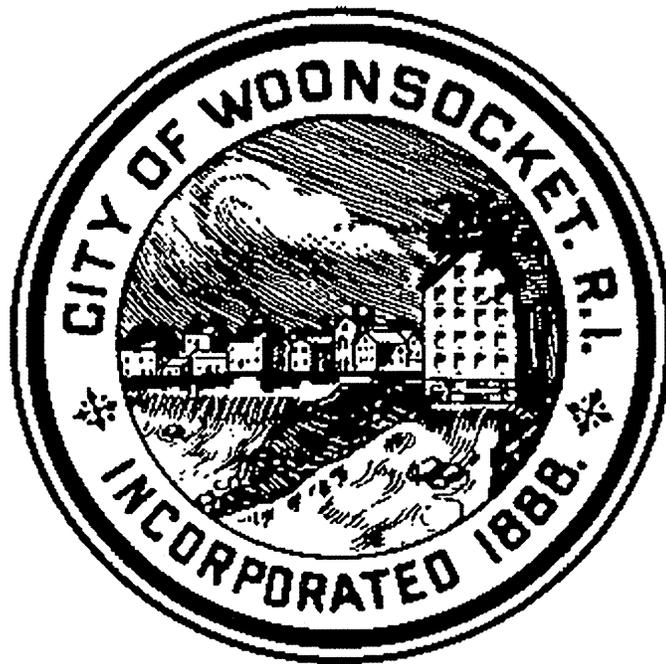


**Annual Financial Report of the
City of Woonsocket, Rhode Island
Year Ended June 30, 2014**



City of Woonsocket, Rhode Island

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City of Woonsocket, Rhode Island

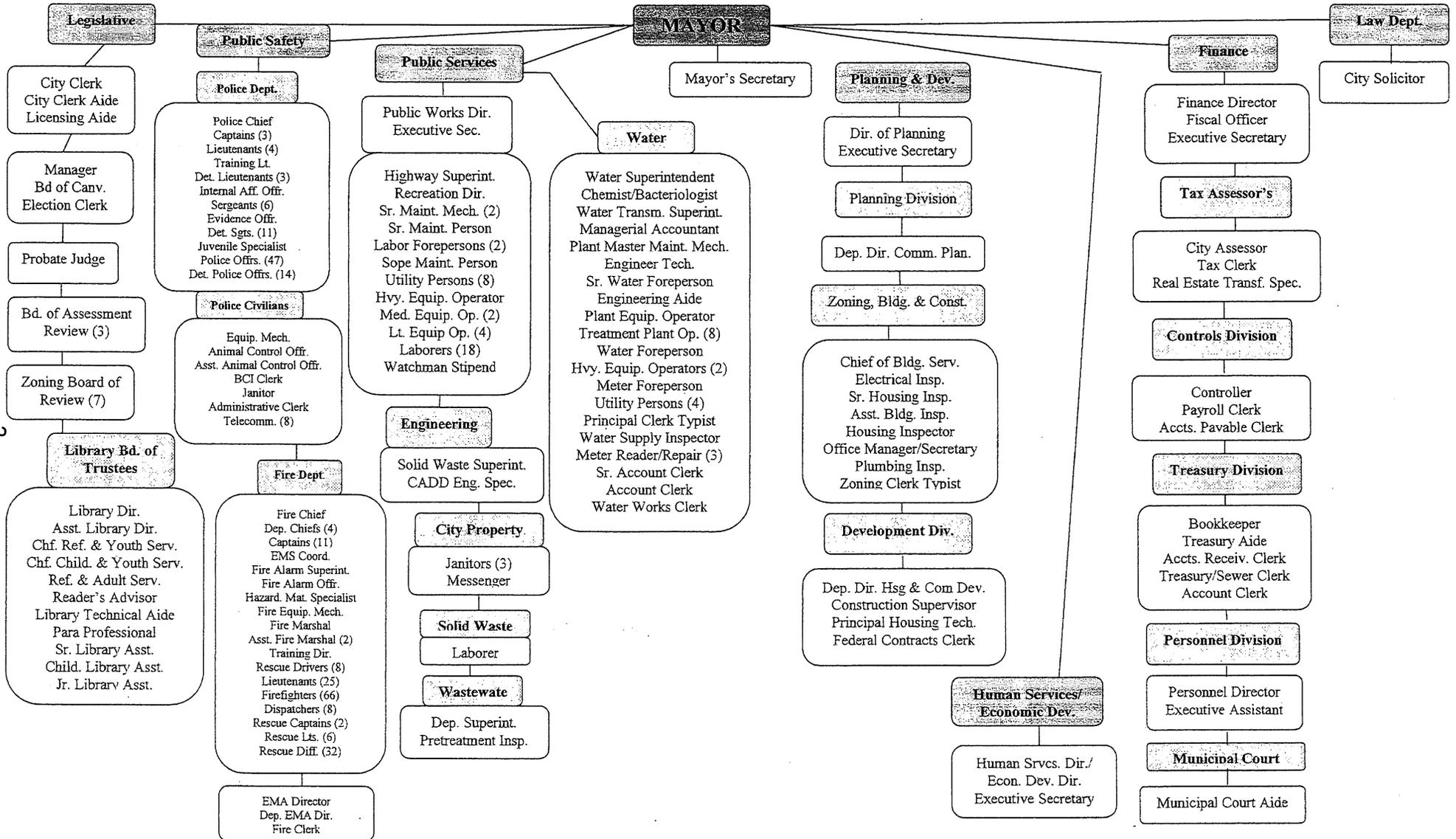
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Introductory Section

City of Woonsocket, Rhode Island
List of Elected and Appointed Officials
June 30, 2014

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	Vacant
Fire Chief	Paul Shatraw
Police Chief	Thomas Carey
City Clerk	Christina Duarte
City Solicitor	Michael Marcello
Superintendent of Schools	Vacant
Business Manager	Brad Peryea



2

Financial Section

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, 2014, 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, 2014, 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 16, pages 72 to 74 and pages 75 and 85, 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.

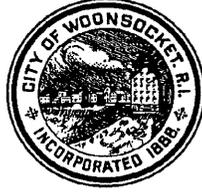
The introductory and trend information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2015, on our consideration of the City of Woonsocket, Rhode Island's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Woonsocket, Rhode Island's internal control over financial reporting and compliance.

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

New London, Connecticut
February 13, 2015



CITY OF WOONSOCKET, RHODE ISLAND
OFFICE OF THE FINANCE DIRECTOR

Management's Discussion and Analysis
Year Ended June 30, 2014

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, 2014.

Financial Highlights

- On a government-wide basis, liabilities and deferred inflows of resources of the City exceeded its assets by \$(2,874,411). Net position for the Governmental Activities is a deficit of \$(52,315,418) and net position for Business-Type Activities is \$49,441,007. Of the City's total net position, there is no unrestricted balance in net position at June 30, 2014.
- On a government-wide basis, total net position increased by \$11,983,799. The increase is due to capital asset acquisitions in excess of depreciation coupled with overall favorable increases in revenues and decreases in expenses.
- Net position increased \$6,893,668 for Governmental Activities and increased by \$5,090,131 for Business-Type Activities.
- At June 30, 2014, the City's governmental funds reported combined ending fund balance of \$4,623,485, an increase of \$5,219,295 in comparison with the prior year. \$1,065,116 of this amount is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance in the General Fund was \$1,065,116.
- The City's total bonded debt and notes payable increased by \$10,016,719 during the current fiscal year as a result of the issuance of \$20,000,000 of Rhode Island clean water obligations, less principal payments of \$9,983,281.
- The City's total net capital assets increased by \$1,697,649 during the current fiscal year. The increase is attributable to current year additions which exceeded depreciation expense.

Overview of the Basic Financial Statements

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

Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public works, public safety, health and welfare, culture and recreation, and education. The business-type activities of the City include the Water Fund, the Regional Wastewater Fund, the User Charge Fund and the School Proprietary Fund.

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into the following three categories: governmental funds, proprietary funds and fiduciary funds.

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

Overview of the Basic Financial Statements (continued)

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

The City maintains 60 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, city capital projects fund, city capital fund, WED capital fund, school unrestricted fund and Woonsocket schools restricted 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.

Overview of the Basic Financial Statements (continued)

Other Information

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

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

Government-Wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. In the case of the City, liabilities and deferred inflows of resources exceeded assets by \$(2,874,411) at the close of the current fiscal year.

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

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 29,762,088	\$ 26,802,668	\$ 46,122,837	\$ 35,406,350	\$ 75,884,925	\$ 62,209,018
Capital assets (net)	190,953,842	195,445,549	60,662,081	54,472,725	251,615,923	249,918,274
Total assets	220,715,930	222,248,217	106,784,918	89,879,075	327,500,848	312,127,292
Other liabilities outstanding	29,410,797	28,673,857	4,514,088	10,180,619	33,924,885	38,854,476
Long-term liabilities outstanding	243,597,206	249,979,617	52,829,823	35,347,580	296,427,029	285,327,197
Total liabilities	273,008,003	278,653,474	57,343,911	45,528,199	330,351,914	324,181,673
Deferred inflows of resources	23,345	2,803,829	-	-	23,345	2,803,829
Net position:						
Net investment in capital assets	101,963,913	101,948,625	29,583,323	29,948,199	131,547,236	131,896,824
Restricted	4,537,526	2,318,397	22,433,356	16,755,396	26,970,882	19,073,793
Unrestricted	(158,816,857)	(163,476,108)	(2,575,672)	(2,352,719)	(161,392,529)	(165,828,827)
Total net position	\$ (52,315,418)	\$ (59,209,086)	\$ 49,441,007	\$ 44,350,876	\$ (2,874,411)	\$ (14,858,210)

By far, the largest portion of the City's net position \$131,547,236 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 \$(161,392,529).

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-Wide Financial Analysis (continued)

- The City's net position increased by \$11,983,799 during the current fiscal year. This increase is due substantially to capital asset acquisitions in excess of depreciation coupled with overall favorable increases in revenues and decreases in expenses.

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

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 7,126,411	\$ 8,808,364	\$ 22,052,582	\$ 20,602,804	\$ 29,178,993	\$ 29,411,168
Operating grants and contributions	64,916,857	61,649,075	2,564,647	2,198,330	67,481,504	63,847,405
Capital grants and contributions	5,382,193	5,414,892	-	-	5,382,193	5,414,892
General revenues:						
Property taxes	60,068,868	60,275,781	-	-	60,068,868	60,275,781
Grants and contributions not restricted to specific programs	5,888,847	2,504,824	-	-	5,888,847	2,504,824
Investment income	6,731	294	81	1	6,812	295
Total revenues	143,389,907	138,653,230	24,617,310	22,801,135	168,007,217	161,454,365
Expenses:						
Executive	162,597	175,339	-	-	162,597	175,339
Legislative - general government	2,099,437	2,324,463	-	-	2,099,437	2,324,463
Planning and development	583,944	1,178,352	-	-	583,944	1,178,352
Finance	1,784,636	2,271,095	-	-	1,784,636	2,271,095
Law	308,507	403,660	-	-	308,507	403,660
Public safety	32,854,930	34,955,286	-	-	32,854,930	34,955,286
Public works	8,338,072	8,300,406	-	-	8,338,072	8,300,406
Economic development	819,855	1,119,173	-	-	819,855	1,119,173
Human services	194,807	307,969	-	-	194,807	307,969
Education	78,901,007	79,069,690	-	-	78,901,007	79,069,690
Budget commission	649,569	549,144	-	-	649,569	549,144
Interest and other costs	9,798,878	11,701,389	-	-	9,798,878	11,701,389
Water Fund	-	-	5,514,730	6,102,394	5,514,730	6,102,394
Regional Wastewater Fund	-	-	5,351,428	5,621,716	5,351,428	5,621,716
User Charge Fund	-	-	5,677,027	5,344,560	5,677,027	5,344,560
School Proprietary Fund	-	-	2,983,994	2,576,240	2,983,994	2,576,240
Total expenses	136,496,239	142,355,966	19,527,179	19,644,910	166,023,416	162,000,876
Change in net position	6,893,668	(3,702,736)	5,090,131	3,156,225	11,983,799	(546,511)
Net position - July 1	(59,209,086)	(55,506,350)	44,350,876	41,194,651	(14,858,210)	(14,311,699)
Net position - June 30	<u>\$ (52,315,418)</u>	<u>\$ (59,209,086)</u>	<u>\$ 49,441,007</u>	<u>\$ 44,350,876</u>	<u>\$ (2,874,411)</u>	<u>\$ (14,858,210)</u>

Government-Wide Financial Analysis (continued)

Governmental Activities - Governmental activities resulted in an increase of the City's net position by \$6,893,668. A discussion of fiscal year 2014 activity follows:

Revenues

Governmental activities revenues totaled \$143,389,907 for fiscal year 2014. This represents an increase of \$4,736,677 from the prior year. Operating grants and contributions are the largest revenue source for the City and represent 45.3% 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 41.9% of revenues. Current tax collections were 95.2% of the adjusted tax levy. Capital grants and contributions revenues which include grants for school building construction and other general government activities account for 3.8%. Grants and contributions not restricted to a specific program include payments in lieu of taxes and represents 4.1% of revenues. Charges for services accounted for 4.9% of revenue.

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

- Charges for services decreased by \$1,681,953 due to decreases in host fees and water department revenues.
- Operating grants and contributions increased by \$3,267,782 due to an increase in education funding.
- Grants and contributions not restricted to specific programs increased from the prior year by \$3,384,023 due to a reclassification of state grant funds for payment in lieu of taxes. In prior years, the amount was included in the current taxes revenue line.

Expenses

Governmental expenses totaled \$136,496,239 for the fiscal year, a decrease of \$5,859,727. Of the expenses, \$78,901,007 or 57.8% is related to education. Public safety expenses were \$32,854,930 or 24.1%, public works expenses amounted to \$8,338,072 or 6.1% and interest expense on long-term debt was \$9,798,878 or 7.2%.

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

- Public safety expenses decreased by \$2,100,356 due to a reduction in the allocation of pension and OPEB obligations.
- Interest and other costs decreased \$1,902,511 due to debt reduction.

Government-Wide Financial Analysis (continued)

Business-Type Activities - Business-type activities resulted in an increase to the City's net position of \$5,090,131. 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 \$2,372,013, as a result of operating revenues that outpaced operating expenses. Total net position at the end of the year was \$26,896,993.
- The Regional Wastewater Fund reported net income of \$589,494 at year end. Total net position at the end of the year was \$18,873,130.
- User Charge Fund operations had net income of \$2,246,166. Revenues increased and operating expenses decreased over the prior year. At year end, total net position was \$3,575,681.
- Net position in the School Proprietary Fund was \$95,203 at year end. Operations resulted in a net loss of \$117,542.

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, 2014, the City's governmental funds reported combined ending fund balance of \$4,623,485, an increase of \$5,219,295 in comparison with the prior year. Of this total amount, \$379,218 is nonspendable fund balance, \$1,436,942 is restricted fund balance, \$3,303,296 constitutes committed fund balance and \$305,163 represents assigned fund balance. The remainder is a deficit, unassigned fund balance of \$(801,134).

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 \$1,065,116, while total fund balance reached \$1,563,568.

The City's total fund balance in the general fund increased by \$1,238,418 during the current fiscal year. This increase was after a year end fund balance transfer of \$2,114,655 to the newly created City capital fund.

Financial Analysis of the City's Funds (continued)

City Capital Projects Fund. This fund accounts for financial resources to be used for capital projects of the City. The fund's expenditures and other financing uses exceeded revenues and other financing sources by \$1,393,878 for the fiscal year. This is a result of transfer out to the general fund in the amount of \$1,395,757.

City Capital Fund. This newly created fund accounts for operating surplus funding set aside for City capital projects as per a resolution enacted by the City of Woonsocket Budget Commission. Funded by a transfer in from the general fund, fund balance at year end was \$2,114,655.

WED Capital Fund. This newly created 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. Funded by a transfer in from the school unrestricted fund, fund balance at year end was \$800,000.

School Unrestricted Fund. This fund accounts for operations of the education department. Fund revenues and transfers in exceeded expenditures and transfers out by \$2,234,337 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 \$126,461 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.

Water Fund. There was an increase in net position of \$2,372,013 in the Water Fund which was in line with prior year results. Unrestricted net position of the Water Fund was \$5,644,613 at year end.

Regional Wastewater Fund. There was an increase in net position of \$589,494 which was in line with the planned operations for the year. Unrestricted net position of the Regional Wastewater Fund was a deficit of \$(11,047,256) at year end.

User Charge Fund. Net position increased \$2,246,166 due to an increase in revenues and a decrease in operating costs. Unrestricted net position for the User Charge Fund was \$2,789,224 at year end.

School Proprietary Fund. Net position decreased \$(117,542) due to depreciation expense charged to operations. Unrestricted net position of the School Proprietary Fund was \$95,203 at year end.

General Fund Budgetary Highlights

Revenues exceeded expenditures and other financing uses by \$4,034,337. This operating result was primarily due to collection of prior taxes exceeding budgetary estimates by approximately \$700,000 and education expenditures coming in in excess of \$2,700,000 under budget.

School Unrestricted Fund Budgetary Highlights

Revenues and other financing sources exceeded expenditures and other financing uses by \$2,234,337. 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, 2014 amounted to \$190,953,842 and \$60,662,081, 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 \$1,697,649.

City of Woonsocket, Rhode Island
Capital Assets - Net

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 22,307,537	\$ 22,307,537	\$ 960,321	\$ 960,321	\$ 23,267,858	\$ 23,267,858
Construction in progress	454,729	753,008	11,736,865	5,029,411	12,191,594	5,782,419
Buildings and improvements	137,466,106	140,903,369	22,700,545	23,536,714	160,166,651	164,440,083
Machinery and equipment	955,428	1,048,564	1,409,469	356,119	2,364,897	1,404,683
Vehicles	1,235,618	1,174,694	26,719	179,609	1,262,337	1,354,303
Infrastructure	28,534,424	29,258,377	23,828,162	24,410,551	52,362,586	53,668,928
Total	<u>\$ 190,953,842</u>	<u>\$ 195,445,549</u>	<u>\$ 60,662,081</u>	<u>\$ 54,472,725</u>	<u>\$ 251,615,923</u>	<u>\$ 249,918,274</u>

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

- \$543,000 of vehicle additions.
- Construction in progress in the Regional Wastewater Fund of \$7,227,000.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Asset and Debt Administration (continued)

Long-term Debt - At the end of the current fiscal year, the City had total bonded debt and loans outstanding of \$226,765,533 backed by the full faith and credit of the City.

