</b>	<b>332,679</b>	<b>-</b>	<b>5,510</b>	<b>1,753</b>	<b>1,417,297</b>	<b>238,089</b>	<b>1,655,386</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 332,679</b>	<b>\$ -</b>	<b>\$ 10,010</b>	<b>\$ 1,827</b>	<b>\$ 7,682,657</b>	<b>\$ 238,089</b>	<b>\$ 7,920,746</b>

(Concluded)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2015

Special Revenue Funds

	Land & Outdoor Recreation Fund	Emergency Shelter Fund	Hamlet Ave Enhancement Fund	Juvenile Fire Setters Educational Fund	Woonsocket Police Confiscated Cash Fund	Planning Board Fund	Business Revolving Loan Fund
Revenues:							
Intergovernmental	\$ -	\$ 91,656	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	200
Investment income	227	-	-	1	-	-	-
Contributions	-	-	1,087	-	-	1,950	-
Total revenues	227	91,656	1,087	1	-	1,950	200
Expenditures:							
Current:							
Legislative	-	-	-	-	-	18,519	-
Public safety	-	91,656	-	-	-	-	-
Total expenditures	-	91,656	-	-	-	18,519	-
Net change in fund balances	227	-	1,087	1	-	(16,569)	200
Fund balances - July 1, 2014	127,245	-	(1,087)	(61)	7,154	34,467	(158,191)
Fund balances - June 30, 2015	\$ 127,472	\$ -	\$ -	\$ (60)	\$ 7,154	\$ 17,898	\$ (157,991)

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2015

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	\$ -	\$ 248,579	\$ -	\$ -	\$ 12,568	\$ -	\$ -
Charges for services	-	20,190	-	-	-	-	-
Investment income	-	-	44	-	-	-	2
Contributions	-	-	27,000	36,990	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>268,769</b>	<b>27,044</b>	<b>36,990</b>	<b>12,568</b>	<b>-</b>	<b>2</b>
Expenditures:							
Current:							
Legislative	-	-	5,530	1,068	-	-	-
Economic development	-	236,750	-	-	-	-	-
Human services	-	-	-	-	67,901	-	-
<b>Total expenditures</b>	<b>-</b>	<b>236,750</b>	<b>5,530</b>	<b>1,068</b>	<b>67,901</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	-	32,019	21,514	35,922	(55,333)	-	2
Other financing sources (uses):							
Transfers in	-	-	-	-	42,000	-	-
<b>Net change in fund balances</b>	<b>-</b>	<b>32,019</b>	<b>21,514</b>	<b>35,922</b>	<b>(13,333)</b>	<b>-</b>	<b>2</b>
Fund balances - July 1, 2014	1,507	113,280	16,694	(19,440)	26,452	11	127
<b>Fund balances - June 30, 2015</b>	<b>\$ 1,507</b>	<b>\$ 145,299</b>	<b>\$ 38,208</b>	<b>\$ 16,482</b>	<b>\$ 13,119</b>	<b>\$ 11</b>	<b>\$ 129</b>

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2015

	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	\$ -	\$ -	\$ 150,452	\$ 69,029	\$ -	\$ -	\$ 1,222,939
Charges for services	-	-	-	-	-	-	34,338
Investment income	2	2	-	15	3	10	-
Total revenues	2	2	150,452	69,044	3	10	1,257,277
Expenditures:							
Current:							
Public safety	-	-	93,244	107,254	-	6,504	-
Economic development	-	-	-	-	-	-	771,029
Education	-	-	-	-	30,414	-	-
Debt service:							
Principal	-	-	-	-	-	-	425,274
Interest and other costs	-	-	-	-	-	-	26,736
Total expenditures	-	-	93,244	107,254	30,414	6,504	1,223,039
Net change in fund balances	2	2	57,208	(38,210)	(30,411)	(6,494)	34,238
Fund balances - July 1, 2014	2,021	1,968	233,147	38,327	30,515	10,383	160,219
Fund balances - June 30, 2015	\$ 2,023	\$ 1,970	\$ 290,355	\$ 117	\$ 104	\$ 3,889	\$ 194,457

