

---

# ***CITY OF WARWICK***

---

## ***Comprehensive Annual Financial Report***

***FOR THE PERIOD AND FISCAL YEAR ENDED  
June 30, 2015***

***Scott Avedisian  
Mayor***

***Ernest M. Zmyslinski  
Finance Director***

***Anthony Ferrucci  
Chief Budget Officer***

***Prepared By: Finance Department***

---

***Parmelee, Poirier & Associates LLP***

---

**CITY OF WARWICK, RHODE ISLAND  
ANNUAL FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**TABLE OF CONTENTS**

	<u>PAGE</u>
<b>I. FINANCIAL SECTION</b>	
<i>INDEPENDENT AUDITORS' REPORT</i>	1
<i>MANAGEMENT'S DISCUSSION AND ANALYSIS</i>	4
<b><i>BASIC FINANCIAL STATEMENTS</i></b>	
<b><u>Government Wide Financial Statements</u></b>	
Statement of Net Position	18
Statement of Activities	19
<b><u>Fund Financial Statements</u></b>	
Balance Sheet – Governmental Funds	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	22
Statement of Net Position – Proprietary Funds	24
Statement of Revenues, Expenditures, and Changes in Fund Net Position – Proprietary Funds	25
Statement of Cash Flows – Proprietary Funds	26
Statement of Fiduciary Net Position	28
Statement of Changes in Fiduciary Net Assets	29
<b><u>Notes to the Financial Statements</u></b>	
Required Disclosures and Other Information	30
<b><i>REQUIRED SUPPLEMENTARY INFORMATION (RSI)</i></b>	
Other Post Employment Benefit Plans	
Schedule of Funding Progress	118
Budgetary Comparison Schedule – General Fund	
Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)	119
Budgetary Comparison Schedule – School Unrestricted Fund	
Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)	122
Notes to Required Supplemental Information	123
Schedule of Changes in Employers' Net Pension Liability and Related Ratios	
City of Warwick Pension Plans	126
Schedule of City Contributions – Police I & Fire Pension Plan	127
Schedule of City Contributions – Police II Pension Plan	128
Schedule of City Contributions – Fire II Pension Plan	129
Schedule of City Contributions – City Employees' Pension Plan	130
Schedule of City Contributions – Warwick Public School Employees' Pension Plan	131
Schedule of Investment Returns – City Pension Plans	132
Schedule of Warwick Public School's Proportionate Share of the Net Pension Liability Employees' Retirement System	133

**CITY OF WARWICK, RHODE ISLAND  
ANNUAL FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

**TABLE OF CONTENTS (continued)**

**PAGE**

**Other Supplementary Information**

Combining Balance Sheet – Non-Major Governmental Funds	134
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds	135
Combining Balance Sheet – Special Revenue Restricted City	136
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Restricted City	139
Combining Balance Sheet – Special Revenue Restricted School	142
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Restricted School	150
Combining Balance Sheet – Non-Major Governmental Funds - Capital Project Funds	158
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds – Capital Project Funds	160
Combining Statement of Net Position – Non-major Proprietary Funds	162
Combining Statement of Revenues, Expenditures, and Changes in Net Position – Non-major Proprietary Funds	163
Statement of Cash Flows – Non-major Proprietary Funds	164
Combining Statement of Net Position – Pension Trust Funds	166
Combining Statement of Changes in Net Position – Pension Trust Funds	167
Combining Statement of Net Position – Private Purpose Trust Funds	168
Combining Statement of Changes in Net Position – Private Purpose Trust Funds	169
Combining Statement of Changes in Assets and Liabilities – Agency Funds	170
Combining Balance Sheet – Funds Which Comprise the City’s General Fund	173
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Funds Which Comprise the City’s General Fund	174
Combining Statement of Net Position – Internal Service Funds	175
Combining Statement of Revenues, Expenditures and Changes in Net Position – Internal Service Funds	176
Combining Statement of Net Position – Proprietary Funds Sewer	177
Combining Statement of Revenues, Expenditures and Changes in Net Position –Proprietary Funds Sewer	178
Combining Statement of Net Position – Proprietary Funds Water	179
Combining Statement of Revenues, Expenditures and Changes in Net Position –Proprietary Funds Water	180
Tax Collectors Annual Report	181
Analysis of Prior Year Collections	182