City of Woonsocket, Rhode Island
Outstanding Debt
General Obligation Bond and Notes

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
General obligation bonds and notes	\$ 172,858,590	\$ 181,659,872	\$ 44,293,000	\$ 25,474,999	\$ 217,151,590	\$ 207,134,871
Leases payable	442,188	802,705	9,171,455	10,592,174	9,613,643	11,394,879
Totals	\$ 173,300,778	\$ 182,462,577	\$ 53,464,455	\$ 36,067,173	\$ 226,765,233	\$ 218,529,750

The City's total debt increased by \$8,235,483 during the current fiscal year. The increase is a direct result of new issuances exceeded principal payments.

The City maintains a B rating from Fitch and a B3 rating from Moody's Investors Service.

State Statutes limit the amount of general obligation debt a governmental entity may have outstanding to 3% of its assessed value of property values. The City of Woonsocket's limit is approximately \$48,000,000 at June 30, 2014. The City's outstanding general obligation debt is \$217,151,590 at year end, of which \$20,273,590 is subject to legal debt limits. The debt limit calculation does not include \$79,380,000 of pension obligation bonds, \$68,035,000 of Middle School bonds, \$5,170,000 of deficit reduction bonds, and \$44,293,000 of Rhode Island Clean water bonds as they are exempt from the legal debt limit calculation under Rhode Island Public Law.

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

Economic Factors and Next Year's Budgets and Rates

The City of Woonsocket's total general fund budget for fiscal year 2015 is \$131,629,122, which reflects an increase of \$3,994,731 from the fiscal 2014 budget. In the City's 2015 budget, \$16,166,330 of tax and other revenues, or 20.57%, is allocated for educational purposes and \$62,356,053, or 79.35%, is budgeted for other purposes and \$59,807, or .08%, is reserved for operating surplus. Total Education Department budget included in the City's General Fund budget is \$69,273,069, which represents approximately 53% of the City's total budget.

The School Department budget for the fiscal year 2015 is \$69,273,069. 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 2015 to contribute \$50,690,278 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 2015 are \$35.94 per thousand for residential real estate, \$39.99 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"). The budget commission has developed a five-year deficit reduction plan.

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.

Basic Financial Statements

City of Woonsocket, Rhode Island

Statement of Net Position
June 30, 2014

<u>Assets</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents	\$ 10,523,746	\$ 16,705,050	\$ 27,228,796
Cash held in escrow	-	22,433,356	22,433,356
Receivables (net):			
Property taxes	3,611,580	-	3,611,580
Accounts	3,972,220	5,206,447	9,178,667
Intergovernmental	2,978,780	152,670	3,131,450
Loans	50,000	-	50,000
Inventories	5,294	-	5,294
Internal balances	1,914,765	(1,914,765)	-
Other	590,595	-	590,595
Total current assets	<u>23,646,980</u>	<u>42,582,758</u>	<u>66,229,738</u>
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash	51,875	277,570	329,445
Investments	-	3,119,112	3,119,112
Permanantly restricted:			
Cash	185,929	-	185,929
Total restricted assets	<u>237,804</u>	<u>3,396,682</u>	<u>3,634,486</u>
Other noncurrent assets:			
Receivables (net)			
Property taxes	2,334,075	-	2,334,075
Loans	3,543,229	-	3,543,229
Total receivables (net):	<u>5,877,304</u>	<u>-</u>	<u>5,877,304</u>
Net OPEB asset	<u>-</u>	<u>143,397</u>	<u>143,397</u>
Capital assets (net of accumulated depreciation):			
Land	22,307,537	960,321	23,267,858
Construction in progress	454,729	11,736,865	12,191,594
Buildings and improvements	137,466,106	22,700,545	160,166,651
Machinery and equipment	955,428	1,409,469	2,364,897
Vehicles	1,235,618	26,719	1,262,337
Infrastructure	28,534,424	23,828,162	52,362,586
Total capital assets (net of accumulated depreciation)	<u>190,953,842</u>	<u>60,662,081</u>	<u>251,615,923</u>
Total noncurrent assets	<u>197,068,950</u>	<u>64,202,160</u>	<u>261,271,110</u>
Total assets	<u>220,715,930</u>	<u>106,784,918</u>	<u>327,500,848</u>

(Continued)

City of Woonsocket, Rhode Island

Statement of Net Position
June 30, 2014

	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 6,992,985	\$ 1,973,366	\$ 8,966,351
Accrued wages payable	7,564,636	-	7,564,636
Accrued interest payable	2,961,879	108,250	3,070,129
Unearned revenue	508,994	39,285	548,279
Bonds and notes payable	9,291,282	902,000	10,193,282
Compensated absences	1,665,000	-	1,665,000
Capital lease obligation	352,591	1,491,187	1,843,778
Claims and judgments	59,430	-	59,430
Landfill postclosure obligation	14,000	-	14,000
	<u>29,410,797</u>	<u>4,514,088</u>	<u>33,924,885</u>
Total current liabilities			
Noncurrent liabilities:			
Bonds, notes and related liabilities	165,000,049	43,391,000	208,391,049
Compensated absences	6,661,342	253,730	6,915,072
Capital lease obligation	89,597	7,680,268	7,769,865
Landfill postclosure obligation	542,000	-	542,000
Net OPEB obligation	60,274,785	1,504,825	61,779,610
Net pension obligation	11,029,433	-	11,029,433
	<u>243,597,206</u>	<u>52,829,823</u>	<u>296,427,029</u>
Total noncurrent liabilities			
Total liabilities			
	<u>273,008,003</u>	<u>57,343,911</u>	<u>330,351,914</u>
<u>Deferred Inflows of Resources</u>			
Advance property tax collections	23,345	-	23,345
<u>Net Position</u>			
Investment in capital assets	101,963,913	29,583,323	131,547,236
Restricted for:			
Endowments:			
Nonexpendable	185,929	-	185,929
Expendable	51,875	-	51,875
Legislative	351,581	-	351,581
Public safety	492,371	-	492,371
Public works	28,921	-	28,921
Economic development	331,585	-	331,585
Education	180,609	-	180,609
Capital outlay	2,914,655	22,433,356	25,348,011
Unrestricted	(158,816,857)	(2,575,672)	(161,392,529)
	<u>(158,816,857)</u>	<u>(2,575,672)</u>	<u>(161,392,529)</u>
Total net position			
	<u>\$ (52,315,418)</u>	<u>\$ 49,441,007</u>	<u>\$ (2,874,411)</u>

(Concluded)

See Notes to Financial Statements.

City of Woonsocket, Rhode Island

Statement of Activities
Year Ended June 30, 2014

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	\$ 162,597	\$ -	\$ -	\$ -	\$ (162,597)	\$ -	\$ (162,597)
Legislative - general government	2,099,437	2,070,172	451,123	-	421,858	-	421,858
Planning and development	583,944	-	-	-	(583,944)	-	(583,944)
Finance	1,784,636	-	-	-	(1,784,636)	-	(1,784,636)
Law	308,507	-	-	-	(308,507)	-	(308,507)
Public safety	32,854,930	1,744,009	947,256	-	(30,163,665)	-	(30,163,665)
Public works	8,338,072	2,415,064	559,340	-	(5,363,668)	-	(5,363,668)
Economic development	819,855	75,346	1,757,774	-	1,013,265	-	1,013,265
Human services	194,807	-	27,281	-	(167,526)	-	(167,526)
Education	78,901,007	821,820	61,174,083	5,382,193	(11,522,911)	-	(11,522,911)
Budget commission	649,569	-	-	-	(649,569)	-	(649,569)
Interest and other costs	9,798,878	-	-	-	(9,798,878)	-	(9,798,878)
Total governmental activities	136,496,239	7,126,411	64,916,857	5,382,193	(59,070,778)	-	(59,070,778)
Business-type activities:							
Water Fund	5,514,730	7,886,743	-	-	-	2,372,013	2,372,013
Regional Wastewater Fund	5,351,428	5,940,922	-	-	-	589,494	589,494
User Charge Fund	5,677,027	7,923,112	-	-	-	2,246,085	2,246,085
School Proprietary Fund	2,983,994	301,805	2,564,647	-	-	(117,542)	(117,542)
Total business-type activities	19,527,179	22,052,582	2,564,647	-	-	5,090,050	5,090,050
Total	\$ 156,023,418	\$ 29,178,993	\$ 67,481,504	\$ 5,382,193	\$ (59,070,778)	\$ 5,090,050	\$ (53,980,728)
General revenues:							
Property taxes					\$ 60,068,868	\$ -	\$ 60,068,868
Grants and contributions not restricted to specific programs					5,888,847		5,888,847
Unrestricted investment earnings					6,731	81	6,812
Total general revenues					65,964,446	81	65,964,527
Change in net position					6,893,668	5,090,131	11,983,799
Net position - July 1, 2013					(59,209,086)	44,350,876	(14,858,210)
Net position - June 30, 2014					\$ (52,315,418)	\$ 49,441,007	\$ (2,874,411)

City of Woonsocket, Rhode Island

Balance Sheet
Governmental Funds
June 30, 2014

	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	\$ 5,303,234	\$ 381,210	\$ -	\$ -	\$ 2,548,566	\$ 465,854	\$ 2,062,686	\$ 10,761,550
Receivables:								
Property taxes	3,815,665	-	-	-	-	-	-	3,815,665
Loans	-	-	-	-	-	-	3,593,229	3,593,229
Accounts	2,631,150	-	-	-	194,702	122	1,008,921	3,834,895
Intergovernmental	1,001,615	-	-	-	160,839	1,616,831	199,495	2,978,780
Due from other funds	3,491,297	270,118	2,114,655	800,000	5,426,477	233,747	339,267	12,675,561
Prepaid items	187,995	-	-	-	402,600	-	-	590,595
Inventory at cost	5,294	-	-	-	-	-	-	5,294
Total assets	\$ 16,436,250	\$ 651,328	\$ 2,114,655	\$ 800,000	\$ 8,733,184	\$ 2,316,554	\$ 7,203,598	\$ 38,255,569
<u>Liabilities</u>								
Accounts payable	\$ 3,212,622	\$ -	\$ -	\$ -	\$ 2,887,275	\$ 373,128	\$ 519,960	\$ 6,992,985
Accrued wages and related liabilities	1,204,819	-	-	-	6,359,817	-	-	7,564,636
Due to other funds	7,007,692	990,801	-	-	800,000	1,361,383	463,595	10,623,471
Unearned revenue	508,994	-	-	-	-	-	-	508,994
Total liabilities	11,934,127	990,801	-	-	10,047,092	1,734,511	983,555	25,690,086
<u>Deferred Inflows of Resources</u>								
Unavailable revenue - property taxes	2,915,210	-	-	-	-	-	-	2,915,210
Advance property tax collections	23,345	-	-	-	-	-	-	23,345
Unavailable revenue - intergovernmental receivable	-	-	-	-	-	401,434	-	401,434
Unavailable revenue - loans	-	-	-	-	-	-	3,593,229	3,593,229
Unavailable revenue - EMS charges receivable	-	-	-	-	-	-	1,008,780	1,008,780
Total deferred inflows of resources	2,938,555	-	-	-	-	401,434	4,602,009	7,941,998
<u>Fund Balances</u>								
Nonspendable	193,289	-	-	-	-	-	185,929	379,218
Restricted	-	-	2,114,655	800,000	-	180,609	1,256,333	4,351,597
Committed	-	-	-	-	-	-	388,641	388,641
Assigned	305,163	-	-	-	-	-	-	305,163
Unassigned	1,065,116	(339,473)	-	-	(1,313,908)	-	(212,869)	(801,134)
Total fund balances	1,563,568	(339,473)	2,114,655	800,000	(1,313,908)	180,609	1,618,034	4,623,485
Total liabilities, deferred inflows of resources and fund balances	\$ 16,436,250	\$ 651,328	\$ 2,114,655	\$ 800,000	\$ 8,733,184	\$ 2,316,554	\$ 7,203,598	\$ 38,255,569

(Continued)

City of Woonsocket, Rhode Island

Reconciliation of Fund Balance
to Net Position of Governmental Activities
June 30, 2014

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)	\$	4,623,485
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Beginning net capital assets		195,445,549
Current year capital asset additions		1,173,270
Depreciation expense		(5,664,977)
Other long-term assets are not available resources, and, therefore, are not reported in the funds:		
Interest receivable on property taxes		6,085,990
Allowance for doubtful accounts		(3,956,000)
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:		
Property tax receivable - accrual basis change		2,915,210
Loan receivables - accrual basis change		3,593,229
Intergovernmental receivable - accrual basis change		401,434
EMS charges receivable - accrual basis change		1,008,780
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Net pension obligation		(11,029,433)
Net OPEB obligation		(60,274,785)
Bonds payable		(172,858,590)
Landfill postclosure obligation		(556,000)
Accrued interest payable		(2,961,879)
Compensated absences		(8,326,342)
Capital leases		(442,188)
Premium		(1,432,741)
Claims and judgments		(59,430)
Net position of governmental activities	\$	<u>(52,315,418)</u>

(Concluded)

See Notes to Financial Statements.

City of Woonsocket, Rhode Island

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2014

	General	City Capital Projects	City Capital Fund	WED Capital Fund	School Unrestricted Fund	Woonsocket Schools Restricted Fund	Other Governmental Funds	Total Governmental Funds
Revenues:								
General property taxes	\$ 60,456,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,456,971
Revenue in lieu of taxes	3,296,158	-	-	-	-	-	-	3,296,158
Intergovernmental grants and contracts	8,142,891	-	-	-	49,621,513	8,199,251	3,295,437	69,259,092
Departmental revenues	1,740,557	-	-	-	-	-	-	1,740,557
Licenses, fines and fees	2,190,819	-	-	-	-	-	-	2,190,819
Charges for services	631,153	1,626	-	-	821,820	-	1,369,157	2,823,756
Investment income	5,277	503	-	-	-	-	951	6,731
Intergovernmental pension contribution	-	-	-	-	3,083,000	-	-	3,083,000
Contributions	-	-	-	-	-	97,138	306,558	403,696
Total revenues	76,463,826	2,129	-	-	53,526,333	8,296,389	4,972,103	143,260,780
Expenditures:								
Current:								
Executive	104,462	-	-	-	-	-	-	104,462
Legislative - general government	1,181,158	-	-	-	-	-	322,764	1,503,922
Planning and development	404,212	-	-	-	-	-	-	404,212
Finance	1,391,633	-	-	-	-	-	-	1,391,633
Law	237,044	-	-	-	-	-	-	237,044
Public safety	17,955,821	-	-	-	-	-	796,901	18,752,722
Public works	5,783,833	-	-	-	-	-	583,358	6,367,191
Economic development	8,390	-	-	-	-	-	1,485,192	1,493,582
Human services	83,173	-	-	-	-	-	75,990	159,163
Education	-	250	-	-	66,658,326	8,169,928	775	74,829,279
Pension expense	6,307,726	-	-	-	-	-	-	6,307,726
Other fixed and general charges	6,667,209	-	-	-	-	-	-	6,667,209
Budget commission	649,569	-	-	-	-	-	-	649,569
Debt service:								
Principal	8,551,282	-	-	-	-	-	419,117	8,970,399
Interest and other costs	10,152,116	-	-	-	-	-	51,256	10,203,372
Total expenditures	59,477,628	250	-	-	66,658,326	8,169,928	3,735,353	138,041,485
Excess (deficiency) of revenues over expenditures	16,986,198	1,879	-	-	(13,131,993)	126,461	1,236,750	5,219,295
Other financing sources (uses):								
Transfers in	2,624,852	-	2,114,655	800,000	16,166,330	-	91,647	21,797,484
Transfers out	(18,372,632)	(1,395,757)	-	-	(800,000)	-	(1,229,095)	(21,797,484)
Net other financing sources (uses)	(15,747,780)	(1,395,757)	2,114,655	800,000	15,366,330	-	(1,137,448)	-
Net change in fund balances	1,238,418	(1,393,878)	2,114,655	800,000	2,234,337	126,461	99,302	5,219,295
Fund balances - July 1, 2013	325,150	1,054,405	-	-	(3,548,245)	54,148	1,518,732	(595,810)
Fund balances - June 30, 2014	\$ 1,563,568	\$ (339,473)	\$ 2,114,655	\$ 800,000	\$ (1,313,908)	\$ 180,609	\$ 1,618,034	\$ 4,623,485

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, 2014**

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) \$ 5,219,295

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	1,173,270
Depreciation expense	<u>(5,664,977)</u>

Total (4,491,707)

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	(194,939)
Change in property tax interest and lien revenue	<u>324,066</u>

Total 129,127

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

Principal repayments:	
General obligation bonds	8,801,282
Capital lease	<u>360,517</u>

Total 9,161,799

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

Compensated absences	(268,375)
Landfill postclosure obligation	14,000
Net pension obligation	43,631
Net OPEB obligation	(3,186,626)
Claims and judgments	59,430
Accrued interest payable	141,616
Premium	<u>71,478</u>

Total (3,124,846)