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2015

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	\$ -	\$ -	\$ 81,618	\$ 45,442	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	1,444,257
Investment income	13	1	-	-	3	-	-
Total revenues	13	1	81,618	45,442	3	-	1,444,257
Expenditures:							
Current:							
Public safety	-	-	81,464	69,285	-	-	77,913
Excess (deficiency) of revenues over expenditures	13	1	154	(23,843)	3	-	1,366,344
Other financing sources (uses):							
Transfers out	-	-	-	-	-	-	(1,366,344)
Net change in fund balances	13	1	154	(23,843)	3	-	-
Fund balances - July 1, 2014	10,909	770	6,412	55,681	2,815	108	-
Fund balances - June 30, 2015	\$ 10,922	\$ 771	\$ 6,566	\$ 31,838	\$ 2,818	\$ 108	\$ -

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2015

Special Revenue Funds

	Woonsocket EMA Grant Fund	Library Fines & Fees Fund	Cass Park Improvement Grant Fund	Municipal Court Fund	Hamlet Ave. Economic Program Fund	RI LEAP Grant	Homeland Security Fire Grant Fund
Revenues:							
Intergovernmental	\$ 2,000	\$ -	\$ 299,213	\$ -	\$ -	\$ -	\$ 25,513
Charges for services	-	47,154	-	-	-	-	-
Investment income	-	-	60	-	1	-	-
Total revenues	2,000	47,154	299,273	-	1	-	25,513
Expenditures:							
Current:							
Legislative	-	78,322	-	-	-	-	-
Public safety	9,063	-	-	-	-	-	24,911
Public works	-	-	272,370	-	-	9,216	-
Total expenditures	9,063	78,322	272,370	-	-	9,216	24,911
Net change in fund balances	(7,063)	(31,168)	26,903	-	1	(9,216)	602
Fund balances - July 1, 2014	17,280	72,334	(14,794)	-	776	(2,196)	(10,092)
Fund balances - June 30, 2015	\$ 10,217	\$ 41,166	\$ 12,109	\$ -	\$ 777	\$ (11,412)	\$ (9,490)

(Continued)



City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2015

Special Revenue Funds

	Justice Assistance Grant 2012 Fund	Recycling Coordinator Fund	Recycling Containers Fund	Lead Hazard Demo Grant Fund	City Clerk Records Restoration Fund	Justice Assistance Grant 07 Fund
Revenues:						
Intergovernmental	\$ 15,000	\$ -	\$ -	\$ 1,800	\$ -	\$ -
Charges for services	-	-	-	-	25,557	-
Investment income	-	14	-	-	4	1
<b>Total revenues</b>	<b>15,000</b>	<b>14</b>	<b>-</b>	<b>1,800</b>	<b>25,561</b>	<b>1</b>
Expenditures:						
Current:						
Legislative	-	-	-	-	28,159	-
Public safety	11,632	-	-	-	-	2,616
<b>Total expenditures</b>	<b>11,632</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,159</b>	<b>2,616</b>
Net change in fund balances	3,368	14	-	1,800	(2,598)	(2,615)
Fund balances - July 1, 2014	-	11,770	1	51,616	145,439	2,615
<b>Fund balances - June 30, 2015</b>	<b>\$ 3,368</b>	<b>\$ 11,784</b>	<b>\$ 1</b>	<b>\$ 53,416</b>	<b>\$ 142,841</b>	<b>\$ -</b>

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2015

Special Revenue Funds

	Brownsfield Assessment Program Fund	Cultural Fund	Justice Assistance Grant 10 Fund	Fire EMA Donations Fund	War Memorial Preservation Fund	Police OT Special Projects Fund
Revenues:						
Investment income	\$ -	\$ -	\$ -	\$ 15	\$ 16	\$ 6
Contributions	241	5,430	-	-	-	-
Total revenues	241	5,430	-	15	16	6
Expenditures:						
Current:						
Public safety	-	-	-	84,716	-	-
Human services	-	11,935	-	-	-	-
Total expenditures	-	11,935	-	84,716	-	-
Net change in fund balances	241	(6,505)	-	(84,701)	16	6
Fund balances - July 1, 2014	375	9,872	-	129,812	13,289	5,007
Fund balances - June 30, 2015	\$ 616	\$ 3,367	\$ -	\$ 45,111	\$ 13,305	\$ 5,013