**II. SINGLE AUDIT SECTION**

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	204
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133	206
Schedule of Expenditures of Federal Awards	209
Notes to Schedule of Expenditures of Federal Awards	210
Federal Award Findings and Questioned Costs	211

## **FINANCIAL SECTION**

This Section Contains the Following Subsections:

Independent Auditors' Report  
Management's Discussion and Analysis  
Basic Financial Statements  
Required Supplementary Information  
Supplementary Information



**Ernest M. Zmyslinski**  
Finance Director

**Scott Avedisian**  
Mayor

**CITY OF WARWICK**  
FINANCE DEPARTMENT  
3275 POST ROAD  
WARWICK, RHODE ISLAND 02886

March 31, 2016

To the Honorable Mayor, President and Members of the  
Warwick City Council, and Citizens of the City of Warwick:

We hereby submit the Comprehensive Annual Financial Report for the City of Warwick, for the fiscal year ended June 30, 2015. The report has been prepared in accordance with generally accepted accounting principles (GAAP), adhering to the format promulgated through the Governmental Accounting Board's Statement 34. Responsibility for the accuracy of the data presented, as well the fairness of the representations contained within the report, rests with the City's management. To provide a reasonable basis for making these representations, the City of Warwick has established a comprehensive internal control framework that is designed to protect the government's assets from theft, loss or misuse, and to promote the compilation of reliable financial information for reporting and forecasting purposes. Since the cost of the internal control system should not outweigh its benefits, the City's internal control system has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge, and in all material respects, this report is fair, complete, and summarizes the City's financial position in a comprehensive manner.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical, and Single Audit. The Introductory Section contains this letter of transmittal, an organizational chart, and a listing of City Officials. The Financial Section contains the independent auditor's report, the management discussion and analysis (which should be read in conjunction with this transmittal letter to provide the reader with a greater understanding of the City's net position and fund activity), the city-wide financial statements, the basic financial statements of major and non-major funds, notes to the financial statements, and other supplementary information. The Statistical Section provides selected financial and demographic information presented on a multi-year basis.

In conformity with the Single Audit Act of 1996 and the United States Office of Management and Budget Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*", the City is required to submit to an annual audit of all federal grant awards. The Single Audit represents the final section of our report and contains the schedule of expenditures of federal grant awards.

## GOVERNMENT PROFILE

The City of Warwick was established in 1642 and incorporated in 1931. The City has the second largest population in the State of Rhode Island and has total land area of approximately 35 square miles with another 14 square miles of inland water. Located 10 miles south of Providence, in Kent County, the City is centrally located within the State and connected to the northeast corridor by a network of interstate highways, including Interstate 95 and Interstate 295.

The City operates under a legislative charter providing for a nine-member council elected for two-year terms. All legislative powers of the City are vested in the City Council. Members of the Council are elected from each of the City's nine wards. In addition, a Mayor is elected for a two-year term and is the chief executive officer of the City. The Mayor is responsible for the administration and management of all offices, departments, and agencies except as otherwise provided by the City Charter. Duties of the Mayor include appointment of officers and employees of the City, preparation and presentation of the annual budget to the City Council, and the performance of other duties as required by ordinance or resolution. The Mayor has veto power over ordinances passed by the City Council, and may be overridden by a two-thirds vote of the City Council.

## PUBLIC EDUCATION

A five-member School Committee directs the general administration of the City's school system. Three members are elected from designated school districts and two are elected at-large. The School Committee directs and controls all policies affecting the administration, construction, maintenance and operation of the public schools. The School Committee also appoints a superintendent of schools as its chief administrative agent and such other administrative officers as are considered necessary.