Change in net position of governmental activities (Exhibit B) \$ 6,893,668

City of Woonsocket, Rhode Island

Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-Type Activities Enterprise Funds				Total
	Major Funds			Nonmajor Fund	
	Water Fund	Regional Wastewater Fund	User Charge Fund	School Proprietary Fund	
Assets					
Current assets:					
Cash and cash equivalents	\$ 10,164,862	\$ 227,337	\$ 5,947,844	\$ 365,007	\$ 16,705,050
Cash held in escrow	4,078,430	18,307,267	47,659	-	22,433,356
Receivables, net of allowances for collection losses	1,998,669	994,127	2,213,651	-	5,206,447
Intergovernmental receivables	-	-	-	152,670	152,670
Due from other funds	1,085,118	5,762,949	235,528	30,219	7,113,814
Total current assets	17,327,079	25,291,680	8,444,682	547,896	51,611,337
Noncurrent assets:					
Restricted cash	277,570	-	-	-	277,570
Restricted investments	1,019,415	2,028,508	71,189	-	3,119,112
Net OPEB asset	-	-	143,397	-	143,397
Capital assets (net):					
Land	390,000	570,321	-	-	960,321
Construction in progress	2,277,058	9,198,559	261,248	-	11,736,865
Buildings and improvements	-	22,700,545	-	-	22,700,545
Machinery and equipment	124,300	-	1,247,550	37,619	1,409,469
Vehicles	-	6,882	-	19,837	26,719
Infrastructure	23,828,162	-	-	-	23,828,162
Total capital assets (net)	26,619,520	32,476,307	1,508,798	57,456	60,662,081
Total noncurrent assets	27,916,505	34,504,815	1,723,384	57,456	64,202,160
Total assets	45,243,584	59,796,495	10,168,066	605,352	115,813,497
Liabilities					
Current liabilities:					
Accounts payable	942,355	541,466	262,780	226,765	1,973,366
Accrued interest payable	105,138	-	3,112	-	108,250
Due to other funds	1,996,393	1,192,309	5,556,493	283,384	9,028,579
Unearned revenue	39,285	-	-	-	39,285
Capital lease obligation	-	1,491,187	-	-	1,491,187
Bonds and notes payable	845,000	2,000	55,000	-	902,000
Total current liabilities	3,928,171	3,226,962	5,877,385	510,149	13,542,667
Noncurrent liabilities:					
Bonds, notes and related liabilities	12,679,000	29,997,000	715,000	-	43,391,000
Capital lease obligation	-	7,680,268	-	-	7,680,268
Compensated absences	236,319	17,411	-	-	253,730
Net OPEB obligation	1,503,101	1,724	-	-	1,504,825
Total noncurrent liabilities	14,418,420	37,696,403	715,000	-	52,829,823
Total liabilities	18,346,591	40,923,365	6,592,385	510,149	66,372,490
Net Position					
Net investment in capital assets	17,173,950	11,613,119	738,798	57,456	29,583,323
Restricted by regulatory agencies	4,078,430	18,307,267	47,659	-	22,433,356
Unrestricted	5,644,613	(11,047,256)	2,789,224	37,747	(2,575,672)
Total net position	\$ 26,896,993	\$ 18,873,130	\$ 3,575,681	\$ 95,203	\$ 49,441,007

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, 2014

	Business-Type Activities Enterprise Funds				Total
	Major Funds			Nonmajor Fund	
	Water Fund	Regional Wastewater Fund	User Charge Fund	School Proprietary Fund	
Operating revenues:					
Charges for services	\$ 7,886,743	\$ 5,940,922	\$ 7,923,112	\$ 301,805	\$ 22,052,582
Intergovernmental	-	-	-	2,564,647	2,564,647
Total operating revenues	7,886,743	5,940,922	7,923,112	2,866,452	24,617,229
Operating expenses:					
Personnel services	2,139,135	224,994	40,177	160,320	2,564,626
Contractual services	648,649	2,935,498	764,754	2,778,211	7,127,112
Supplies and materials	587,083	5,881	-	13,396	606,360
Fixed and general charges	309,735	234,404	4,602,592	-	5,146,731
Repairs and maintenance	292,733	35,480	104,969	-	433,182
Administrative	406,342	4,097	34,512	-	444,951
Depreciation	645,230	1,027,690	113,395	32,067	1,818,382
Total operating expenses	5,028,907	4,468,044	5,660,399	2,983,994	18,141,344
Operating income (loss)	2,857,836	1,472,878	2,262,713	(117,542)	6,475,885
Nonoperating revenues (expenses):					
Interest income	-	-	81	-	81
Debt issuance costs	-	(301,420)	-	-	(301,420)
Interest expense	(485,823)	(581,964)	(16,628)	-	(1,084,415)
Net nonoperating revenues (expenses)	(485,823)	(883,384)	(16,547)	-	(1,385,754)
Change in net position	2,372,013	589,494	2,246,166	(117,542)	5,090,131
Net position - July 1, 2013	24,524,980	18,283,636	1,329,515	212,745	44,350,876
Net position - June 30, 2014	\$ 26,896,993	\$ 18,873,130	\$ 3,575,681	\$ 95,203	\$ 49,441,007

See Notes to the Financial Statements.

City of Woonsocket, Rhode Island

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2014

	Business-Type Activities Enterprise Funds				Total
	Major Funds			Nonmajor Fund	
	Water Fund	Regional Wastewater Fund	User Charge Fund	School Proprietary Fund	
Cash flows from operating activities:					
Receipts from customers and users	\$ 7,989,122	\$ 5,854,290	\$ 7,425,675	\$ 301,805	\$ 21,570,892
Operating grants	-	-	-	2,539,514	2,539,514
Payments to suppliers	(221,493)	(4,837,264)	(4,086,618)	(2,672,636)	(11,818,011)
Payments to employees	(2,241,709)	(246,991)	(40,177)	(160,320)	(2,689,197)
Net cash provided by (used in) operating activities	5,525,920	770,035	3,298,880	8,363	9,603,198
Cash flows from capital and related financing activities:					
Bonds and notes issued	-	20,000,000	-	-	20,000,000
Debt issuance costs	-	(301,420)	-	-	(301,420)
Cash placed in escrow	-	(18,307,267)	-	-	(18,307,267)
Cash released from escrow	-	12,464,217	165,090	-	12,629,307
Principal payments on debt	(1,125,999)	(6,421,719)	(55,000)	-	(7,602,718)
Interest paid on debt	(480,813)	(581,964)	(16,822)	-	(1,079,599)
Purchase of capital assets	(383,235)	(7,464,883)	(159,620)	-	(8,007,738)
Net cash provided by (used in) capital and related financing activities	(1,990,047)	(613,036)	(66,352)	-	(2,669,435)
Cash flows from investing activities:					
Purchase of investments	(2)	(1,363,595)	-	-	(1,363,597)
Interest received on investments	-	-	81	-	81
Net cash provided by (used in) investing activities	(2)	(1,363,595)	81	-	(1,363,516)
Net increase (decrease) in cash and cash equivalents	3,535,871	(1,206,596)	3,232,609	8,363	5,570,247
Cash and cash equivalents - July 1, 2013	6,906,561	1,433,933	2,715,235	356,644	11,412,373
Cash and cash equivalents - June 30, 2014	\$ 10,442,432	\$ 227,337	\$ 5,947,844	\$ 365,007	\$ 16,982,620
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 2,857,836	\$ 1,472,878	\$ 2,262,713	\$ (117,542)	\$ 6,475,885
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	645,230	1,027,690	113,395	32,067	1,818,382
(Increase) decrease in:					
Receivables	100,703	(86,632)	(497,437)	(25,133)	(508,499)
Due from other funds	(1,555)	(1,779,089)	(92,765)	501,218	(1,372,191)
Other asset	-	-	(23,911)	-	(23,911)
Increase (decrease) in:					
Accounts payable	565,914	(389,689)	(142,324)	(497,392)	(463,491)
Compensated absences	(65,381)	(15,661)	-	-	(81,042)
Net OPEB obligation	(37,193)	(6,336)	-	-	(43,529)
Unearned revenue	1,676	-	-	-	1,676
Due to other funds	1,458,690	546,874	1,679,209	115,145	3,799,918
Net cash provided by (used in) operating activities	\$ 5,525,920	\$ 770,035	\$ 3,298,880	\$ 8,363	\$ 9,603,198

See Notes to Financial Statements.

City of Woonsocket, Rhode Island

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Employee Retirement Plan	Private- Purpose Trust Fund	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
<u>Assets</u>			
Cash	\$ -	\$ 70,093	\$ 780,500
Investments:			
US Government obligations	6,313,472	-	-
US Government agency obligations	2,119,428	-	-
Corporate and foreign bonds	5,227,023	-	-
Municipal bonds	379,274	-	-
Mutual funds:			
Money market	11,044,019	-	-
Equity	15,797,155	-	-
Fixed income	6,238,210	-	-
	<u>47,118,581</u>	<u>-</u>	<u>-</u>
Total investments			
Due from other funds	-	-	129
	<u>47,118,581</u>	<u>70,093</u>	<u>780,629</u>
Total assets			
<u>Liabilities</u>			
Cash overdraft	9,679	-	-
Accounts payable	755,158	-	-
Deposits held for others	-	-	643,175
Due to other funds	-	-	137,454
	<u>764,837</u>	<u>-</u>	<u>780,629</u>
Total liabilities			
<u>Net Position</u>			
Net position held in trust for pension benefits and other purposes	<u>\$ 46,353,744</u>	<u>\$ 70,093</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, 2014

	Employee Retirement Plan	Private- Purpose Trust Fund
Additions:		
Contributions:		
Employer	\$ 3,466,953	\$ -
Plan members	3,125	-
Other	-	225
	3,470,078	225
Total contributions		
Investment income (loss):		
Interest and dividends	674,078	174
Net change in fair value of investments	3,141,327	-
	3,815,405	174
Total investment income (loss)		
Less investment expenses	149,960	-
	3,665,445	174
Net investment income (loss)		
Total additions	7,135,523	399
Deductions:		
Benefits	8,304,351	-
Program expenses	84,461	19,805
	8,388,812	19,805
Total deductions		
Changes in net position	(1,253,289)	(19,406)
Net position - July 1, 2013	47,607,033	89,499
Net position - June 30, 2014	\$ 46,353,744	\$ 70,093

See Notes to Financial Statements.

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014**Reporting entity**

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

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

I. Summary of significant accounting policies**A. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise funds are reported as separate columns in the fund financial statements.

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014**B. Measurement focus, basis of accounting and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds do not have a measurement focus but are reported on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, expenditure-type reimbursement grants, certain intergovernmental revenues, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

- 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.

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.

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

C. Assets, liabilities, deferred outflows/inflows of resources and net position or equity

1. Deposits and investments

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

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

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

2. Receivables and payables

a. Interfunds

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

b. Property taxes and other receivables

In the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 11% to 65% of outstanding receivable balances at June 30, 2014 and are calculated based upon prior collections.

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

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

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, 2014

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

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

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

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014**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.

11. Fund equity and net position

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

Net Investment in Capital Assets

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

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

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, 2014**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, 2014

- 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, 2014, 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, expenditures, and fund balance between the accounting treatment required by GAAP (Exhibit D) and budgetary requirements (RSI-1 and 2) is as follows:

<u>General Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
Balance, budgetary basis (RSI-1), June 30, 2014	\$ 129,528,800	\$ 109,328,133
Activity from funds consolidated with the General Fund for financial reporting	3,211	
Encumbrances outstanding at June 30, 2013		69,956
Encumbrances outstanding at June 30, 2014		(305,163)
Interfund transfers recorded as revenue and expenditures for budget purposes	(2,624,852)	(2,206,302)
Education Department revenues and expenditures reported in the General Fund for budget purposes	<u>(50,443,333)</u>	<u>(47,408,996)</u>
Balance, GAAP basis (Exhibit D), June 30, 2014	<u>\$ 76,463,826</u>	<u>\$ 59,477,628</u>

City of Woonsocket, Rhode Island

Notes to Financial Statements

<u>Special Revenue Fund - School Unrestricted Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
Balance, budgetary basis (RSI-2), June 30, 2014	\$ 50,443,323	\$ 63,575,326
Teachers' retirement system on-behalf payments	<u>3,083,000</u>	<u>3,083,000</u>
Balance, GAAP basis (Exhibit D), June 30, 2014	<u>\$ 53,526,333</u>	<u>\$ 66,658,326</u>

D. Deficit fund balance

The following funds had a deficit fund balance at June 30, 2014:

Special Revenue Funds

Hamlet Avenue Enhancement Fund	\$ 1,087
Juvenile Fire Setters Educational Fund	61
Business Revolving Loan Fund	158,191
Harris Library Grant Fund	19,440
Cass Park Improvement Grant Fund	14,794
RI Leap Grant	2,196
Homeland Security Fire Grant Fund	10,092
Police Miscellaneous Grants Fund	2,508
Renaud Field Donations Fund	4,500

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

E. Excess of expenditures over appropriations

As discussed in Note II. A, the legal level of control at which expenditures may not legally exceed appropriations is at the department level. At June 30, 2014, expenditures exceeded appropriations in the following General Fund departments:

<u>Department</u>	
City clerk	\$ 5,757
Planning and development	26,773
Police division	427,363
Fire division	712,453
Budget commission	324,569

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.

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

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, 2014, the City's deposits are not exposed to custodial credit risk since most of the above deposits are collateralized with assets held either in trust or by a third party bank. The remaining deposits are insured by the Federal Deposit Insurance Corporation ("FDIC").

As of June 30, 2014, the City's bank balance of \$27,739,050 was insured and collateralized as follows:

Insured	\$ 1,396,417
Uninsured and collateral held by the pledging bank's trust department, not in the City's name	<u>26,342,633</u>
Total amount subject to custodial credit risk	<u>\$ 27,739,050</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.

At June 30, 2014, 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	\$ 6,313,472	\$	\$	\$5,042,652	\$ 491,795	\$ 779,025
U.S. government agency obligations	2,119,428		1,501	43,539	151,525	1,922,863
Corporate and foreign bonds	5,227,023		186,843	1,535,002	1,197,461	2,307,717
Municipal bonds	379,274		45,460	39,429	35,007	259,378
Mutual funds:						
Money market	14,163,131		14,163,131			
Equity	15,797,155	15,797,155				
Fixed income	6,238,210				6,238,210	
Total	<u>\$ 50,237,693</u>	<u>\$ 15,797,155</u>	<u>\$ 14,396,935</u>	<u>\$ 6,660,622</u>	<u>\$ 8,113,998</u>	<u>\$ 5,268,983</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, 2014

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
AAA	\$ 6,313,472	\$ 2,119,428	\$ 213,205	\$ 12,365
AA			362,672	30,669
A			1,629,704	242,420
B			3,021,442	93,820
Total	<u>\$ 6,313,472</u>	<u>\$ 2,119,428</u>	<u>\$ 5,227,023</u>	<u>\$ 379,274</u>

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.

	Total	Less Insured Amounts	Amount Subject to Custodial Credit Risk
U.S. government obligations	\$ 6,313,472	\$ 500,000	\$ 5,813,472
U.S. government agency obligations	2,119,428		2,119,428
Corporate and foreign bonds	5,227,023		5,227,023
Municipal bonds	<u>379,274</u>		<u>379,274</u>
Total	<u>\$ 14,039,197</u>	<u>\$ 500,000</u>	<u>\$ 13,539,197</u>

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014**B. Receivables**

Receivable balances have been disaggregated by type and presented separately in the financial statements. Receivables for the City's government-wide financial statements as of June 30, 2014, 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	\$ 6,085,990	\$ 9,616,531	\$ -	\$ -	\$ -	\$ 15,702,521
Loans	-	-	-	-	3,593,229	3,593,229
Accounts	137,325	2,631,150	194,702	122	1,834,287	4,797,586
Intergovernmental	-	<u>1,001,615</u>	<u>160,839</u>	<u>1,616,831</u>	<u>199,495</u>	<u>2,978,780</u>
Gross receivables	6,223,315	13,249,296	355,541	1,616,953	5,627,011	27,072,116
Less allowance for uncollectibles	<u>(3,956,000)</u>	<u>(5,800,866)</u>	-	-	<u>(825,366)</u>	<u>(10,582,232)</u>
Net receivable	<u>\$ 2,267,315</u>	<u>\$ 7,448,430</u>	<u>\$ 355,541</u>	<u>\$ 1,616,953</u>	<u>\$ 4,801,645</u>	<u>\$ 16,489,884</u>

Business-Type Activities:

	Water Fund	Regional Wastewater Fund	User Charge Fund	Total
Accounts receivable	\$ 2,698,669	\$ 1,113,309	\$ 2,748,301	\$ 6,560,279
Less allowance for uncollectibles	<u>(700,000)</u>	<u>(119,182)</u>	<u>(534,650)</u>	<u>(1,353,832)</u>
Net receivable	<u>\$ 1,998,669</u>	<u>\$ 994,127</u>	<u>\$ 2,213,651</u>	<u>\$ 5,206,447</u>

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

C. Capital assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 22,307,537	\$ -	\$ -	\$ 22,307,537
Construction in progress	753,008	9,562	307,841	454,729
Total capital assets, not being depreciated	<u>23,060,545</u>	<u>9,562</u>	<u>307,841</u>	<u>22,762,266</u>
Capital Assets, being depreciated:				
Buildings and improvements	213,744,043	249,713	-	213,993,756
Machinery and equipment	9,800,659	169,739	-	9,970,398
Vehicles	8,866,344	543,207	-	9,409,551
Infrastructure	63,265,192	508,890	-	63,774,082
Total capital assets, being depreciated	<u>295,676,238</u>	<u>1,471,549</u>	<u>-</u>	<u>297,147,787</u>
Total capital assets	<u>318,736,783</u>	<u>1,481,111</u>	<u>307,841</u>	<u>319,910,053</u>
Less accumulated depreciation for:				
Buildings and improvements	72,840,674	3,686,976	-	76,527,650
Machinery and equipment	8,752,095	262,875	-	9,014,970
Vehicles	7,691,650	482,283	-	8,173,933
Infrastructure	34,006,815	1,232,843	-	35,239,658
Total accumulated depreciation	<u>123,291,234</u>	<u>5,664,977</u>	<u>-</u>	<u>128,956,211</u>
Total capital assets, being depreciated, net	<u>172,385,004</u>	<u>(4,193,428)</u>	<u>-</u>	<u>168,191,576</u>
Governmental Activities capital assets, net	<u>\$ 195,445,549</u>	<u>\$ (4,183,866)</u>	<u>\$ 307,841</u>	<u>\$ 190,953,842</u>