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2015

	Special Revenue Funds				Total Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
	Retiree Medical	Police Miscellaneous Grants Fund	Renaud Field Donations Fund	Woonsocket Parks Donations Fund		School Permanent Fund	
Revenues:							
Intergovernmental	\$ -	\$ 8,130	\$ -	\$ -	\$ 2,273,939	\$ -	\$ 2,273,939
Charges for services	-	-	-	-	1,571,696	-	1,571,696
Investment income	350	-	10	-	800	285	1,085
Contributions	82,757	-	10,000	6,870	172,325	-	172,325
<b>Total revenues</b>	<b>83,107</b>	<b>8,130</b>	<b>10,010</b>	<b>6,870</b>	<b>4,018,760</b>	<b>285</b>	<b>4,019,045</b>
Expenditures:							
Current:							
Legislative	-	-	-	-	131,598	-	131,598
Public safety	-	5,622	-	-	665,880	-	665,880
Public works	-	-	-	8,246	289,832	-	289,832
Economic development	-	-	-	-	1,007,779	-	1,007,779
Human services	-	-	-	-	79,836	-	79,836
Education	-	-	-	-	30,414	-	30,414
Debt service:							
Principal	-	-	-	-	425,274	-	425,274
Interest and other costs	-	-	-	-	26,736	-	26,736
<b>Total expenditures</b>	<b>-</b>	<b>5,622</b>	<b>-</b>	<b>8,246</b>	<b>2,657,349</b>	<b>-</b>	<b>2,657,349</b>
Excess (deficiency) of revenues over expenditures	83,107	2,508	10,010	(1,376)	1,361,411	285	1,361,696
Other financing sources (uses):							
Transfers in	-	-	-	-	42,000	-	42,000
Transfers out	-	-	-	-	(1,366,344)	-	(1,366,344)
<b>Net other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,324,344)</b>	<b>-</b>	<b>(1,324,344)</b>
<b>Net change in fund balances</b>	<b>83,107</b>	<b>2,508</b>	<b>10,010</b>	<b>(1,376)</b>	<b>37,067</b>	<b>285</b>	<b>37,352</b>
Fund balances - July 1, 2014	249,572	(2,508)	(4,500)	3,129	1,380,230	237,804	1,618,034
<b>Fund balances - June 30, 2015</b>	<b>\$ 332,679</b>	<b>\$ -</b>	<b>\$ 5,510</b>	<b>\$ 1,753</b>	<b>\$ 1,417,297</b>	<b>\$ 238,089</b>	<b>\$ 1,655,386</b>

(Concluded)

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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, 2015

	EMS Public Fund	Valois Animal Trust Fund	Animal Donation Trust Fund	Fire Department Guard Donation Fund	Education Department Private-Purpose Trust Funds	Total Private- Purpose Trust Funds
<u>Assets</u>						
Cash and cash equivalents	\$ 305	\$ 22,337	\$ 5,390	\$ 175	\$ 47,583	\$ 75,790
Receivables: Accounts	-	-	1,375	-	-	1,375
Total assets	<u>\$ 305</u>	<u>\$ 22,337</u>	<u>\$ 6,765</u>	<u>\$ 175</u>	<u>\$ 47,583</u>	<u>\$ 77,165</u>
<u>Net Position</u>						
Held in trust for other purposes	<u>\$ 305</u>	<u>\$ 22,337</u>	<u>\$ 6,765</u>	<u>\$ 175</u>	<u>\$ 47,583</u>	<u>\$ 77,165</u>

## City of Woonsocket, Rhode Island

Combining Statement of Changes in Fiduciary Net Position  
Private-Purpose Trust Funds  
Year Ended June 30, 2015

	EMS Public Fund	Valois Animal Trust Fund	Animal Donation Trust Fund	Fire Department Guard Donation Fund	Education Department Private-Purpose Trust Funds	Total Private- Purpose Trust Funds
Additions:						
Contributions	\$ -	\$ -	\$ 6,714	\$ 50	\$ -	\$ 6,764
Investment income	1	27	1	-	279	308
Total additions	1	27	6,715	50	279	7,072
Deductions:						
Program expenses	-	-	-	-	-	-
Changes in net position	1	27	6,715	50	279	7,072
Net position - July 1, 2014	304	22,310	50	125	47,304	70,093
Net position - June 30, 2015	<u>\$ 305</u>	<u>\$ 22,337</u>	<u>\$ 6,765</u>	<u>\$ 175</u>	<u>\$ 47,583</u>	<u>\$ 77,165</u>