The City Charter provides that, based on budget estimates submitted by the School committee, the City Council establishes the School Department's appropriation in total only, and that the School Committee determines the allocation of the amounts appropriated.

The City's school system consists of 17 elementary schools, 3 junior high schools, 3 senior high schools and a career technical center. Most of these schools have been constructed in the last 40 years and the City does not anticipate the need for additional construction of school facilities in the near future, although renovations and additions to existing facilities are ongoing.

There is presently a professional staff of 1,028 in the school system, 959 of whom are teachers. In the graduating class of 2015 approximately 86% of all high school graduates continued their education by attending two and four year colleges, technical institutes, or other forms of post secondary education.

The following is a summary of the actual school population trends in the City:

<u>Schedule of Enrollment</u>	
2000	12,375
2001	12,382
2002	12,205
2003	12,078

2004	12,003
2005	11,709
2006	11,385
2007	10,944
2008	10,818
2009	10,525
2010	10,507
2011	10,277
2012	9,977
2013	9,675
2014	9,409
2015	9,277

During fiscal 2015, the City appropriated \$158,872,256 to the School Department. In addition, the Department's fiscal 2014 operating surplus, \$3,973,932, was re-appropriated to them. Final expenditures totaled \$159,498,924. Their fiscal 2016 expense appropriation is \$159,530,000. The total fiscal 2015 State Aid for school operations has been budgeted at \$36,648,936.

### MUNICIPAL SERVICES

In addition to its schools, the City provides major public services, certain of which are described below:

#### *Executive and Administration*

The Mayor with the assistance of the Finance, Personnel and Legal Departments exercises general oversight of the City. The City Clerk's Office is responsible for all record maintenance and supervision of the municipal and probate courts. During fiscal 2015, the Executive and Administrative Divisions expended \$13.6 million, of which \$8.1 million represented debt service. The fiscal 2016 budget has been set at \$14.5 million.

#### *Public Safety*

A three member Board of Public Safety appointed by the Mayor, oversees the City's Police Department, Fire and Rescue Services Departments and serves as license commissioners for the City.

*Police:* The City Police Department has 251 authorized positions consisting of 172 sworn officers, 23 school crossing guards and 56 civilian personnel. The police station, built in 1975, provides facilities for public safety issues. During fiscal 2015, the Police Department expended \$18.0 million. For fiscal 2016, \$18.3 million has been designated for operations.

*Fire and Rescue:* The City Fire Department and Rescue Service has 232 authorized positions consisting of 220 uniformed fire and rescue personnel and 12 civilian personnel, staffing eight stations throughout the City. Fire and Rescue expended \$21.6 million during fiscal 2015 and \$21.0 million was budgeted for fiscal 2016.

*Animal Shelter:* The Animal Shelter consists of 5 employees and is responsible for administering care to the animal population. The fiscal 2015 expenditures totaled \$181,682 with \$207,062 budgeted for fiscal 2016.

*Building Inspector:* The City Building Inspection Department consists of 15 authorized positions responsible for insuring compliance with local and state building code ordinances and laws. The fiscal 2015 expenditures totaled \$717,159; \$838,001 was budgeted for fiscal 2016.

### *Social Services*

*Parks and Recreation:* A staff of 15 maintains two indoor skating rinks, an indoor swimming pool with an adjacent therapeutic pool, 7 beaches, 60 athletic fields, 32 basketball courts, 39 tennis courts and 6 parks. They are assisted by the Public Works Field Maintenance Division. The Department is also responsible for regulating the City's three major harbors in Narragansett Bay. During fiscal 2015 the Department expended \$1.6 million. The fiscal 2016 budget has allotted \$1.75 million for recreation.