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 960,321	\$ -	\$ -	\$ 960,321
Construction in progress	<u>5,029,411</u>	<u>7,768,742</u>	<u>1,061,288</u>	<u>11,736,865</u>
Total capital assets, not being depreciated	<u>5,989,732</u>	<u>7,768,742</u>	<u>1,061,288</u>	<u>12,697,186</u>
Capital assets, being depreciated:				
Buildings and improvements	54,404,905	188,081	-	54,592,986
Machinery and equipment	6,837,502	1,072,603	-	7,910,105
Vehicles	740,412	-	-	740,412
Infrastructure	<u>38,366,443</u>	<u>39,600</u>	<u>-</u>	<u>38,406,043</u>
Total capital assets, being depreciated	<u>100,349,262</u>	<u>1,300,284</u>	<u>-</u>	<u>101,649,546</u>
Total capital assets	<u>106,338,994</u>	<u>9,069,026</u>	<u>1,061,288</u>	<u>114,346,732</u>
Less accumulated depreciation for:				
Building and improvements	30,868,191	1,024,250	-	31,892,441
Machinery and equipment	6,345,157	155,479	-	6,500,636
Vehicles	697,029	16,664	-	713,693
Infrastructure	<u>13,955,892</u>	<u>621,989</u>	<u>-</u>	<u>14,577,881</u>
Total accumulated depreciation	<u>51,866,269</u>	<u>1,818,382</u>	<u>-</u>	<u>53,684,651</u>
Total capital assets, being depreciated, net	<u>48,482,993</u>	<u>(518,098)</u>	<u>-</u>	<u>47,964,895</u>
Business-type activities capital assets, net	<u>\$ 54,472,725</u>	<u>\$ 7,250,644</u>	<u>\$ 1,061,288</u>	<u>\$ 60,662,081</u>

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

Governmental activities:	
Legislative	\$ 115,047
Public safety	719,047
Public works	1,315,185
Human services	27,441
Education	<u>3,488,257</u>
Total depreciation expense - governmental activities	<u>\$ 5,664,977</u>
Business-type activities:	
Water fund	\$ 645,230
Regional wastewater fund	1,027,690
User charge fund	113,395
School proprietary fund	<u>32,067</u>
Total depreciation expense - business-type activities	<u>\$ 1,818,382</u>

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014**D. Interfund accounts****1. Interfund payables and receivables**

A summary of interfund balances as of June 30, 2014 is as follows:

	<u>Corresponding Fund</u>	<u>Due From</u>	<u>Due To</u>
<u>Major Funds:</u>			
General Fund:			
City Capital Projects Fund	N/A	\$ 307,361	\$ 70,118
School Unrestricted Fund	N/A	-	3,781,710
City Capital Fund	N/A	-	2,114,655
Water Fund	N/A	1,821,851	316,078
Regional Wastewater Fund	N/A	1,062,309	200,566
User Charge Fund	N/A	56,918	79,394
School Proprietary Fund	N/A	-	30,219
Hamlet Avenue Enhancement Fund	N/A	1,087	-
Juvenile Fire Setters Educational Fund	N/A	1,000	-
Harris Library Grant Fund	N/A	36,990	-
Woonsocket Senior Citizens Fund	N/A	-	15,000
Fed and State Forfeiture Police Special Squad Fund	N/A	-	22,702
Bramley Bill Fund	N/A	-	13,562
Cass Park Improvement Grant Fund	N/A	8,308	-
Municipal Court Fund	N/A	22,945	-
RI LEAP Grant	N/A	2,196	-
Homeland Security Fire Grant Fund	N/A	24,822	-
Recovery Justice Assistance Grant 09 Fund	N/A	17	-
Justice Assistance Grant 10 Fund	N/A	172	-
Fire EMA Donations Fund	N/A	-	129,812
Woonsocket Schools Restricted Fund	N/A	-	233,747
Police Miscellaneous Grants Fund	N/A	3,367	-
Renaud Field Donations Fund	N/A	4,500	-
Deduction Services Fund	N/A	137,454	129
Total General Fund		<u>3,491,297</u>	<u>7,007,692</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>2,114,655</u>	-
WED Capital Fund:			
Schools Unrestricted Fund	N/A	<u>800,000</u>	-
School Unrestricted Fund:			
General Fund	N/A	3,781,710	-
WED Capital Fund	N/A	-	800,000
Woonsocket Schools Restricted Fund	N/A	1,361,383	-
School Proprietary Fund	N/A	283,384	-
Total School Unrestricted Fund		<u>5,426,477</u>	<u>800,000</u>

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

	<u>Corresponding Fund</u>	<u>Due From</u>	<u>Due To</u>
Woonsocket Schools Restricted Fund:			
General Fund	N/A	\$ 233,747	\$ -
School Unrestricted Fund	N/A	-	1,361,383
Total Woonsocket School Restricted Fund		<u>233,747</u>	<u>1,361,383</u>
Water Fund:			
General Fund	N/A	316,078	1,821,851
City Capital Projects Fund	N/A	641,492	-
User Charge Fund	N/A	127,548	26,134
Regional Wastewater Fund	N/A	-	148,408
Total Water Fund		<u>1,085,118</u>	<u>1,996,393</u>
Regional Wastewater Fund:			
General Fund	N/A	200,566	1,062,309
City Capital Projects Fund	N/A	41,948	-
Water Fund	N/A	148,408	-
User Charge Fund	N/A	5,372,027	130,000
Total Regional Wastewater Fund		<u>5,762,949</u>	<u>1,192,309</u>
User Charge Fund:			
General Fund	N/A	79,394	56,918
Water Fund	N/A	26,134	127,548
Regional Wastewater Fund	N/A	130,000	5,372,027
Total User Charge Fund		<u>235,528</u>	<u>5,556,493</u>
Nonmajor Funds:			
Nonmajor Governmental Funds:			
Hamlet Avenue Enhancement Fund	General Fund	-	1,087
Juvenile Fire Setters Educational Fund	General Fund	-	1,000
Business Revolving Loan Fund	CDBG Fund	-	158,191
Harris Library Grant Fund	General Fund	-	36,990
Woonsocket Senior Citizens Fund	General Fund	15,000	-
Fed and State Forfeiture Police Special Squad Fund	General Fund	22,702	-
Bramley Bill Fund	General Fund	13,562	-
Community Development Block Grant Fund	Business Revolving Loan Fund	158,191	-
Cass Park Improvement Grant Fund	General Fund	-	8,308
Municipal Court Fund	General Fund	-	22,945
RI LEAP Grant	General Fund	-	2,196
Homeland Security Fire Grant Fund	General Fund	-	24,822
Recovery Justice Assistance Grant 09 Fund	General Fund	-	17
Brownsfield Assessment Program Fund	City Capital Project Fund	-	200,000
Justice Assistance Grant 10 Fund	General Fund	-	172
Fire EMA Donations Fund	General Fund	129,812	-
Police Miscellaneous Grant Fund	General Fund	-	3,367
Renaud Field Donations Fund	General Fund	-	4,500
Total Nonmajor Governmental Funds		<u>339,267</u>	<u>463,595</u>
Nonmajor Proprietary Fund:			
School Proprietary Fund	General Fund	30,219	-
School Proprietary Fund	School Unrestricted Fund	-	283,384
Total Nonmajor Proprietary Fund		<u>30,219</u>	<u>283,384</u>
Fiduciary Fund:			
Deduction Services Fund - Agency Fund	General Fund	129	137,454
Grand Total		<u>\$ 19,789,504</u>	<u>\$ 19,789,504</u>

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

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

2. Interfund transfers

A summary of interfund transfers for the year ended June 30, 2014 is as follows:

	<u>Corresponding Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:			
General Fund:			
City Capital Projects	N/A	\$ 1,395,757	\$ -
City Capital Fund	N/A	-	2,114,655
Community Development Block Grant Fund	N/A	-	31,647
EMS Public Fund	N/A	1,229,095	-
School Unrestricted Fund – regular appropriation	N/A	-	16,166,330
Woonsocket Senior Citizens Fund	N/A	<u>-</u>	<u>60,000</u>
Total General Fund		<u>2,624,852</u>	<u>18,372,632</u>
City Capital Projects	General Fund	<u>-</u>	<u>1,395,757</u>
City Capital Fund	General Fund	<u>2,114,655</u>	<u>-</u>
WED Capital Fund	School Unrestricted Fund	<u>800,000</u>	<u>-</u>
School Unrestricted Fund:			
General Fund	N/A	16,166,330	-
WED Capital Fund	N/A	<u>-</u>	<u>800,000</u>
Total School Unrestricted Fund		<u>16,166,330</u>	<u>800,000</u>
Nonmajor Governmental Funds:			
Special Revenue Funds:			
Woonsocket Senior Citizens Fund	General Fund	60,000	-
Community Development Block Grant Fund	General Fund	31,647	-
EMS Public Fund	General Fund	<u>-</u>	<u>1,229,095</u>
Total Special Revenue Funds		<u>91,647</u>	<u>1,229,095</u>
Grand Total		<u>\$ 21,797,484</u>	<u>\$ 21,797,484</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, 2014**E. Short-term obligations - bond and revenue anticipation notes**

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

Short-term obligation activity for the year ended June 30, 2014 was as follows:

<u>Type of Obligation</u>	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2014</u>
Revenue Bond Anticipation Notes:				
Wastewater System	<u>\$ 5,000,000</u>	<u>\$ -</u>	<u>\$ 5,000,000</u>	<u>\$ -</u>

F. Changes in long-term obligations**1. Summary of changes**

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

Governmental Activities:

<u>Description</u>	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date if Maturity</u>	<u>Interest Rate</u>	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>	<u>Current Portion</u>
General purpose bonds and notes:									
Highway & roads	\$12,000,000	06/30/99	06/30/20	5.415	\$ 5,605,000	\$ -	\$ 685,000	\$ 4,920,000	\$ 720,000
Library & school	17,940,000	10/01/00	10/01/20	4.0-6.5	9,605,000	-	985,000	8,620,000	1,040,000
Davison Ave landfill	5,000,000	05/26/05	03/01/35	5.0-6.0	4,360,000	-	120,000	4,240,000	130,000
Pension obligation	90,000,000	01/15/03	06/30/33	4.07-4.42	81,525,000	-	2,145,000	79,380,000	2,270,000
Promac settlement	2,450,000	03/06/09	06/30/19	4.25	1,444,872	-	251,282	1,193,590	251,282
Middle School	74,000,000	01/12/09	06/30/34	2.0-6.0	70,070,000	-	2,035,000	68,035,000	2,135,000
HUD loan school	2,050,000	07/21/10	08/21/19	1.9	1,550,000	-	250,000	1,300,000	250,000
Deficit bonds	11,500,000	03/10/11	06/15/16	7.125	<u>7,500,000</u>	<u>-</u>	<u>2,330,000</u>	<u>5,170,000</u>	<u>2,495,000</u>
Total bonds and notes					181,659,872	-	8,801,282	172,858,590	9,291,282
Premium					<u>1,504,219</u>	<u>-</u>	<u>71,478</u>	<u>1,432,741</u>	<u>-</u>
Total bond, notes and related liabilities					<u>183,164,091</u>	<u>-</u>	<u>8,872,760</u>	<u>174,291,331</u>	<u>9,291,282</u>
Lease purchase obligations:									
Recycling containers	1,300,000	10/15/07	10/15/14	3.92	347,870	-	170,553	177,317	177,317
John Deere equip	132,260	04/15/08	04/15/14	4.75	20,847	-	20,847	-	-
Fire apparatus	263,981	02/15/12	02/15/17	4.09	172,292	-	40,519	131,773	42,176
Fire apparatus	857,626	10/15/08	10/15/14	3.50	<u>261,696</u>	<u>-</u>	<u>128,598</u>	<u>133,098</u>	<u>133,098</u>
Total lease purchase obligations					<u>802,705</u>	<u>-</u>	<u>360,517</u>	<u>442,188</u>	<u>352,591</u>
Compensated absences - City					6,133,726	1,608,970	1,265,917	6,476,779	1,295,000
Compensated absences - School Department					1,924,241	2,724,815	2,799,493	1,849,563	370,000
Claims and judgments					118,860	-	59,430	59,430	59,430
Landfill postclosure obligation					570,000	-	14,000	556,000	14,000
Net OPEB obligation - City					46,360,287	6,252,110	3,648,955	48,963,442	-
Net OPEB obligation - School Department					10,727,872	1,731,970	1,148,499	11,311,343	-
Net pension obligation					<u>11,073,064</u>	<u>3,423,322</u>	<u>3,466,953</u>	<u>11,029,433</u>	<u>-</u>
Total long-term obligations					<u>\$260,874,846</u>	<u>\$15,741,187</u>	<u>\$21,636,524</u>	<u>\$ 254,979,509</u>	<u>\$11,382,303</u>

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

City of Woonsocket, Rhode Island

Notes to Financial Statements

June 30, 2014

Business-Type Activities:

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

<u>Description</u>	<u>Original Amount</u>	<u>Date Of Issue</u>	<u>Date Of Maturity</u>	<u>Interest Rate</u>	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>	<u>Current Portion</u>
Water Fund:									
Refunding bonds	\$ 3,755,000	05/26/05	03/01/14	3.25-5.0	\$ 480,000	\$ -	\$ 480,000	\$ -	\$ -
RI Clean water bonds	10,165,000	05/13/03	09/01/24	3.49	6,900,000	-	465,000	6,435,000	480,000
RI Clean water bonds	4,000,000	03/23/05	09/01/25	2.70	2,869,999	-	179,999	2,690,000	185,000
RI Clean water bonds	4,400,000	06/06/13	09/01/33	2.10	4,400,000	-	1,000	4,399,000	180,000
Total Water Fund bonds					14,649,999	-	1,125,999	13,524,000	845,000
Compensated absences					301,700	105,239	170,620	236,319	-
Net OPEB obligation					1,540,294	257,490	294,683	1,503,101	-
Total Water Fund long-term obligations					16,491,993	362,729	1,591,302	15,263,420	845,000
Regional Wastewater Fund:									
RI Clean water bonds	10,000,000	06/06/13	09/01/34	2.12	10,000,000	-	1,000	9,999,000	1,000
RI Clean water bonds	20,000,000	06/06/13	09/01/34	2.12	-	20,000,000	-	20,000,000	1,000
Total Regional Wastewater Fund bonds					10,000,000	20,000,000	1,000	29,999,000	2,000
Lease purchase obligations:									
Wastewater lease	21,151,452	07/29/03	07/29/19	4.90	10,592,174	-	1,420,719	9,171,455	1,491,187
Compensated absences					33,072	10,274	25,935	17,411	-
Net OPEB obligation					8,060	21,036	27,372	1,724	-
Total Regional Wastewater Fund long-term obligations					20,633,306	20,031,310	1,475,026	39,189,590	1,493,117
User Charge Fund:									
RI Clean water bonds	1,100,000	12/12/07	09/01/27	1.54	825,000	-	55,000	770,000	55,000
Total enterprise fund long-term obligations					\$37,950,299	\$20,394,039	\$ 3,121,328	\$55,223,010	\$2,393,187

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

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	
2015	\$ 9,291,282	\$ 9,667,864	\$ 902,000	\$ 934,994	\$ 20,796,140
2016	9,781,282	9,129,888	2,138,000	1,086,839	22,136,009
2017	7,416,282	8,589,147	2,177,000	1,054,191	19,236,620
2018	7,806,282	8,185,515	2,213,000	1,017,714	19,222,511
2019	8,118,462	7,781,722	2,258,000	975,871	19,134,055
2020-2024	36,305,000	32,779,168	12,200,000	4,025,210	85,309,378
2025-2029	43,205,000	21,912,568	10,174,000	2,433,885	77,725,453
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>\$172,858,590</u>	<u>\$105,383,956</u>	<u>\$ 44,293,000</u>	<u>\$ 12,611,956</u>	<u>\$335,147,502</u>

2. Capital leases

At June 30, 2014, the City is committed under capital leases for Governmental Activities and Business-Type Activities. Under Governmental Activities, the leases are for public safety vehicles and various pieces of equipment. Under Business-Type Activities, the lease is for the Woonsocket Regional Wastewater Treatment Facility. These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Governmental Activities

Machinery and equipment totaling \$1,121,357 less \$867,597 of accumulated depreciation are recorded under capital leases as of June 30, 2014. For the year ended June 30, 2014, \$186,893 was included in depreciation expense.

Business-Type Activities

Buildings totaling \$25,000,000 less \$5,833,336 of accumulated depreciation are recorded under a capital lease in the Regional Wastewater Fund as of June 30, 2014. For the year ended June 30, 2014, \$416,667 was included in depreciation expense.

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

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, 2014:

Year Ending <u>June 30,</u>	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
2015	\$ 369,713	\$ 1,922,542
2016	47,566	1,922,542
2017	47,565	1,922,542
2018	-	1,922,542
2019	-	1,922,542
2020	-	961,272
Totals	<u>468,844</u>	<u>10,573,982</u>
Less amount representing interest	<u>(22,656)</u>	<u>(1,402,527)</u>
Present value of minimum lease payments	<u>\$ 442,188</u>	<u>\$ 9,171,455</u>

3. Landfill postclosure care obligation

State and federal laws and regulations require that the City place a final cover on its landfill site and perform certain maintenance and monitoring functions at the landfill sites for a minimum of thirty years after closure. The City's Davison Avenue Landfill was closed and the City's closure plan was accepted by the Rhode Island Department of Environmental Management in November 2011. In accordance with Federal and State regulations, part of the closure plan requires the City to perform postclosure monitoring procedures for a period of thirty (30) years after final closure is completed. In accordance with GASB Statement No. 18, *Landfill Closure and Postclosure Care Cost*, the City has recognized a liability equal to the estimated cost of postclosure care of the landfill. The estimated liability for landfill postclosure care costs is \$556,000 as of June 30, 2014. The estimated total current cost of the landfill postclosure care (\$556,000) 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, 2014. 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 \$217,151,590 total bonds payable at June 30, 2014 (including bonds payable of the Water Fund and Clean Water Obligations), approximately \$20,273,590 are subject to the statutory limitation. The total assessed value of the City of Woonsocket's taxable property was \$1,602,176,194, limiting the amount of total debt subject to the statute to \$48,065,286.

G. Restricted net position

The amount of restricted net position, which was restricted by enabling legislation, totaled \$180,609 at June 30, 2014.