## City of Woonsocket, Rhode Island

**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**Year Ended June 30, 2015**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<u>Assets</u>				
Cash:				
Sidewalk deposit fund	\$ 3,160	\$ 4	\$ -	\$ 3,164
Curbing deposit fund	2,663	3	-	2,666
Construction escrow fund	530	23,253	15,507	8,276
Wasilewski-Bebe Fire COLA escrow fund	-	5,650	467	5,183
Deduction services fund	155,087	6,150,281	6,086,403	218,965
Fire dental plan	456,355	359,840	327,649	488,546
Woonsocket School Department agency funds	162,705	240,060	237,408	165,357
Total cash	<u>780,500</u>	<u>6,779,091</u>	<u>6,667,434</u>	<u>892,157</u>
Accounts receivable:				
Deduction services fund	-	3,086	-	3,086
Due from other funds:				
Deduction services fund	129	40,968	41,097	-
Woonsocket School Department agency funds	-	25,234	3,975	21,259
Total due from other funds	<u>129</u>	<u>66,202</u>	<u>45,072</u>	<u>21,259</u>
Total assets	<u>\$ 780,629</u>	<u>\$ 6,848,379</u>	<u>\$ 6,712,506</u>	<u>\$ 916,502</u>
<u>Liabilities</u>				
Deposits held for others:				
Sidewalk deposit fund	\$ 3,160	\$ 4	\$ -	\$ 3,164
Curbing deposit fund	2,663	3	-	2,666
Construction escrow fund	530	23,253	15,507	8,276
Wasilewski-Bebe Fire COLA escrow fund	-	2,193	467	1,726
Deduction services fund	17,762	5,943,120	5,907,786	53,096
Fire dental plan	456,355	359,840	327,649	488,546
Woonsocket School Department agency funds	162,705	265,294	241,383	186,616
Total deposits held for others	<u>643,175</u>	<u>6,593,707</u>	<u>6,492,792</u>	<u>744,090</u>
Accounts payable:				
Deduction services fund	-	202,882	200,786	2,096
Due to other funds:				
Wasilewski-Bebe Fire COLA escrow fund	-	3,457	-	3,457
Deduction services fund	137,454	48,333	18,928	166,859
Total due to other funds	<u>137,454</u>	<u>51,790</u>	<u>18,928</u>	<u>170,316</u>
Total liabilities	<u>\$ 780,629</u>	<u>\$ 6,848,379</u>	<u>\$ 6,712,506</u>	<u>\$ 916,502</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									
	2015	2014 (as restated)	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
Net investment in capital assets	\$ 102,916,832	\$ 101,963,913	\$ 101,948,625	\$ 97,455,150	\$ 96,210,608	\$ 93,385,222	\$ 101,536,700	\$ 96,694,726	\$ 95,941,555	\$ 98,765,441
Restricted	5,721,937	4,537,526	2,318,397	-	-	-	-	-	-	-
Unrestricted	(269,826,582)	(264,723,987)	(163,476,108)	(154,586,033)	(135,120,405)	(129,143,063)	(120,907,484)	(99,805,656)	(93,961,974)	(94,444,081)
Total governmental activities net position	(161,187,813)	(158,222,548)	(59,209,086)	(57,130,883)	(38,909,797)	(35,757,841)	(19,370,784)	(3,110,930)	1,979,581	4,321,360
Business-type activities:										
Net investment in capital assets	31,172,354	29,583,323	29,948,199	31,456,816	29,159,522	27,245,486	24,797,024	24,557,529	22,421,976	39,639,035
Restricted	7,561,236	22,433,356	16,755,396	-	-	-	-	-	-	-
Unrestricted	15,585,792	(3,215,654)	(2,352,719)	9,737,835	9,554,887	7,858,114	7,789,772	6,722,588	6,016,244	(11,490,825)
Total business-type activities net position	54,319,382	48,801,025	44,350,876	41,194,651	38,714,409	35,103,600	32,586,796	31,280,117	28,438,220	28,148,210
Total net position:										
Net investment in capital assets	134,089,186	131,547,236	131,896,824	128,911,966	125,370,130	120,630,708	126,333,724	121,252,255	118,363,531	138,404,476
Restricted	13,283,173	26,970,882	19,073,793	-	-	-	-	-	-	-
Unrestricted	(254,240,790)	(267,939,641)	(165,828,827)	(144,848,198)	(125,565,518)	(121,284,949)	(113,117,712)	(93,083,068)	(87,945,730)	(105,934,906)
Total net position	\$ (106,868,431)	\$ (109,421,523)	\$ (14,858,210)	\$ (15,936,232)	\$ (195,388)	\$ (654,241)	\$ 13,216,012	\$ 28,169,187	\$ 30,417,801	\$ 32,469,570