*Warwick Public Library:* The City library consists of a main library and three branches. The main facility contains over 225,000 items and provides research services to the City's residents and business community. Total library related expenditures for fiscal 2015 totaled \$2.6 million. These funds supported the acquisition of books and materials as well as an authorized staff of 50. The central library facility serves over 400,000 visitors a year. The fiscal 2016 budget amounts to \$2.6 million.

*Human Services:* This Department provides social and transportation services to the City's seniors at three neighborhood senior centers. It also provides contributive and in-kind support to non-profit organizations in the City. Fiscal 2015 expenditures totaled \$1.1 million, and the fiscal 2016 budget has been set at \$1.3 million.

### *Physical Resources*

*Planning and Community Development:* A staff of 13 provides professional guidance on the physical and social development of the City and administers the Federal Community Development Block Grant Program and the Lead Hazard Reduction Program. Fiscal 2015 expenditures for these programs totaled \$790,071, with \$774,342 allocated for fiscal 2016.

*Tourism, Culture, and Development:* This Department, working closely with the Mayor's Office, assists the private sector in finding suitable facilities in the City. Also, the Department promotes the City and its lodging facilities through general circulation and trade advertising. Fiscal 2015 expenditures totaled \$528,211 and \$719,521 has been set aside for fiscal 2016 operations.

*Public Works:* An authorized staff of 131 maintains the City's 480 miles of roads, monitors the disposal operations of 30,000 tons of trash per year, maintains the City's fleet of vehicles, maintains approximately 40 buildings, and designs new infrastructure projects. During fiscal 2015 the Department expended \$12.1 million and has been allocated \$14.6 million through the fiscal 2016 budget.

*Sewer and Water:* These departments operate as enterprise funds, collecting revenue which is sufficient to support their operations. They are responsible for overseeing the City's water and wastewater treatment facilities.

## ECONOMIC CONDITIONS AND OUTLOOK

### POPULATION

The table below shows the City's population trends:

<u>Year</u>	<u>City</u>
2014	81,963
2013	82,698
2010	84,760
2005	87,365
2000	85,808
1990	85,427
1980	87,123
1970	83,694
1960	68,504
1950	43,028
1940	28,757
1930	23,196
1920	13,481

### INCOME LEVELS

According to the US Census Bureau, 2010-2014 American Community Survey (5 Year Estimates), the median family income of the City of Warwick was \$78,263. Median family income in the City increased 39.2% from 2000.

### HOUSING

According to the US Census Bureau, 2010 Demographic Profile Data, there were 37,730 dwelling units in the City compared to 37,085 dwelling units in 2000.

### ECONOMIC DEVELOPMENT

*General:* The Warwick Department of Tourism, Culture and Development is engaged in an on-going effort to promote and assist new, existing and expanding businesses. In this capacity, the Department serves as a liaison between City government and the private sector in the location of available land and facilities, and in the determination of available financing.

*State Airport:* Warwick's premier asset is also its greatest business convenience. Located directly in the heart of the City is T.F. Green Airport, the state's major commercial airport. The Rhode Island Airport Corporation opened a new \$200 million, two-level terminal in September of 1996 augmented with a landscape beautification program on the airport grounds and along its entrance on Post Road. Featuring separate arrival and departure access along with 19 gates and in improved baggage claim area, T.F. Green Airport has already attracted expanded service and increased passenger volume.

## MAJOR INITIATIVES

The City of Warwick maintains a bond rating of A1, as determined by Moody's Investors Service and AA- from Standard & Poor's. These ratings are the result of firm and steady financial planning. They reflect Warwick's strong tax base, consistent financial performance, and manageable levels of bonded debt.

Annually, the City develops a Capital Improvement Plan. This plan serves as a blueprint for capital projects to be undertaken over a five-year period.