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

H. Fund balance classifications

As of June 30, 2014, fund balances are composed of the following:

Fund Balance Component	General Fund	City Capital Project Fund	City Capital Fund	WED Capital Fund	School Unrestricted Fund	Woonsocket Schools Restricted Fund	Other Governmental Funds	Total
<u>Nonspendable:</u>								
Permanent fund principal Inventory/Prepaid Items	\$ 193,289	\$ -	\$ -	\$ -	-	\$ -	\$ 185,929	\$ 185,929
Total Nonspendable	193,289	-	-	-	-	-	185,929	379,218
<u>Restricted:</u>								
<u>Legislative:</u>								
City clerk records	-	-	-	-	-	-	145,439	145,439
Cultural programs	-	-	-	-	-	-	9,872	9,872
Employee benefits	-	-	-	-	-	-	80,790	80,790
Library	-	-	-	-	-	-	89,028	89,028
Senior citizens	-	-	-	-	-	-	26,452	26,452
<u>Public safety:</u>								
Law enforcement programs	-	-	-	-	-	-	345,279	345,279
Fire rescue programs	-	-	-	-	-	-	147,092	147,092
<u>Public works:</u>								
Building inspections	-	-	-	-	-	-	10,909	10,909
Brownsfield assessment	-	-	-	-	-	-	375	375
Hazardous material grants	-	-	-	-	-	-	770	770
Recreation	-	-	-	-	-	-	5,097	5,097
Recycling program	-	-	-	-	-	-	11,770	11,770
<u>Economic development:</u>								
CDBG grants	-	-	-	-	-	-	161,726	161,726
Lead abatement	-	-	-	-	-	-	54,431	54,431
Loan programs	-	-	-	-	-	-	113,407	113,407
Planning grants	-	-	-	-	-	-	2,021	2,021
<u>Education</u>								
Education programs	-	-	-	-	-	180,609	-	180,609
Scholarship programs	-	-	-	-	-	-	51,875	51,875
Capital outlay	-	-	2,114,655	800,000	-	-	-	2,914,655
Total Restricted	-	-	2,114,655	800,000	-	180,609	1,256,333	4,351,597
<u>Committed:</u>								
<u>Legislative:</u>								
Employee benefits	-	-	-	-	-	-	168,782	168,782
<u>Public safety:</u>								
Substance abuse	-	-	-	-	-	-	30,515	30,515
Law enforcement programs	-	-	-	-	-	-	7,154	7,154
Fire rescue programs	-	-	-	-	-	-	6,412	6,412
<u>Public works:</u>								
Recreation	-	-	-	-	-	-	140,534	140,534
Recycling program	-	-	-	-	-	-	1	1
<u>Economic development:</u>								
Planning grants	-	-	-	-	-	-	35,243	35,243
Total Committed	-	-	-	-	-	-	388,641	388,641
<u>Assigned:</u>								
Public safety - Police vehicles	305,163	-	-	-	-	-	-	305,163
<u>Unassigned</u>								
	1,065,116	(339,473)	-	-	(1,313,908)	-	(212,869)	(801,134)
Totals	\$ 1,563,568	\$ (339,473)	\$ 2,114,655	\$ 800,000	\$ (1,313,908)	\$ 180,609	\$ 1,618,034	\$ 4,623,485

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

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>
2014	\$ 1,075,542	\$ 13,393,300	\$ 13,548,328	\$ 920,514
2013	975,000	15,064,312	14,963,770	1,075,542

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, 2014**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, 2014.

C. Employee retirement systems and pension plansSummary

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

1. Municipal Employees' Retirement System (MERS)Plan description

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

Funding policy

General Employees:

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

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

The annual required contribution into the defined benefit plan includes normal costs and, where applicable, a payment to amortize the unfunded actuarial accrued liability (UAAL) as of June 30, 2010, over a closed period of 25 years. There are 21 years remaining as of June 30, 2014. The amortization contribution rate is level percentage of payroll required to reduce the UAAL to zero over the remaining amortization period. Normal cost is determined using the entry age normal cost method. Unlike in the Teachers' Plan, the State makes no contributions to the Municipal Plan on behalf of the City, nor does it assume any liability for funding pension benefits for the City's participants.

Police and Fire Employees:

Rhode Island general laws set contributions of participating employees at 7% of salary to the defined benefit plan. The City participates in an optional cost-of-living provision which assesses an additional 1% of salary to the participants. Annual required contributions are actuarially determined for each separate employer and are assessed to each as a percentage of their participating employees' payroll. The annual required contribution covers a percentage of payroll into the defined contribution plan. The annual required contribution into the defined benefit plan includes normal costs and, where applicable, a payment to amortize the unfunded actuarial accrued liability (UAAL) as of June 30, 1999, over a closed period of 30 years. There are 15 years remaining as of June 30, 2014. The amortization contribution rate is level percentage of payroll required to reduce the UAAL to zero over the remaining amortization period. Normal cost is determined using the entry age normal cost method.

For fiscal year 2014, covered and active employees in the plan were as follows:

<u>MERS Plan Unit</u>	<u>Covered Payroll</u>	<u>Active Employees</u>
General employees	\$ 10,878,843	307
Police employees	5,114,655	84
Fire employees	6,801,631	104

Annual required contribution trend information

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

<u>Fiscal Year</u>	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>6/30/2012</u>
General Employees:			
Annual Required Contribution	\$ 1,015,940	\$ 936,594	\$ 423,083
Percentage Contributed	100%	100%	100%
Police Employees:			
Annual Required Contribution	\$ 998,112	\$ 1,035,333	\$ 1,083,000
Percentage Contributed	100%	100%	100%
Fire Employees:			
Annual Required Contribution	\$ 534,099	\$ 842,297	\$ 914,700
Percentage Contributed	100%	100%	100%

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

Funded status and funding progress

The funded status of the plan as of June 30, 2014 was as follows:

Actuarial Valuation Date	(A) Actuarial Value of Assets	(B) Actuarial Accrued Liability (AAL)	(A-B) Over (Under) Funded AAL	(A/B) Funded AAL Ratio	(C) Covered Payroll	[(A-B)/C] Over (Under) Funded AAL as a Percentage of Covered Payroll
General Municipal Employees:						
June 30, 2014	\$60,048,923	\$64,378,045	\$ (4,329,122)	93.3%	\$10,354,456	(41.8)%
Police Municipal:						
June 30, 2014	\$33,332,954	\$47,117,999	\$(13,785,045)	70.7%	\$ 5,121,719	(269.1)%
Fire Municipal:						
June 30, 2014	\$39,319,360	\$40,120,369	\$ (801,009)	98.0%	\$ 6,740,219	(11.9)%

Actuarial methods and significant assumptions

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

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

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

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014**2. Employees' Retirement System of Rhode Island (ERS)**Plan description

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

Funding policy

Rhode Island general laws set the contribution rates of participating employees at 10.75% of salary (3.75% to the defined benefit trust and 7.0% to the defined contribution plan) effective July 1, 2012. Annual required contributions by both employers and the State on behalf of those employees are determined actuarially and assessed as a percentage of participants' covered payroll. Under Rhode Island General Laws, the employer contribution rates for Teachers are certified annually by the State of Rhode Island Retirement Board. The required contributions include (a) normal costs; (b) payments to amortize the unfunded frozen actuarial accrued liability as of June 30, 2010 over 25 years; (c) interest on the unfunded frozen actuarial liability; and (d) a percentage of payroll contribution into the defined contribution plan. Normal cost is determined using the entry age normal actuarial cost method. As prescribed by Rhode Island general law, the State pays the entire portion of the annual required contribution attributable to the costs of contributions deferred by the State in prior years, plus 40% of contributions assessed to employers on payroll not reimbursable through federal programs. For fiscal year 2014, actuarial required contributions were 20.68% of covered payroll. The City's contribution rate was 12.26% which is comprised of 8.51% employer share and 3.75% employee/member share. This resulted in a contribution rate paid by the State on behalf of City teachers of 8.42%. In accordance with the provisions of GASB Statement No. 24, the City has recorded "on-behalf" payments of \$3,083,000 for amounts paid by the State of behalf of City teachers. The City's required and actual contributions to the Teachers' Plan for fiscal years 2014, 2013, and 2012 were \$4,328,451, \$3,931,733 and \$4,198,727 respectively.

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

Actuarial methods and significant assumptions

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

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

Investment rate of return	7.50% annually
Salary increases	4.00% to 7.00% (included inflation at 2.75%)
Payroll growth rate (for amortization)	3.75% annually
Cost of living adjustments	2.00% - Currently suspended for 13 years
Inflation rate	2.75% annually

3. City police and fire employees pension plans

Plan administration

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

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

Valuation of investments

Investments are valued at fair value. Securities traded on a national exchange are valued at the June 30, 2014 reported sales price. There were no investments in any one issuer of larger than 5% at June 30, 2014.

Participant data

a. Inactive plan participants as of July 1, 2014:	
i. Retirees and beneficiaries currently receiving benefits	201
ii. Terminated employees entitled to deferred benefits	0
iii. Disabled employees currently receiving benefits	<u>43</u>
iv. Total	<u>244</u>
b. Active plan participants as of July 1, 2014:	
i. Vested	1
ii. Non-vested	<u>0</u>
iii. Total	<u>1</u>

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. Participants are required to contribute 7% of their annual salary. During the fiscal year ended June 30, 2014, there were no current active police officers contributing to the Plan. Retirement benefits are payable in the form of a 66.7% joint and survivor annuity, if the participant is married at the retirement date, or a life annuity if the participant is single at the retirement date. Work related death benefits are provided for the participant's beneficiary at 50% of salary plus an additional 10% of salary for each minor child up to a maximum of 66.7%. For non-work related deaths, the participant's beneficiary is entitled to a benefit of 30% of pay plus an additional 10% of pay for each minor child up to a maximum of 50% of pay. The disability benefit is 66.7% of current salary for a work related disablement and 50% of current salary for a non-work related disablement. There is no cost-of-living provision in 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. Participants are required to contribute 8% of their annual salary. During the fiscal year ended June 30, 2014, there was one current active firefighter contributing to the Plan.

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

Retirement benefits are payable in the form of a 66.7% joint and survivor annuity, if the participant is married at the retirement date, of a life annuity if the participant is single at the retirement date. Work related death benefits are provided for the participant's beneficiary at 50% of salary plus an additional 10% of salary for each minor child up to a maximum of 66.7%. For non-work related deaths, the participant's beneficiary is entitled to a benefit of 30% of pay plus an additional 10% of pay for each minor child up to a maximum of 50% of pay. The disability benefit is 66.7% of current salary for a work related disablement and 50% of current salary for a non-work related disablement. There is no cost-of-living provision in the plan.

Contributions required

Police plan:

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

Firemen's plan:

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

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.

Actuarially determined contributions to the Plan are determined each year as part of the actuarial valuation process. These contributions are determined according to the following contribution policy:

- Actuarial cost method: Entry Age Normal
- Amortization method: Closed, 14 years remaining as of July 1, 2014, based on the Funding Improvement Plan.
- Asset valuation method: Fair Market 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.

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

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, as of June 30, 2014:

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

Rate of return: For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, gross of pension plan investment expense, was 8.28 percent. The money-weighted rate of return expresses investment performance, adjusted for the changing amounts actually invested.

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

Net pension liability

The City's net pension liability at June 30, 2014 is \$42,180,717. The components of the net pension liability were as follows:

Total pension liability	\$ 88,534,461
Plan fiduciary net position	<u>46,353,744</u>
Net pension liability	<u>\$ 42,180,717</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>52.36%</u>

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

Actuarial assumptions

Cost method - Entry age normal, as required by GASB Statement No. 67.

Measurement date - June 30, 2014

Valuation date - July 1, 2014

Mortality - RP2000 Mortality Table, projected to 2010 and then fully generational with 115% male and 95% female

Discount rate - 6.20% per annum

Inflation - This assumption is an underlying component of a number of these economic assumptions. This assumption reflects the following factors:

- Consumer price indices
- Forecasts of inflation
- Yields on government securities of various maturities
- Yields on nominal and inflation-indexed debt

Salary projection - N/A. The active participant is past normal retirement age and is assumed to retire immediately.

Retirement Age - Fire - The earlier of age 55 and 20 years of service, or 30 years of service.

Police - N/A - All participants are in pay status.

The Fire assumption reflects the population's history. The assumption is not anticipated to produce significant cumulative actuarial gains or losses over the measurement period as there is one remaining active participant.

Cost of living increase - None, effective June 30, 2013.

Maximum compensation and maximum benefits - N/A

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, 2014 (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	8.4%
International equity	8.9%
Fixed income	4.6%
Cash	2.0%

The assumed inflation rate is 2.30% per annum.

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

Discount rate

The discount rate used to measure the total pension liability was 6.20%. 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.

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, 2035 (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 2015 - FYE 2035) of projected benefit payments and a bond rate of 3.63% was applied to projected benefit payments after the FYE June 30, 2035 to determine the total pension liability.

The bond rate of 3.63% is from the Moody’s Bond Index Yield on June 27, 2014. It reflects 20-year, tax exempt general obligation municipal bonds with an average rating of AA.

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 6.20 % 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 (5.20%) or 1-percentage point higher (7.20%) than the current rate:

	1% Decrease (5.20%)	Current Discount Rate (6.20%)	1% Increase (7.20%)
Net pension liability	\$50,284,328	\$42,180,717	\$35,240,995

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

GASB 27 - Annual pension cost and net pension obligations (NPO)

The City of Woonsocket's annual pension cost and net pension obligation to the Pension Plan for the year ended June 30, 2014 was as follows:

Annual required contribution ("ARC")	\$ 3,465,000
Interest on net pension obligation	830,480
Adjustment to annual required contribution	<u>(872,158)</u>
Annual pension cost	3,423,322
Contributions made	<u>3,466,953</u>
Decrease in net pension obligation	(43,631)
Net pension obligation, July 1, 2013	<u>11,073,064</u>
Net pension obligation, June 30, 2014	<u>\$ 11,029,433</u>

GASB 27 - Three year trend information

<u>Year Ending June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2012	\$ 3,584,191	28.09%	\$ 8,485,928
2013	3,590,287	27.94%	11,073,064
2014	3,423,322	101.27%	11,029,433

GASB 27 - Funding policy and funding progress

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

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

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

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

The schedules of funding progress ("RSI-7") and the schedules of employer contributions ("RSI-8") for these two plans are required supplementary information and can be found immediately following the notes to the financial statements. The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

GASB 27 - Actuarial assumptions

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

The annual required contribution to the plans for the fiscal year ended June 30, 2014 (\$3,465,000) was determined using a 30 year amortization period for the unfunded accrued liability. In 2003, the City issued pension obligation bonds pursuant to an act passed in the General Assembly of the State of Rhode Island. One of the provisions of the legislation requires that the City fund any unfunded pension obligations over a period of not more than five (5) years and, therefore, the City is in violation of that provision (see Note IV. F.).

D. Other post-employment benefit planPlan description

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

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

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

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

Employer contributions

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

Employee contributions

There are no employee contributions to the plan.

Funded status and funding progress

The funded status of the plan as of the most recent actuarial valuation date July 1, 2013 was as follows:

City General Fund

Actuarial Valuation Date	(A) Actuarial Value Of Assets	(B) Actuarial Accrued Liability (AAL) Projected Unit Credit	(A-B) Over (Under) Funded AAL	(A/B) Funded AAL Ratio	(C) Covered Payroll	[(A-B)/C] Over (Under) Funded AAL as a Percentage of Covered Payroll
July 1, 2013	\$	\$ 95,973,786	\$(95,973,786)	0%	N/A	N/A

Water Fund

Actuarial Valuation Date	(A) Actuarial Value Of Assets	(B) Actuarial Accrued Liability (AAL) Projected Unit Credit	(A-B) Over (Under) Funded AAL	(A/B) Funded AAL Ratio	(C) Covered Payroll	[(A-B)/C] Over (Under) Funded AAL as a Percentage of Covered Payroll
July 1, 2013	\$	\$ 4,704,854	\$(4,704,854)	0%	N/A	N/A

Wastewater Fund

Actuarial Valuation Date	(A) Actuarial Value Of Assets	(B) Actuarial Accrued Liability (AAL) Projected Unit Credit	(A-B) Over (Under) Funded AAL	(A/B) Funded AAL Ratio	(C) Covered Payroll	[(A-B)/C] Over (Under) Funded AAL as a Percentage of Covered Payroll
July 1, 2013	\$	\$ 433,198	\$(433,198)	0%	N/A	N/A

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

User Fund

Actuarial Valuation Date	(A) Actuarial Value Of Assets	(B) Actuarial Accrued Liability (AAL) Projected Unit Credit	(A-B) Over (Under) Funded AAL	(A/B) Funded AAL Ratio	(C) Covered Payroll	[(A-B)/C] Over (Under) Funded AAL as a Percentage of Covered Payroll
July 1, 2013	\$	\$ 400,931	\$(400,931)	0%	\$ N/A	N/A

School Unrestricted Fund

Actuarial Valuation Date	(A) Actuarial Value Of Assets	(B) Actuarial Accrued Liability (AAL) Projected Unit Credit	(A-B) Over (Under) Funded AAL	(A/B) Funded AAL Ratio	(C) Covered Payroll	[(A-B)/C] Over (Under) Funded AAL as a Percentage of Covered Payroll
July 1, 2013	\$	\$ 24,746,975	\$(24,746,975)	0%	N/A	N/A

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

Actuarial methods and assumptions

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

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

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, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent
Remaining Amortization Period	30 Years Decreasing, Closed
Asset Valuation Method	N/A
Actuarial Assumptions:	
Investment rate of return	4.0%
Annual Payroll Increase	2.5%
Healthcare inflation rate:	
Initial Medical/Dental Trend Rates	8.0% / 5.0%
Ultimate Medical/Dental Trend Rates	5.0% / 5.0%

Annual OPEB Cost and Net OPEB Obligation (NOO)

The changes in the Net OPEB Obligation (NOO) for the fiscal year ended June 30, 2014 were as follows:

City Plan

	City General Fund	Water Fund	Wastewater Fund	User Fund
Annual required contribution (ARC)	\$ 6,635,685	\$ 270,234	\$ 21,103	\$ 19,527
Interest on net OPEB obligation	1,854,411	61,612	322	(4,779)
Adjustment to ACR	<u>(2,237,986)</u>	<u>(74,356)</u>	<u>(389)</u>	<u>5,768</u>
Annual OPEB Cost (AOC)	6,252,110	257,490	21,036	20,516
Contribution made	<u>(3,648,955)</u>	<u>(294,683)</u>	<u>(27,372)</u>	<u>(44,427)</u>
Increase (decrease) in net OPEB obligation	2,603,155	(37,193)	(6,336)	(23,911)
Net OPEB obligation (asset), July 1, 2013	<u>46,360,287</u>	<u>1,540,294</u>	<u>8,060</u>	<u>(119,486)</u>
Net OPEB obligation (asset), June 30, 2014	<u>\$ 48,963,442</u>	<u>\$ 1,503,101</u>	<u>\$ 1,724</u>	<u>\$(143,397)</u>

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

Woonsocket Education Department Plan

Annual required contribution (ARC)	\$ 1,843,726
Interest on the NOO	429,115
Adjustment to annual required contribution	<u>(540,871)</u>
Annual OPEB cost (ARC)	1,731,970
Contributions made	<u>(1,148,499)</u>
Change in net OPEB obligation	583,471
NOO - July 1, 2013	<u>10,727,872</u>
NOO - June 30, 2014	<u>\$ 11,311,343</u>

Three year trend information

City General Fund

<u>Annual Year Ending June 30</u>	<u>OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 14,556,980	50.70%	\$ 40,014,257
2013	10,407,858	39.00%	46,360,287
2014	6,252,110	58.36%	48,963,442

Water Fund

<u>Annual Year Ending June 30</u>	<u>OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 631,390	43.4%	\$ 1,356,205
2013	457,939	59.8%	1,540,294
2014	257,490	114.4%	1,503,101

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014Wastewater Fund

<u>Annual Year Ending June 30</u>	<u>OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 26,435	87.8%	\$ 8,249
2013	24,091	100.8%	8,060
2014	21,036	76.85%	1,724

User Fund

<u>Annual Year Ending June 30</u>	<u>OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Asset</u>
2012	\$ 32,764	171.3%	\$ (91,201)
2013	32,689	186.5%	(119,486)
2014	20,516	216.5%	(143,397)

School Unrestricted Fund

<u>Annual Year Ending June 30</u>	<u>OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
2012	\$ 4,548,513	49.1%	\$ 8,003,942
2013	4,733,251	42.5%	10,727,872
2014	1,731,970	66.3	11,311,343

E. On-behalf payments

The amount recognized in the general fund intergovernmental revenues and education expenditures for contributions made by the State of Rhode Island to the State Teachers' Retirement Plan was \$3,083,000.