Table 2  
(1 of 2)

City of Woonsocket, Rhode Island

Changes in Net Position  
Last Ten Years  
(Unaudited)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Expenses:</b>										
<b>Governmental activities:</b>										
Executive	\$ 153,359	\$ 162,597	\$ 175,339	\$ 127,200	\$ 141,797	\$ 146,668	\$ 210,076	\$ 153,651	\$ 180,137	\$ 340,852
Legislative	2,269,146	2,099,437	2,324,463	1,424,654	1,366,402	1,225,806	1,434,284	1,645,928	1,520,754	1,649,687
Planning and development	1,085,732	583,944	1,178,352	612,450	690,177	715,071	775,314	794,841	806,388	786,247
Finance	1,661,140	1,784,636	2,271,095	1,572,842	1,385,553	1,525,472	2,006,066	1,710,406	1,644,305	1,490,673
Law	536,535	308,507	403,660	487,258	620,842	191,769	382,216	226,052	215,840	250,016
Public safety	46,018,271	32,854,930	34,955,286	34,890,322	34,637,335	33,575,589	24,310,365	21,894,317	20,608,274	20,805,230
Public works	8,098,868	8,338,072	8,300,406	6,950,730	7,202,354	7,761,137	8,070,942	8,576,164	8,931,813	9,022,351
Economic development	117,155	819,855	1,119,173	1,645,254	2,531,324	2,225,884	1,966,042	4,065,480	3,956,618	2,571,553
Human services	223,096	194,807	307,969	262,439	334,611	223,392	380,099	323,987	300,562	347,947
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
Education	82,136,198	78,901,007	79,069,690	83,653,677	82,596,333	76,967,143	78,998,410	81,124,700	74,619,064	72,289,108
Budget commission	394,821	649,569	549,144	-	-	-	-	-	-	-
Interest and other costs	9,124,849	9,798,878	11,701,389	10,925,297	10,600,441	9,170,992	7,103,776	7,328,322	6,697,190	7,527,520
<b>Total governmental activities expenses</b>	<b>151,819,170</b>	<b>136,496,239</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>Business-type activities:</b>										
Water Fund	5,448,953	5,514,730	6,102,394	5,764,643	5,843,994	5,603,322	5,821,402	5,342,511	6,128,007	5,043,242
Regional Wastewater Fund	6,104,575	5,351,428	5,621,716	5,938,863	6,145,985	5,040,488	5,146,717	5,499,245	5,324,676	10,010,922
Thundermist hydro	-	-	-	-	1,732	21,354	8,506	14,226	13,290	24,518
User Charge Fund	6,689,257	5,677,027	5,344,560	6,501,521	6,192,121	5,811,673	5,702,595	5,790,891	5,753,844	-
School Proprietary Fund	3,173,114	2,983,994	2,576,240	2,571,009	2,711,848	2,738,282	2,736,494	2,842,042	2,687,295	2,617,668
<b>Total business-type activities expenses</b>	<b>21,415,899</b>	<b>19,527,179</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>Total expenses</b>	<b>173,235,069</b>	<b>156,023,418</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>Program revenues:</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Legislative	2,200,275	2,070,172	1,853,214	1,144,648	1,324,179	1,163,711	1,307,113	1,714,515	2,080,136	1,561,061
Planning and development	-	-	-	205,102	209,160	9,521	136,186	162,374	150,082	382,971
Finance	-	-	-	80,168	50,644	73,356	54,000	52,000	52,000	3,530
Public safety	1,553,160	1,744,009	1,505,480	1,271,866	1,361,706	1,264,407	1,188,112	1,261,340	458,361	734,134
Public works	1,967,963	2,415,064	3,565,250	1,723,286	1,685,764	1,511,539	836,048	602,751	504,802	635,421
Economic development	302,762	75,346	967,384	522,988	685,983	486,687	1,083,586	780,151	774,988	-
Human services	-	-	-	-	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	811,008	821,820	917,036	3,585,837	3,567,184	3,180,721	2,676,933	2,832,663	2,210,755	1,073,741
Operating grants and contributions	67,794,701	64,916,857	61,649,075	63,547,583	69,056,919	61,844,050	62,732,110	67,578,563	66,400,300	47,997,623
Capital grants and contributions	5,351,014	5,382,193	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>79,980,883</b>	<b>77,425,461</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>