### ***Open Space/Recreation:***

The City remains especially committed to preserving recreational and open space areas. In 2007, the City purchased 40.9 acres at the site of the former Rocky Point Amusement Park in the Warwick Neck area. In March 2013, the Rhode Island Department of Environmental Management (RIDEM) purchased the remaining 82 acres from the U.S. Small Business Administration. A portion of the Park owned by the city – some 41 acres that hug the spectacular shoreline of Narragansett Bay – is already used by residents who enjoy walking, clamming, fishing, bird watching, biking and taking part in other recreational activities there.

The City remains an active partner with RIDEM as this process moves forward and looks forward to the future use of the park as open space and for recreational activities.

### ***T.F. Green Airport and Intermodal Facility:***

The City continues to receive additional revenue from airport-related activities. Taxes on airport parking and rental cars generated approximately \$2.5 million in revenue during fiscal 2015. The City also received airport-related funding from the Economic Development Commission. This revenue totaled \$790,578. The state's meal tax also generated approximately \$2.66 million for the City.

The Warwick Intermodal Train Station, known as the InterLink, is now operational. A combination of federal and state funds financed approximately \$267 million in construction costs. The facility gives Warwick one of, if not the closest, air-rail links in the country and provides MBTA commuter train service among Warwick, Providence and Boston, with service to Wickford Junction as well. It includes a bus hub, a six-level parking garage for rail commuters and car-rental companies, and a 1200-foot, enclosed, elevated walkway with moving sidewalks over Post Road that connects T.F. Green Airport to the Station.

### ***City Centre Warwick:***

The City continues to move forward with its plans to redevelop and revitalize some 95 acres surrounding the airport and InterLink formerly known as the Warwick Station Development District. In December, a new name – City Centre Warwick – and brand new identity and website ([www.citycentrewarwick.com](http://www.citycentrewarwick.com)) were unveiled. The new name reflects the City's vision for the area; namely, a mixed-use, lively commerce and multi-modal transit center in the heart of southern New England that's supported by a vibrant, pedestrian-friendly neighborhood in which to live and work.

A key component of this phase of the project – funded through a \$400,000 Federal Highway Administration grant – was a market segmentation analysis of City Centre Warwick, which will help the City to market the area to local, regional, and national audiences. The analysis identified key industries, including foreign trade, medical device and high-value manufacturing, distribution services, and the health care, educational services, financial, and biotechnology industries that will flourish in the district.

City Centre Warwick and the adjacent “business innovation district” offer up to 3 million square feet for redevelopment, all located within a half-mile radius of the airport, commuter rail station and Interstates 95 and 295. At full build-out, it’s expected that City Centre Warwick will create between 2,000 and 3,000 new jobs.

The City continues its collaboration with state and federal partners, local stakeholders and the Central Rhode Island Chamber of Commerce to further economic development and revitalization in the area.

***Apponaug Bypass:***

The Apponaug Bypass Project is well underway. The project, overseen by the State Department of Transportation, is expected to be completed by September 2017. This innovative transportation project, costing an estimated \$32 million, includes reconstructing the Apponaug circulator and opening it to two-way traffic. The project will have numerous benefits for our community, including reduction of traffic volume at Apponaug Four Corners (from 28,000 average daily trips to an estimated 4,000, making the area more pedestrian-friendly), increasing recreational and alternative transportation options with the creation of a dedicated bicycle lane that will connect the Warwick Bicycle Network, creation of additional open space in Apponaug Center, the beautification of Apponaug Village with new landscaping, curbing and decorative street lighting, and the preservation of the historic sawtooth building for potential redevelopment.

The improvements are also expected to positively impact the environment, with improved air quality, “daylighting” and restoration of the local Apponaug River system (including the creation of two small ponds to provide a connection between Little Gorton Pond and Apponaug Cove), improved wildlife habitat, and reduction of stormwater runoff into Greenwich Bay.

The bypass project, together with new Village Zoning regulations, will further the City’s ongoing efforts to revitalize the historic village into a more pedestrian-friendly neighborhood that offers increased “live/work” opportunities to increase economic development and provide unique residential choices for citizens. It will enable development and redevelopment of the village center in keeping with its historic character and with an eye to the future.