City of Woonsocket, Rhode Island

Notes to Financial Statements
June 30, 2014

F. 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.

G. Change in major funds

For the fiscal year ended June 30, 2014, the Woonsocket Schools Restricted Fund now fits the criteria to be classified as a major fund. Changes to presentation on Exhibit D are as follows:

	Woonsocket Schools Restricted <u>Fund</u>	Other Governmental <u>Funds</u>
Fund balance - June 30, 2013, as previously reported	\$ -	\$ 1,572,880
Change in major fund classification	<u>54,148</u>	<u>(54,148)</u>
Fund balance - July 1, 2013	<u>\$ 54,148</u>	<u>\$ 1,518,732</u>

**Required
Supplementary
Information**

City of Woonsocket, Rhode Island

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property taxes:				
Current taxes	\$ 57,563,429	\$ 57,563,429	\$ 57,693,602	\$ 130,173
Prior taxes	1,200,000	1,200,000	1,872,196	672,196
Interest on taxes	700,000	700,000	891,173	191,173
Payment in lieu taxes	3,272,243	3,272,243	3,296,158	23,915
Total property taxes	62,735,672	62,735,672	63,753,129	1,017,457
State aid - City:				
Telephone tax	495,674	495,674	559,030	63,356
Meals and beverage tax	529,046	529,046	468,491	(60,555)
Distressed communities	885,825	885,825	885,825	-
Chapter 26 - school housing	5,300,554	5,300,554	5,382,193	81,639
State library construction	197,423	197,423	168,009	(29,414)
Private hospitals and colleges	231,391	231,391	277,209	45,818
State motor vehicle phase-out	367,796	367,796	354,466	(13,330)
Hotel tax	56,233	56,233	47,668	(8,565)
Total state aid - City	8,063,942	8,063,942	8,142,891	78,949
Licenses, fees and rents:				
Business licenses and fees	1,075,315	1,075,315	1,185,010	109,695
Trash collection fee	2,000,000	2,000,000	842,151	(1,157,849)
Interest - trash pickup	25,000	25,000	18,173	(6,827)
Rental of City properties	139,297	139,297	145,485	6,188
Total licenses, fees and rents	3,239,612	3,239,612	2,190,819	(1,048,793)
Investment income - short term	-	-	5,244	5,244
Departmental revenues:				
W.H.A. reimbursement - police	40,000	40,000	-	(40,000)
Host community	902,000	902,000	922,477	20,477
Wastewater department	200,801	200,801	200,801	-
Water department	276,132	276,132	276,132	-
Solid waste program	153,704	153,704	153,704	-
Federal housing	192,190	192,190	187,443	(4,747)
Total departmental revenues	1,764,827	1,764,827	1,740,557	(24,270)
Restricted receipts:				
Education department - General Fund	50,158,625	50,158,625	50,443,333	284,708
Miscellaneous revenues:				
City pension administration	70,000	70,000	70,000	-
Remaining bond proceeds	1,340,680	1,340,680	1,395,757	55,077
Miscellaneous - City	1,419,009	1,419,009	1,787,070	368,061
Total miscellaneous revenues	2,829,689	2,829,689	3,252,827	423,138
Total revenues	128,792,367	128,792,367	129,528,800	736,433
Expenditures:				
Executive:				
Office of the Mayor	122,496	122,496	104,462	18,034

(Continued)

City of Woonsocket, Rhode Island

General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Legislative:				
City council	\$ 87,401	\$ 87,401	\$ 72,724	\$ 14,677
City clerk	152,125	151,075	156,832	(5,757)
Probate court	8,688	9,738	9,152	586
Board assessment reviews	1,050	1,050	1,050	-
Board of canvassers	119,942	119,942	114,741	5,201
Zoning board of reviews	18,930	18,930	11,336	7,594
Board of library trustees	866,422	866,422	815,323	51,099
Total legislative	1,254,558	1,254,558	1,181,158	73,400
Planning and development:				
Planning and development	337,439	377,439	404,212	(26,773)
Finance department:				
Finance department	1,409,748	1,409,748	1,391,633	18,115
Law:				
City solicitor	324,390	324,390	237,044	87,346
Public safety:				
Police division	7,998,450	7,637,233	8,064,596	(427,363)
Fire division	9,069,411	9,091,461	9,803,914	(712,453)
Emergency management division	57,050	57,050	17,355	39,695
Total public safety	17,124,911	16,785,744	17,885,865	(1,100,121)
Public works:				
Office of the director	498,656	498,306	560,730	(62,424)
Engineering division	226,980	212,280	196,084	16,196
Highway division	2,331,609	2,331,459	1,911,855	419,604
City property division	281,494	351,494	427,980	(76,486)
Thundermist hydro	19,576	19,576	17,089	2,487
Parks and recreation division	156,555	156,555	151,248	5,307
Solid waste disposal division	2,596,826	2,592,026	2,550,494	41,532
Total public works	6,111,696	6,161,696	5,815,480	346,216
Economic development:				
Economic development	21,145	21,145	8,390	12,755
Human services:				
Personnel administration	176,501	176,501	143,173	33,328
Budget commission:				
Budget commission	325,000	325,000	649,569	(324,569)
Education:				
Education department expenditures	50,158,625	50,158,625	47,408,996	2,749,629
Miscellaneous:				
Insurance	1,316,186	960,638	820,550	140,088
Claims and judgments	60,000	60,000	123,087	(63,087)
Contingency	1,484,913	1,394,913	2,596,958	(1,202,045)
Contribution to City funds	6,730,832	6,063,702	5,226,375	837,327
Pension	6,655,281	6,655,281	6,307,726	347,555
Miscellaneous	58,000	1,419,845	320,057	1,099,788
Total miscellaneous	16,305,212	16,554,379	15,394,753	1,159,626
Debt service	18,954,316	18,954,316	18,703,398	250,918
Total expenditures	112,626,037	112,626,037	109,328,133	3,297,904
Excess of revenues over expenditures before other financing uses	16,166,330	16,166,330	20,200,667	4,034,337
Other financing uses:				
Transfers out to school department	(16,166,330)	(16,166,330)	(16,166,330)	-
Net change in fund balance	\$ -	\$ -	\$ 4,034,337	\$ 4,034,337

(Concluded)

City of Woonsocket, Rhode Island

**Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
School Unrestricted Fund - Budgetary Basis
Year Ended June 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
State aid	\$ 48,133,625	\$ 48,133,625	\$ 48,155,191	\$ 21,566
Tuition career center and other	665,000	665,000	558,452	(106,548)
RF Harris Fund	12,000	12,000	15,636	3,636
Evening and summer school	38,000	38,000	40,945	2,945
Athletic receipts	12,000	12,000	14,472	2,472
Facility rentals	42,000	42,000	106,769	64,769
Miscellaneous	13,000	13,000	85,546	72,546
SAFFA (Impact Aid)	62,000	62,000	34,751	(27,249)
Indirect cost	81,000	81,000	214,780	133,780
Medicaid	1,100,000	1,100,000	1,216,791	116,791
Total revenues	<u>50,158,625</u>	<u>50,158,625</u>	<u>50,443,333</u>	<u>284,708</u>
Expenditures:				
Salaries	38,476,909	38,476,909	37,278,679	1,198,230
Employee benefits	15,935,525	15,935,525	14,272,536	1,662,989
Professional and technical services	1,069,917	1,069,917	940,201	129,716
Property services	552,852	552,852	455,386	97,466
Other purchased services	7,300,174	7,300,174	7,222,359	77,815
Supplies	2,621,525	2,621,525	3,128,456	(506,931)
Property and equipment	339,635	339,635	208,073	131,562
Other	28,418	28,418	69,636	(41,218)
Total expenditures	<u>66,324,955</u>	<u>66,324,955</u>	<u>63,575,326</u>	<u>2,749,629</u>
Excess (deficiency) of revenues over expenditures	<u>(16,166,330)</u>	<u>(16,166,330)</u>	<u>(13,131,993)</u>	<u>3,034,337</u>
Other financing sources (uses):				
Transfers in - general fund	16,166,330	16,166,330	16,166,330	-
Transfers out - WED capital fund	<u> </u>	<u> </u>	<u>(800,000)</u>	<u>(800,000)</u>
Net other financing sources (uses)	<u>16,166,330</u>	<u>16,166,330</u>	<u>15,366,330</u>	<u>(800,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,234,337</u>	<u>\$ 2,234,337</u>

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

June 30, 2014

Total pension liability:	
Service cost	\$ -
Interest	5,897,857
Differences between expected and actual experience	(832,201)
Change of assumptions	8,827,989
Benefit payments, including refunds of member contributions	<u>(7,852,600)</u>
Net change in total pension liability	6,041,045
Total pension liability - July 1	<u>82,493,416</u>
Total pension liability - June 30 (a)	<u><u>\$ 88,534,461</u></u>
Plan fiduciary net position:	
Contributions - employer	\$ 3,466,953
Contributions - member	3,125
Net investment income	3,665,445
Benefit payments, including refunds of member contributions	(8,304,351)
Administration	<u>(84,461)</u>
Net change in plan fiduciary net position	(1,253,289)
Plan fiduciary net position - July 1	<u>47,607,033</u>
Plan fiduciary net position - June 30 (b)	<u><u>\$ 46,353,744</u></u>
Net pension liability - June 30 (a)-(b)	<u><u>\$ 42,180,717</u></u>

City of Woonsocket, Rhode island

City Police and Fire Employee Pension Plan

Required Supplementary Information
Schedule of Net Pension Liability

June 30, 2014

Total pension liability	\$ 88,534,461
Plan fiduciary net position	<u>(46,353,744)</u>
Net pension liability	<u><u>\$ 42,180,717</u></u>
Plan fiduciary net position as a percentage of the total pension liability	<u><u>52.36%</u></u>
Covered-employee payroll *	<u><u>\$ -</u></u>
Net pension liability as a percentage of covered-employee payroll	<u><u>N/A</u></u>

* Covered-employee payroll is \$0 since the active employee is over normal retirement age and is therefore expected to retire immediately.

Schedule of Investment Returns

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

City Police and Fire Employee Pension Plan

Required Supplementary Information
Schedule of ContributionsLast 10 Fiscal Years

<u>Fiscal year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Excess (Deficiency)</u>	<u>Covered- Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
2014	\$ 3,465,000	\$ 3,466,953	\$ 1,953	\$ -	N/A
2013	3,618,476	1,003,151	(2,615,325)	67,132	1494.30%
2012	3,610,195	1,006,677	(2,603,518)	65,494	1537.05%
2011	2,775,469	1,011,371	(1,764,098)	374,815	269.83%
2010	2,707,382	15,612	(2,691,770)	374,815	4.17%
2009	1,695,306	24,046	(1,671,260)	622,556	3.86%
2008	-	32,122	32,122	1,228,245	2.62%
2007	-	36,086	36,086	1,117,844	3.23%
2006	-	33,894	33,894	1,193,429	2.84%
2005	-	42,224	42,224	1,094,677	3.86%

City of Woonsocket, Rhode island

City Police and Fire Employee Pension Plan

Notes to Required Supplementary Information
Year Ended June 30, 2014

Changes of benefit terms	None
Changes of assumptions	Decreased the discount rate from 7.5% to 6.2%
Method and assumptions used in calculations of actuarially determined contribution	Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contribution are reported

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Closed, based on the Funding Improvement Plan
Asset Valuation Method	Fair market Value, adjusted to phase in gains and losses over a five-year period at a rate of 20% per year.
Inflation	N/A
Salary Increases	N/A
Investment Rate of Return	6.2%, net of investment expenses, including inflation

City of Woonsocket, Rhode island

City of Woonsocket Other Post-Employment Benefit Plan

Notes to Required Supplementary Information
Year Ended June 30, 2014

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

Actuarial Cost Method	Entry Age Normal
-----------------------	------------------

Amortization Method	Level Percent
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Remaining Amortization Period	30 years decreasing, closed
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Asset Valuation	N/A
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Investment Rate of Return	4.0%
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Healthcare Inflation rate - Initial Medical	8.0%
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Healthcare Inflation rate - Ultimate Medical	5.0%
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Healthcare Inflation rate - Initial Dental	5.0%
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Healthcare Inflation rate - Ultimate Dental	5.0%
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**City of Woonsocket, Rhode Island
Required Supplementary Information
City of Woonsocket Retirement Systems and Other Post-Employment Benefit Plans
Schedules of Funding Progress**

General Municipal Employees Pension Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date June 30	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over (Under) Funded AAL as a Percentage of Covered Payroll
2009	\$ 64,835,107	\$ 59,703,241	\$ 5,131,866	108.6%	\$ 11,960,719	42.9%
2010	62,059,325	69,257,290	(7,197,965)	89.6%	12,024,784	(59.9%)
2011	59,804,141	61,964,902	(2,160,761)	96.5%	11,689,416	(18.5%)
2012	58,988,191	61,981,018	(2,992,827)	95.2%	11,045,665	(27.1%)
2013	58,855,018	62,910,670	(4,055,652)	93.6%	10,878,843	(37.3%)
2014	60,048,923	64,378,045	(4,329,122)	93.3%	10,354,456	(41.8%)

Municipal Police Pension Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date June 30	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over (Under) Funded AAL as a Percentage of Covered Payroll
2009	\$ 29,773,835	\$ 34,272,940	(4,499,105)	86.9%	\$ 4,728,198	(95.2%)
2010	29,718,494	43,792,882	(14,074,388)	67.9%	4,926,427	(285.7%)
2011	29,867,859	38,936,114	(9,068,255)	76.7%	5,180,533	(175.0%)
2012	30,903,156	43,234,302	(12,331,146)	71.5%	5,290,653	(233.1%)
2013	31,768,613	45,401,135	(13,632,522)	70.0%	5,114,655	(266.5%)
2014	33,332,954	47,117,999	(13,785,045)	70.7%	5,121,719	(269.1%)

(Continued)

**City of Woonsocket, Rhode Island
Required Supplementary Information
City of Woonsocket Retirement Systems and Other Post-Employment Benefit Plans
Schedules of Funding Progress**

Municipal Fire Pension Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date June 30	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over (Under) Funded AAL as a Percentage of Covered Payroll
2009	\$ 27,011,294	\$ 26,832,008	\$ 179,286	100.7%	\$ 6,559,575	2.7%
2010	29,070,902	36,095,122	(7,024,220)	80.5%	6,639,590	(105.8%)
2011	31,214,052	30,626,681	587,371	101.9%	7,019,562	8.4%
2012	33,638,777	35,114,936	(1,476,159)	95.8%	6,473,479	(22.8%)
2013	36,152,846	38,055,800	(1,902,954)	95.0%	6,801,631	(28.0%)
2014	39,319,360	40,120,369	(801,009)	98.0%	6,740,219	(11.9%)

City Administered Police and Fire Pension Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over (Under) Funded AAL as a Percentage of Covered Payroll
2009	\$ 67,641,077	\$ 96,653,532	\$ (29,012,455)	70.0%	\$ 622,556	(4660.2%)
2010	67,655,825	97,860,965	(30,205,140)	69.1%	374,815	(8058.7%)
2011	65,313,250	107,562,736	(42,249,486)	60.7%	374,815	(11272.1%)
2012	55,902,219	98,519,344	(42,617,125)	56.7%	65,494	(65070.3%)
2013	48,760,303	82,493,416	(33,733,113)	59.1%	67,132	(50248.9%)
2014	48,567,118	79,706,472	(31,139,354)	60.9%	79,438	(39199.6%)

(Continued)

**City of Woonsocket, Rhode Island
Required Supplementary Information
City of Woonsocket Retirement Systems and Other Post-Employment Benefit Plans
Schedules of Funding Progress**