(Continued)

City of Woonsocket, Rhode Island

Changes in Net Position  
Last Ten Years  
(Unaudited)

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Business-type activities:</b>										
Charges for services:										
Water Fund	\$ 7,918,853	\$ 7,886,743	\$ 7,537,390	\$ 7,232,680	\$ 7,328,130	\$ 7,192,384	\$ 7,418,711	\$ 8,027,520	\$ 6,729,477	\$ 7,205,602
Regional Wastewater Fund	6,961,132	5,940,922	5,541,200	7,109,179	6,649,082	5,671,962	6,015,124	5,878,340	5,860,833	10,665,676
Thundemist hydro	-	-	-	-	145,783	94,521	-	-	-	-
User Charge Fund	8,561,284	7,923,112	7,182,172	6,527,603	5,952,491	5,662,763	5,503,431	5,512,651	5,308,093	-
School Proprietary Fund	292,090	301,805	342,042	2,502,867	2,541,913	2,786,468	575,785	597,454	697,887	2,448,965
Operating grants and contributions	3,043,158	2,564,647	2,198,330	-	-	-	2,078,140	2,049,806	1,920,320	-
<b>Total business-type activities program revenues</b>	<b>26,776,517</b>	<b>24,617,229</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>Total program revenues</b>	<b>106,757,400</b>	<b>102,042,690</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>Net revenue (expense):</b>										
Governmental activities	(71,838,287)	(59,070,778)	(66,483,635)	(77,997,487)	(71,409,900)	(72,021,951)	(60,321,716)	(59,494,300)	(54,833,670)	(72,384,808)
Business-type activities	5,360,618	5,090,050	3,156,224	2,596,293	1,721,719	2,192,979	2,175,477	2,576,856	609,498	2,623,893
<b>Total net revenue (expense)</b>	<b>(66,477,669)</b>	<b>(53,980,728)</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>General revenues and other changes in net assets:</b>										
Governmental activities:										
Property taxes	63,293,047	60,068,868	60,275,781	55,896,272	53,820,107	47,806,294	44,670,491	43,526,292	41,098,056	39,253,412
Grants and contributions not restricted to specific programs	5,719,930	5,888,847	2,504,824	2,408,192	2,397,853	6,664,268	8,919,513	10,603,884	11,269,260	11,576,621
Unrestricted investment earnings	17,576	6,731	294	2,443	6,912	16,235	26,215	258,413	334,666	635,764
Other general revenues - net	-	-	-	-	-	-	-	15,200	-	17,667,275
Host community agreement revenue	-	-	-	2,088,216	653,297	1,159,097	-	-	-	-
Transfers	(157,531)	-	-	-	(1,989,475)	(11,000)	-	-	-	-
<b>Total governmental activities</b>	<b>68,873,022</b>	<b>65,964,446</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>Business-type activities:</b>										
Unrestricted investment earnings	208	81	1	133,316	123,745	260,398	283,492	265,041	389,409	162,726
Other	-	-	-	-	-	52,427	(821,997)	-	-	-
Transfers	157,531	-	-	-	1,989,475	11,000	-	-	-	-
<b>Total business-type activities</b>	<b>157,739</b>	<b>81</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>Total general revenues</b>	<b>69,030,761</b>	<b>65,964,527</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>Change in net position:</b>										
Governmental activities	(2,965,265)	6,893,668	(3,702,736)	(17,602,364)	(16,521,206)	(16,387,057)	(6,705,497)	(5,090,511)	(2,131,688)	(3,251,736)
Business-type activities	5,518,357	5,090,131	3,156,225	2,729,609	3,834,939	2,516,804	1,636,972	2,841,897	998,907	2,786,619
<b>Total change in net position</b>	<b>\$ 2,553,092</b>	<b>\$ 11,983,799</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>

(Concluded)