City General Fund OPEB Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over (Under) Funded AAL as a Percentage of Covered Payroll
2009	\$	\$ 126,879,850	\$ (126,879,850)	0.0%	\$ 13,690,924	(926.7%)
2010		N/A	N/A	N/A	N/A	N/A
2011		137,878,611	(137,878,611)	0.0%	14,497,752	(951.0%)
2012		146,029,590	(146,029,590)	0.0%	15,969,668	(914.4%)
2013		95,973,786	(95,973,786)	0.0%	N/A	N/A

City Water Fund OPEB Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over (Under) Funded AAL as a Percentage of Covered Payroll
2009	\$	\$ 5,658,519	\$ (5,658,519)	0.0%	\$ 1,037,452	(545.4%)
2010		N/A	N/A	N/A	N/A	N/A
2011		6,494,760	(6,494,760)	0.0%	15,580,164	(41.7%)
2012		6,227,289	(6,227,289)	0.0%	15,969,668	(39.0%)
2013		4,704,854	(4,704,854)	0.0%	N/A	N/A

City Wastewater Fund OPEB Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date June 30	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over (Under) Funded AAL as a Percentage of Covered Payroll
2009	\$	\$ 449,526	\$ (449,526)	0.0%	\$ 1,037,452	(43.3%)
2010		N/A	N/A	N/A	N/A	N/A
2011		452,862	(452,862)	0.0%	15,580,164	(2.9%)
2012		447,936	(447,936)	0.0%	15,969,668	(2.8%)
2013		433,198	(433,198)	0.0%	N/A	N/A

(Continued)

**City of Woonsocket, Rhode Island
Required Supplementary Information
City of Woonsocket Retirement Systems and Other Post-Employment Benefit Plans
Schedules of Funding Progress**

City User Fund OPEB Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over (Under) Funded AAL as a Percentage of Covered Payroll
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

School General Fund OPEB Plan

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age Normal	Over (Under) Funded AAL	Funded AAL Ratio	Covered Payroll	Over (Under) Funded AAL as a Percentage of Covered Payroll
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

(Concluded)

City of Woonsocket, Rhode Island

Required Supplementary Information

City of Woonsocket Retirement Systems and Other Post-Employment Benefit Plans

Schedules of Employer Contributions

Year Ended June 30,	Annual Required Contributions	Actual Contributions	Percentage Contributed
<u>City Police and Fire Employee Pension Plan</u>			
2009	\$ 1,695,306	\$ 24,046	1.4%
2010	2,707,382	15,612	0.6%
2011	2,775,469	1,011,371	36.4%
2012	3,610,195	1,006,677	27.9%
2013	3,618,476	1,003,151	27.7%
2014	3,465,000	3,466,953	100.1%
<u>City General Fund OPEB Plan</u>			
2009	\$ 12,806,653	\$ 3,252,296	25.4%
2010	13,527,882	3,563,869	26.3%
2011	14,279,069	4,156,668	29.1%
2012	14,730,859	4,061,828	27.6%
2013	10,636,204	4,061,828	38.2%
2014	6,635,685	3,648,955	55.0%
<u>School Unrestricted Fund OPEB Plan</u>			
2009	\$ -	\$ -	N/A
2010	3,884,919	1,934,163	49.8%
2011	4,019,151	2,133,511	53.1%
2012	4,580,611	2,233,551	48.8%
2013	4,755,479	2,009,321	42.3%
2014	1,843,726	1,148,499	62.3%

(Continued)

City of Woonsocket, Rhode Island

Required Supplementary Information

City of Woonsocket Retirement Systems and Other Post-Employment Benefit Plans

Schedules of Employer Contributions

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

(Concluded)

Supplemental Schedules

General Fund

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, 2014

Grand List Year	Uncollected Taxes July 1, 2013	Current Year Levy	Lawful Corrections			Adjusted Amount Collectible	Collections			Uncollected Taxes June 30, 2014
			Additions	Deductions	Abatements		Taxes	Interest, Liens & Other Fees	Total	
1986	\$ 455	\$ -	\$ -	\$ -	\$ 455	\$ -	\$ -	\$ -	\$ -	\$ -
1987	343	-	-	-	343	-	-	-	-	-
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	57,184	-	-	-	-	57,184	73	4,255	4,328	57,111
1995	57,894	-	-	-	-	57,894	73	205	278	57,821
1996	66,156	-	-	-	-	66,156	-	-	-	66,156
1997	90,238	-	-	-	(305)	90,543	305	-	305	90,238
1998	94,628	-	-	-	(305)	94,933	305	121	426	94,628
1999	95,148	-	-	-	-	95,148	-	-	-	95,148
2000	93,977	-	-	-	-	93,977	-	-	-	93,977
2001	150,059	-	-	-	-	150,059	-	-	-	150,059
2002	139,649	-	-	-	-	139,649	155	345	500	139,494
2003	283,423	-	-	-	148,387	135,036	389	209	598	134,647
2004	286,659	-	-	-	123	286,536	2,461	5,008	7,469	284,075
2005	298,685	-	-	76	336	298,273	3,107	4,095	7,202	295,166
2006	419,984	-	-	489	1,203	418,292	4,007	3,267	7,274	414,285
2007	450,530	-	120	-	1,600	449,050	3,371	2,972	6,343	445,679
2008	481,520	-	23,578	-	1,530	503,568	46,712	14,024	60,736	456,856
2009	483,072	-	344	-	2,487	480,929	20,527	10,515	31,042	460,402
2010	905,883	-	2,286	-	4,276	903,893	58,721	32,587	91,308	845,172
2011	1,221,479	-	-	804	5,756	1,214,919	303,844	87,898	391,742	911,075
2012	5,606,698	-	291,987	-	26,502	5,872,183	4,361,558	326,518	4,688,076	1,510,625
Total prior years	11,298,314	-	318,315	1,369	192,388	11,422,872	4,805,608	492,019	5,297,627	6,617,264
2013	-	63,175,139	110,397	308,812	190,199	62,786,525	59,787,258	500,860	60,288,118	2,999,267
Total all years	\$ 11,298,314	\$ 63,175,139	\$ 428,712	\$ 310,181	\$ 382,587	\$ 74,209,397	\$ 64,592,866	\$ 992,879	\$ 65,585,745	\$ 9,616,531

Nonmajor Governmental Funds

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, 2014

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	\$ 127,245	\$ -	\$ -	\$ 939	\$ 7,154	\$ 34,467	\$ -
Receivables:							
Intergovernmental	-	36,485	-	-	-	-	-
Total assets	<u>\$ 127,245</u>	<u>\$ 36,485</u>	<u>\$ -</u>	<u>\$ 939</u>	<u>\$ 7,154</u>	<u>\$ 34,467</u>	<u>\$ -</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ 36,485	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	1,087	1,000	-	-	158,191
Total liabilities	-	36,485	1,087	1,000	-	-	158,191
<u>Fund Balances</u>							
Committed	127,245	-	-	-	7,154	34,467	-
Unassigned	-	-	(1,087)	(61)	-	-	(158,191)
Total fund balances	<u>127,245</u>	<u>-</u>	<u>(1,087)</u>	<u>(61)</u>	<u>7,154</u>	<u>34,467</u>	<u>(158,191)</u>
Total liabilities and fund balances	<u>\$ 127,245</u>	<u>\$ 36,485</u>	<u>\$ -</u>	<u>\$ 939</u>	<u>\$ 7,154</u>	<u>\$ 34,467</u>	<u>\$ -</u>

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

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	\$ 127,326	\$ 16,694	\$ 86,610	\$ 18,500	\$ 11	\$ 127
Receivables:							
Loans	64,553	3,528,676	-	-	-	-	-
Intergovernmental	-	14,299	-	-	-	-	-
Due from other funds	-	-	-	-	15,000	-	-
Total assets	\$ 66,060	\$ 3,670,301	\$ 16,694	\$ 86,610	\$ 33,500	\$ 11	\$ 127
<u>Liabilities</u>							
Accounts payable	\$ -	\$ 28,345	\$ -	\$ 69,060	\$ 7,048	\$ -	\$ -
Due to other funds	-	-	-	36,990	-	-	-
Total liabilities	-	28,345	-	106,050	7,048	-	-
<u>Deferred Inflows of Resources</u>							
Unavailable revenue - loans	64,553	3,528,676	-	-	-	-	-
<u>Fund Balances</u>							
Restricted	1,507	113,280	16,694	-	26,452	11	127
Unassigned	-	-	-	(19,440)	-	-	-
Total fund balances	1,507	113,280	16,694	(19,440)	26,452	11	127
Total liabilities, deferred inflows of resources and fund balances	\$ 66,060	\$ 3,670,301	\$ 16,694	\$ 86,610	\$ 33,500	\$ 11	\$ 127

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	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	\$ 2,021	\$ 1,968	\$ 333,651	\$ 33,541	\$ 101	\$ 10,383	\$ 2,028
Receivables:							
Intergovernmental	-	-	-	38,225	16,852	-	93,634
Due from other funds	-	-	22,702	-	13,562	-	158,191
Total assets	\$ 2,021	\$ 1,968	\$ 356,353	\$ 71,766	\$ 30,515	\$ 10,383	\$ 253,853
<u>Liabilities</u>							
Accounts payable	\$ -	\$ -	\$ 123,206	\$ 33,439	\$ -	\$ -	\$ 93,634
<u>Fund Balances</u>							
Restricted	2,021	1,968	233,147	38,327	-	10,383	160,219
Committed	-	-	-	-	30,515	-	-
Total fund balances	2,021	1,968	233,147	38,327	30,515	10,383	160,219
Total liabilities and fund balances	\$ 2,021	\$ 1,968	\$ 356,353	\$ 71,766	\$ 30,515	\$ 10,383	\$ 253,853

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

		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		\$ 10,909	\$ 770	\$ 6,412	\$ 55,681	\$ 2,815	\$ 108	\$ 107,186
Receivables:								
Accounts		-	-	-	-	-	-	1,008,780
Total assets		<u>\$ 10,909</u>	<u>\$ 770</u>	<u>\$ 6,412</u>	<u>\$ 55,681</u>	<u>\$ 2,815</u>	<u>\$ 108</u>	<u>\$ 1,115,966</u>
<u>Liabilities</u>								
Accounts payable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,186
<u>Deferred Inflows of Resources</u>								
Unavailable revenue - EMS charges receivable		-	-	-	-	-	-	1,008,780
<u>Fund Balances</u>								
Restricted		10,909	770	-	55,681	2,815	108	-
Committed		-	-	6,412	-	-	-	-
Total fund balances		<u>10,909</u>	<u>770</u>	<u>6,412</u>	<u>55,681</u>	<u>2,815</u>	<u>108</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances		<u>\$ 10,909</u>	<u>\$ 770</u>	<u>\$ 6,412</u>	<u>\$ 55,681</u>	<u>\$ 2,815</u>	<u>\$ 108</u>	<u>\$ 1,115,966</u>

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

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	\$ 21,729	\$ 77,615	\$ 2	\$ 23,115	\$ 776	\$ -	\$ 16,477
Receivables:							
Accounts	-	141	-	-	-	-	-
Total assets	<u>\$ 21,729</u>	<u>\$ 77,756</u>	<u>\$ 2</u>	<u>\$ 23,115</u>	<u>\$ 776</u>	<u>\$ -</u>	<u>\$ 16,477</u>
<u>Liabilities</u>							
Accounts payable	\$ 4,449	\$ 5,422	\$ 6,488	\$ 170	\$ -	\$ -	\$ 1,747
Due to other funds	-	-	8,308	22,945	-	2,196	24,822
Total liabilities	<u>4,449</u>	<u>5,422</u>	<u>14,796</u>	<u>23,115</u>	<u>-</u>	<u>2,196</u>	<u>26,569</u>
<u>Fund Balances</u>							
Restricted	17,280	72,334	-	-	-	-	-
Committed	-	-	-	-	776	-	-
Unassigned	-	-	(14,794)	-	-	(2,196)	(10,092)
Total fund balances	<u>17,280</u>	<u>72,334</u>	<u>(14,794)</u>	<u>-</u>	<u>776</u>	<u>(2,196)</u>	<u>(10,092)</u>
Total liabilities and fund balances	<u>\$ 21,729</u>	<u>\$ 77,756</u>	<u>\$ 2</u>	<u>\$ 23,115</u>	<u>\$ 776</u>	<u>\$ -</u>	<u>\$ 16,477</u>

(Continued)

City of Woonsocket, Rhode Island

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014**

Special Revenue Funds

	Recovery Justice Assistance Grant 09 Fund	Recycling Coordinator Fund	Recycling Containers Fund	Lead Hazard Demo Grant Fund	2008 Cop Technology Grant Fund	City Clerk Records Restoration Fund	Justice Assistance Grant 07 Fund
Assets							
Cash and cash equivalents	\$ 17	\$ 11,770	\$ 1	\$ 51,616	\$ -	\$ 145,439	\$ 2,615
Due from other funds	-	-	-	-	-	-	-
Total assets	\$ 17	\$ 11,770	\$ 1	\$ 51,616	\$ -	\$ 145,439	\$ 2,615
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	17	-	-	-	-	-	-
Total liabilities	17	-	-	-	-	-	-
Fund Balances							
Restricted	-	11,770	-	51,616	-	145,439	2,615
Committed	-	-	1	-	-	-	-
Total fund balances	-	11,770	1	51,616	-	145,439	2,615
Total liabilities and fund balances	\$ 17	\$ 11,770	\$ 1	\$ 51,616	\$ -	\$ 145,439	\$ 2,615

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

Special Revenue Funds

	Justice Assistance Grant 08 Fund	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	\$ -	\$ 200,375	\$ 9,872	\$ 172	\$ -	\$ 13,289	\$ 5,007
Due from other funds	-	-	-	-	129,812	-	-
Total assets	<u>\$ -</u>	<u>\$ 200,375</u>	<u>\$ 9,872</u>	<u>\$ 172</u>	<u>\$ 129,812</u>	<u>\$ 13,289</u>	<u>\$ 5,007</u>
<u>Liabilities</u>							
Due to other funds	\$ -	\$ 200,000	\$ -	\$ 172	\$ -	\$ -	\$ -
<u>Fund Balances</u>							
Restricted	-	375	9,872	-	129,812	-	5,007
Committed	-	-	-	-	-	13,289	-
Total fund balances	-	375	9,872	-	129,812	13,289	5,007
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 200,375</u>	<u>\$ 9,872</u>	<u>\$ 172</u>	<u>\$ 129,812</u>	<u>\$ 13,289</u>	<u>\$ 5,007</u>

(Continued)

City of Woonsocket, Rhode Island

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	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	
<u>Assets</u>							
Cash and cash equivalents	\$ 249,572	\$ 3,798	\$ -	\$ 3,471	\$ 1,824,882	\$ 237,804	\$ 2,062,686
Receivables:							
Loans	-	-	-	-	3,593,229	-	3,593,229
Accounts	-	-	-	-	1,008,921	-	1,008,921
Intergovernmental	-	-	-	-	199,495	-	199,495
Due from other funds	-	-	-	-	339,267	-	339,267
Total assets	<u>\$ 249,572</u>	<u>\$ 3,798</u>	<u>\$ -</u>	<u>\$ 3,471</u>	<u>\$ 6,965,794</u>	<u>\$ 237,804</u>	<u>\$ 7,203,598</u>
<u>Liabilities</u>							
Accounts payable	\$ -	\$ 2,939	\$ -	\$ 342	\$ 519,960	\$ -	\$ 519,960
Due to other funds	-	3,367	4,500	-	463,595	-	463,595
Total liabilities	-	6,306	4,500	342	983,555	-	983,555
<u>Deferred Inflows of Resources</u>							
Unavailable revenue - loans	-	-	-	-	3,593,229	-	3,593,229
Unavailable revenue - EMS charges receivable	-	-	-	-	1,008,780	-	1,008,780
Total deferred inflows of resources	-	-	-	-	4,602,009	-	4,602,009
<u>Fund Balances</u>							
Nonspendable	-	-	-	-	-	185,929	185,929
Restricted	80,790	-	-	3,129	1,204,458	51,875	1,256,333
Committed	168,782	-	-	-	388,641	-	388,641
Unassigned	-	(2,508)	(4,500)	-	(212,869)	-	(212,869)
Total fund balances	<u>249,572</u>	<u>(2,508)</u>	<u>(4,500)</u>	<u>3,129</u>	<u>1,380,230</u>	<u>237,804</u>	<u>1,618,034</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 249,572</u>	<u>\$ 3,798</u>	<u>\$ -</u>	<u>\$ 3,471</u>	<u>\$ 6,965,794</u>	<u>\$ 237,804</u>	<u>\$ 7,203,598</u>

(Concluded)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014

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	\$ -	\$ 83,542	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	4,437
Investment income	195	-	-	1	-	-	-
Contributions	-	-	-	-	7,154	1,600	-
Total revenues	195	83,542	-	1	7,154	1,600	4,437
Expenditures:							
Current:							
Legislative	-	-	-	-	-	113	-
Public safety	-	83,542	-	-	-	-	-
Economic development	-	-	-	-	-	-	216,825
Total expenditures	-	83,542	-	-	-	113	216,825
Net change in fund balances	195	-	-	1	7,154	1,487	(212,388)
Fund balances - July 1, 2013	127,050	-	(1,087)	(62)	-	32,980	54,197
Fund balances - June 30, 2014	\$ 127,245	\$ -	\$ (1,087)	\$ (61)	\$ 7,154	\$ 34,467	\$ (158,191)

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014

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	\$ -	\$ 485,174	\$ -	\$ 197,423	\$ 12,568	\$ -	\$ -
Investment income	-	-	23	-	-	-	-
Contributions	-	-	235	-	-	-	-
Total revenues	-	485,174	258	197,423	12,568	-	-
Expenditures:							
Current:							
Legislative	-	-	-	238,298	-	-	-
Economic development	-	472,838	-	-	-	-	-
Human services	-	-	-	-	62,490	-	-
Total expenditures	-	472,838	-	238,298	62,490	-	-
Excess (deficiency) of revenues over expenditures	-	12,336	258	(40,875)	(49,922)	-	-
Other financing sources (uses):							
Transfers in	-	-	-	-	60,000	-	-
Net change in fund balances	-	12,336	258	(40,875)	10,078	-	-
Fund balances - July 1, 2013	1,507	100,944	16,436	21,435	16,374	11	127
Fund balances - June 30, 2014	\$ 1,507	\$ 113,280	\$ 16,694	\$ (19,440)	\$ 26,452	\$ 11	\$ 127

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014

	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	\$ -	\$ -	\$ 279,032	\$ 179,381	\$ 27,230	\$ -	\$ 1,263,502
Investment income	2	2	-	2	-	10	-
Total revenues	2	2	279,032	179,383	27,230	10	1,263,502
Expenditures:							
Current:							
Public safety	-	-	214,451	141,156	-	-	-
Economic development	-	-	-	-	-	-	795,529
Debt service:							
Principal	-	-	-	-	-	-	419,117
Interest and other costs	-	-	-	-	-	-	51,256
Total expenditures	-	-	214,451	141,156	-	-	1,265,902
Excess (deficiency) of revenues over expenditures	2	2	64,581	38,227	27,230	10	(2,400)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	31,647
Net change in fund balances	2	2	64,581	38,227	27,230	10	29,247
Fund balances - July 1, 2013	2,019	1,966	168,566	100	3,285	10,373	130,972
Fund balances - June 30, 2014	\$ 2,021	\$ 1,968	\$ 233,147	\$ 38,327	\$ 30,515	\$ 10,383	\$ 160,219

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014

	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	\$ -	\$ -	\$ 45,930	\$ 93,062	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	1,283,609
Investment income	10	-	-	-	2	-	-
Total revenues	10	-	45,930	93,062	2	-	1,283,609
Expenditures:							
Current:							
Public safety	-	-	38,514	82,691	-	-	54,514
Excess (deficiency) of revenues over expenditures	10	-	7,416	10,371	2	-	1,229,095
Other financing sources (uses):							
Transfers out	-	-	-	-	-	-	(1,229,095)
Net change in fund balances	10	-	7,416	10,371	2	-	-
Fund balances - July 1, 2013	10,899	770	(1,004)	45,310	2,813	108	-
Fund balances - June 30, 2014	<u>\$ 10,909</u>	<u>\$ 770</u>	<u>\$ 6,412</u>	<u>\$ 55,681</u>	<u>\$ 2,815</u>	<u>\$ 108</u>	<u>\$ -</u>

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014

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	\$ 4,000	\$ -	\$ 8,257	\$ -	\$ -	\$ 551,083	\$ 41,155
Charges for services	-	49,925	-	-	-	-	-
Investment income	-	-	2	-	1	-	-
Total revenues	4,000	49,925	8,259	-	1	551,083	41,155
Expenditures:							
Current:							
Legislative	-	57,448	-	-	-	-	-
Public safety	26,469	-	-	-	-	-	51,064
Public works	-	-	23,002	-	-	553,279	-
Total expenditures	26,469	57,448	23,002	-	-	553,279	51,064
Net change in fund balances	(22,469)	(7,523)	(14,743)	-	1	(2,196)	(9,909)
Fund balances - July 1, 2013	39,749	79,857	(51)	-	775	-	(183)
Fund balances - June 30, 2014	\$ 17,280	\$ 72,334	\$ (14,794)	\$ -	\$ 776	\$ (2,196)	\$ (10,092)

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014

	Special Revenue Funds						
	Recovery Justice Assistance Grant 09 Fund	Recycling Coordinator Fund	Recycling Containers Fund	Lead Hazard Demo Grant Fund	2008 Cop Technology Grant Fund	City Clerk Records Restoration Fund	Justice Assistance Grant 07 Fund
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ 9,098	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	31,186	-
Investment income	-	11	-	-	-	4	2
Total revenues	-	11	-	9,098	-	31,190	2
Expenditures:							
Current:							
Legislative	-	-	-	-	-	26,905	-
Public safety	17	-	-	-	-	-	-
Total expenditures	17	-	-	-	-	26,905	-
Net change in fund balances	(17)	11	-	9,098	-	4,285	2
Fund balances - July 1, 2013	17	11,759	1	42,518	-	141,154	2,613
Fund balances - June 30, 2014	\$ -	\$ 11,770	\$ 1	\$ 51,616	\$ -	\$ 145,439	\$ 2,615

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014

	Special Revenue Funds						
	Justice Assistance Grant 08 Fund	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	\$ -	\$ 192	\$ -	\$ -	\$ -	\$ 11	\$ 5
Contributions	-	-	20	-	199,000	4,967	-
Total revenues	-	192	20	-	199,000	4,978	5
Expenditures:							
Current:							
Public safety	-	-	-	3,464	69,188	-	-
Human services	-	-	9,000	-	-	-	-
Total expenditures	-	-	9,000	3,464	69,188	-	-
Net change in fund balances	-	192	(8,980)	(3,464)	129,812	4,978	5
Fund balances - July 1, 2013	-	183	18,852	3,464	-	8,311	5,002
Fund balances - June 30, 2014	\$ -	\$ 375	\$ 9,872	\$ -	\$ 129,812	\$ 13,289	\$ 5,007

(Continued)

City of Woonsocket, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014

	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	\$ -	\$ 15,000	\$ -	\$ -	\$ 3,295,437	\$ -	\$ 3,295,437
Charges for services	-	-	-	-	1,369,157	-	1,369,157
Investment income	201	-	-	-	676	275	951
Contributions	83,856	-	-	9,726	306,558	-	306,558
Total revenues	84,057	15,000	-	9,726	4,971,828	275	4,972,103
Expenditures:							
Current:							
Legislative	-	-	-	-	322,764	-	322,764
Public safety	-	31,831	-	-	796,901	-	796,901
Public works	-	-	-	7,077	583,358	-	583,358
Economic development	-	-	-	-	1,485,192	-	1,485,192
Human services	-	-	4,500	-	75,990	-	75,990
Education	-	-	-	-	-	775	775
Debt service:							
Principal	-	-	-	-	419,117	-	419,117
Interest and other costs	-	-	-	-	51,256	-	51,256
Total expenditures	-	31,831	4,500	7,077	3,734,578	775	3,735,353
Excess (deficiency) of revenues over expenditures	84,057	(16,831)	(4,500)	2,649	1,237,250	(500)	1,236,750
Other financing sources (uses)							
Transfers in	-	-	-	-	91,647	-	91,647
Transfers out	-	-	-	-	(1,229,095)	-	(1,229,095)
Net other financing sources (uses)	-	-	-	-	(1,137,448)	-	(1,137,448)
Net change in fund balances	84,057	(16,831)	(4,500)	2,649	99,802	(500)	99,302
Fund balances - July 1, 2013	165,515	14,323	-	480	1,280,428	238,304	1,518,732
Fund balances - June 30, 2014	\$ 249,572	\$ (2,508)	\$ (4,500)	\$ 3,129	\$ 1,380,230	\$ 237,804	\$ 1,618,034

(Concluded)

Fiduciary Funds

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, 2014

	John S. Bellows Trust	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	\$ -	\$ 304	\$ 22,310	\$ 50	\$ 125	\$ 47,304	\$ 70,093
<u>Net Position</u>							
Held in trust for other purposes	\$ -	\$ 304	\$ 22,310	\$ 50	\$ 125	\$ 47,304	\$ 70,093

City of Woonsocket, Rhode Island
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
Year Ended June 30, 2014

	John S. Bellows Trust	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	\$ -	\$ -	\$ -	\$ -	\$ 125	\$ 100	\$ 225
Investment income	-	-	21	-	-	153	174
Total additions	-	-	21	-	125	253	399
Deductions:							
Program expenses	19,605	-	-	-	-	200	19,805
Changes in net position	(19,605)	-	21	-	125	53	(19,406)
Net position - July 1, 2013	19,605	304	22,289	50	-	47,251	89,499
Net position - June 30, 2014	<u>\$ -</u>	<u>\$ 304</u>	<u>\$ 22,310</u>	<u>\$ 50</u>	<u>\$ 125</u>	<u>\$ 47,304</u>	<u>\$ 70,093</u>

City of Woonsocket, Rhode Island

Agency Funds
Combining Statement of Changes in Assets and Liabilities
Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
<u>Assets</u>				
Cash:				
Sidewalk deposit fund	\$ 3,157	\$ 3	\$ -	\$ 3,160
Curbing deposit fund	2,660	3	-	2,663
Construction escrow fund	1	529	-	530
Deduction services fund	286,139	6,018,874	6,149,926	155,087
Fire dental plan	175,424	587,635	306,704	456,355
Woonsocket School Department agency funds	162,505	254,972	254,772	162,705
Thundermist / Putnam Hydro funds	37	-	37	-
Total cash	<u>629,923</u>	<u>6,862,016</u>	<u>6,711,439</u>	<u>780,500</u>
Due from other funds:				
Deduction services fund	-	129	-	129
Total assets	<u>\$ 629,923</u>	<u>\$ 6,862,145</u>	<u>\$ 6,711,439</u>	<u>\$ 780,629</u>
<u>Liabilities</u>				
Deposits held for others:				
Sidewalk deposit fund	\$ 3,157	\$ 3	\$ -	\$ 3,160
Curbing deposit fund	2,660	3	-	2,663
Construction escrow fund	1	529	-	530
Deduction services fund	118,901	5,864,341	5,965,480	17,762
Fire dental plan	175,424	587,635	306,704	456,355
Woonsocket School Department agency funds	162,505	254,972	254,772	162,705
Thundermist / Putnam Hydro funds	37	-	37	-
Total deposits held for others	<u>462,685</u>	<u>6,707,483</u>	<u>6,526,993</u>	<u>643,175</u>
Due to other funds:				
Deduction services fund	167,238	154,662	184,446	137,454
Total liabilities	<u>\$ 629,923</u>	<u>\$ 6,862,145</u>	<u>\$ 6,711,439</u>	<u>\$ 780,629</u>

Trend Information

Table 1

City of Woonsocket, Rhode Island

Net Position by Component
Last Ten Years
(Unaudited)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 96,764,605
Restricted	4,537,526	2,318,397	-	-	-	-	-	-	-	-
Unrestricted	<u>(158,816,857)</u>	<u>(163,476,108)</u>	<u>(154,586,033)</u>	<u>(135,120,405)</u>	<u>(129,143,063)</u>	<u>(120,907,484)</u>	<u>(99,805,656)</u>	<u>(93,961,974)</u>	<u>(94,444,081)</u>	<u>(86,411,157)</u>
Total governmental activities net position	<u>(52,315,418)</u>	<u>(59,209,086)</u>	<u>(57,130,883)</u>	<u>(38,909,797)</u>	<u>(35,757,841)</u>	<u>(19,370,784)</u>	<u>(3,110,930)</u>	<u>1,979,581</u>	<u>4,321,360</u>	<u>10,353,448</u>
Business-type activities:										
Net investment in capital assets	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	33,912,566
Restricted	22,433,356	16,755,396	-	-	-	-	-	-	-	-
Unrestricted	<u>(2,575,672)</u>	<u>(2,352,719)</u>	<u>9,737,835</u>	<u>9,554,887</u>	<u>7,858,114</u>	<u>7,789,772</u>	<u>6,722,588</u>	<u>6,016,244</u>	<u>(11,490,825)</u>	<u>(6,602,329)</u>
Total business-type activities net position	<u>49,441,007</u>	<u>44,350,876</u>	<u>41,194,651</u>	<u>38,714,409</u>	<u>35,103,600</u>	<u>32,586,796</u>	<u>31,280,117</u>	<u>28,438,220</u>	<u>28,148,210</u>	<u>27,310,237</u>
Total net position:										
Net investment in capital assets	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	130,677,171
Restricted	26,970,882	19,073,793	-	-	-	-	-	-	-	-
Unrestricted	<u>(161,392,529)</u>	<u>(165,828,827)</u>	<u>(144,848,198)</u>	<u>(125,565,518)</u>	<u>(121,284,949)</u>	<u>(113,117,712)</u>	<u>(93,083,068)</u>	<u>(87,945,730)</u>	<u>(105,934,906)</u>	<u>(93,013,486)</u>
Total net position	<u>\$ (2,874,411)</u>	<u>\$ (14,858,210)</u>	<u>\$ (15,936,232)</u>	<u>\$ (195,388)</u>	<u>\$ (654,241)</u>	<u>\$ 13,216,012</u>	<u>\$ 28,169,187</u>	<u>\$ 30,417,801</u>	<u>\$ 32,469,570</u>	<u>\$ 37,663,685</u>

City of Woonsocket, Rhode Island

Changes in Net Position
Last Ten Years
(Unaudited)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses:										
Governmental activities:										
Executive	\$ 162,597	\$ 175,339	\$ 127,200	\$ 141,797	\$ 146,668	\$ 210,076	\$ 153,651	\$ 180,137	\$ 340,852	\$ 330,415
Legislative	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	1,481,862
Planning and development	583,944	1,178,352	612,450	690,177	715,071	775,314	794,841	806,388	786,247	715,484
Finance	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	1,406,037
Law	308,507	403,660	487,258	620,842	191,769	382,216	226,052	215,840	250,016	249,775
Public safety	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	16,785,406
Public works	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	9,086,127
Economic development	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	1,744,384
Human services	194,807	307,969	262,439	334,611	223,392	380,099	323,987	300,562	347,947	344,503
Other fixed and general charges	-	-	9,047,074	8,863,842	10,205,688	7,428,058	7,954,591	9,691,228	7,692,105	9,764,711
Education	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	68,158,886
Budget commission	649,569	549,144	-	-	-	-	-	-	-	-
Interest and other costs	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	5,955,479
Total governmental activities expenses	136,496,239	142,355,966	151,599,197	150,971,011	143,934,611	133,065,648	135,798,439	129,172,173	124,773,289	116,023,069
Business-type activities:										
Water Fund	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	5,965,382
Regional Wastewater Fund	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	9,249,793
Thundermist hydro	-	-	1,732	1,732	21,354	8,506	14,226	13,290	24,518	15,403
User Charge Fund	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	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	2,486,521
Total business-type activities expenses	19,527,179	19,644,910	20,776,036	20,895,680	19,215,119	19,415,714	19,488,915	19,907,112	17,696,350	17,717,099
Total expenses	156,023,418	162,000,876	172,375,233	171,866,691	163,149,730	152,481,362	155,287,354	149,079,285	142,469,639	133,740,168
Program revenues:										
Governmental activities:										
Charges for services:										
Legislative	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	1,806,259
Planning	-	-	205,102	209,160	9,521	136,186	162,374	150,082	382,971	427,236
Finance	-	-	80,168	50,644	73,356	54,000	52,000	52,000	3,530	13,440
Public safety	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	712,050
Public works	2,415,064	3,565,250	1,723,286	1,685,764	1,511,539	836,048	602,751	504,802	635,421	683,089
Economic development	75,346	967,384	522,988	685,983	486,687	1,083,586	780,151	774,988	-	-
Human resources	-	-	-	73,841	92,268	82,862	54,836	54,836	-	-
Other fixed and general charges	-	-	1,354,660	1,128,571	1,134,018	419,801	1,097,946	1,484,683	-	-
Education	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	1,072,560
Operating grants and contributions	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	46,420,421
Capital grants and contributions	5,382,193	5,414,892	165,572	417,160	1,152,382	2,227,181	167,000	167,560	-	-
Total governmental activities program revenues	77,425,461	75,872,331	73,601,710	79,561,111	71,912,660	72,743,932	76,304,139	74,338,503	52,388,481	51,135,055

(Continued)

City of Woonsocket, Rhode Island

Changes in Net Position
Last Ten Years
(Unaudited)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Business-type activities:										
Charges for services:										
Water Fund	\$ 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	\$ 5,945,239
Regional Wastewater Fund	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	10,578,167
Thundermist hydro	-	-	-	145,783	94,521	-	-	-	-	-
User Charge Fund	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	301,805	342,042	2,502,867	2,541,913	2,786,468	575,785	597,454	697,887	2,448,965	2,503,202
Operating grants and contributions	2,564,647	2,198,330	-	-	-	2,078,140	2,049,806	1,920,320	-	-
Total business-type activities program revenues	24,617,229	22,801,134	23,372,329	22,617,399	21,408,098	21,591,191	22,065,771	20,516,610	20,320,243	19,026,608
Total program revenues	102,042,690	98,673,465	96,974,039	102,178,510	93,320,758	94,335,123	98,369,910	94,855,113	72,708,724	70,161,663
Net revenue (expense):										
Governmental activities	(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)	(64,888,014)
Business-type activities	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	1,309,509
Total net revenue (expense)	(53,980,728)	(63,327,411)	(75,401,194)	(69,688,181)	(69,828,972)	(58,146,239)	(56,917,444)	(54,224,172)	(69,760,915)	(63,578,505)
General revenues and other changes in net assets:										
Governmental activities:										
Property taxes	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	36,507,984
Grants and contributions not restricted to specific programs	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	11,002,606
Unrestricted investment earnings	6,731	294	2,443	6,912	16,235	26,215	258,413	334,666	635,764	474,416
Other general revenues - net	-	-	-	-	-	-	15,200	-	17,667,275	15,403,356
Host community agreement revenue	-	-	2,088,216	653,297	1,159,097	-	-	-	-	-
Transfers	-	-	-	(1,989,475)	(11,000)	-	-	-	-	-
Total governmental activities	65,964,446	62,780,899	60,395,123	54,888,694	55,634,894	53,616,219	54,403,789	52,701,982	69,133,072	63,388,362
Business-type activities:										
Unrestricted investment earnings	81	1	133,316	123,745	260,398	283,492	265,041	389,409	162,726	265,859
Other	-	-	-	-	52,427	(821,997)	-	-	-	-
Transfers	-	-	-	1,989,475	11,000	-	-	-	-	-
Total business-type activities	81	1	133,316	2,113,220	323,825	(538,505)	265,041	389,409	162,726	265,859
Total general revenues	65,964,527	62,780,900	60,528,439	57,001,914	55,958,719	53,077,714	54,668,830	53,091,391	69,295,798	63,654,221
Change in net position:										
Governmental activities	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)	(1,499,652)
Business-type activities	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	1,575,368
Total change in net position	\$ 11,983,799	\$ (546,511)	\$ (14,872,755)	\$ (12,686,267)	\$ (13,870,253)	\$ (5,068,525)	\$ (2,248,614)	\$ (1,132,781)	\$ (465,117)	\$ 75,716

(Concluded)