***Comprehensive Plan:***

The City has completed a new Comprehensive Plan, which will guide development and initiatives in Warwick for the next 20 years. The Plan, called *21st Century Warwick: City of Livable Neighborhoods*, was written with input from the public. The plan is organized into a series of “elements,” or topic areas, including Natural Resources, Historic and Cultural Resources, Open Space and Recreation, Housing and Neighborhoods, Economic Development, Transportation and Circulation, Services and Facilities, and Land Use. A new element, Resilience, focuses on adaptation to increased hazards from flooding and other potential impacts of climate change.

***Public Works:***

Warwick continues to lead the state in recycling. The City’s automated trash and recycling system has resulted in less waste being sent to the state landfill. The first full fiscal year of City-wide automation was 2007. During fiscal 2015, the City received \$147,670 from the Rhode Island Resource Recovery Corporation as part of a profit-sharing program based on its recycling rates.

## **FINANCIAL INFORMATION**

The City's Comprehensive Annual Financial Report provides detailed information on the City's current financial position. Our Management Discussion and Analysis will provide additional analysis.

### **BUDGETARY CONTROL**

At least forty five days prior to the start of the fiscal year, the Mayor submits a budget to the City Council for consideration. Before the budget is adopted, a public hearing is held and taxpayers are given the opportunity to comment on the budget. After the hearing, the Council reviews the budget. They have the authority to increase or decrease budget line items. The budget is adopted on an affirmative vote of the majority of the City Council – this vote must occur at least 15 days prior to the start of each fiscal year. If the City Council has not adopted the budget by this date, the Charter stipulates that the Mayor's budget is deemed to have been adopted by the Council.

The operating budget is tracked via a budgetary control system. The system tracks expenditures and encumbrances, and compares them to budget. The report also calculates the amount of appropriation remaining. The Finance Department monitors spending and issues reports to departments to assist them in budget management.

### **CASH MANAGEMENT**

Cash requirements are strictly monitored, and excess cash is invested in appropriate short term instruments. These investments are intended to maximize investment earnings, while maintaining an appropriate level of liquidity. The pension funds are invested in longer term investments- both bonds and equities- and are managed by consultants, hired to maximize the rates of return. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not represent trends which can be anticipated or recognized as permanent additions to the funds. They are completely dependent on economic conditions, and may never be realized, especially for investments held for the long term.

### **RISK MANAGEMENT**

The City is a member of the RI Interlocal Risk Management Trust. This organization was established as a joint venture to provide insurance coverage to local municipalities. The City of Warwick maintains insurance coverage for property, general liability, professional liability, and auto liability. The City self insures for workers compensation. Beacon Mutual Insurance Company administers this program.

## DEBT ADMINISTRATION

The ratios of net bonded debt to total assessed (property) valuation and net bonded debt per capita provide useful information when evaluating the City's financial position. These indicators were as follows on June 30, 2015:

<u>Net Direct Bonded Debt</u>	<u>Ratio of Debt to Assessed Value</u>	<u>Debt Per Capita</u>
\$ 44,771,064.	.50%	\$ 546.24

(Please See Statistical Tables For Additional Information)

## INDEPENDENT AUDIT

Per the Warwick City Charter, and the General Laws of the State of Rhode Island, an independent audit of the City's financial statements and operations has been completed by the firm of Parmelee, Poirier, and Associates. Their opinion is included within this document.

## ACKNOWLEDGEMENT

The preparation of this Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated efforts of the staff of the Treasury and Finance Divisions. Their competent efforts are greatly appreciated. Special thanks to Mayor Scott Avedisian, Council President Donna Travis, and the members of the City Council for their support in maintaining the highest standards of professionalism in the management of the City of Warwick's finances.

Respectfully submitted,

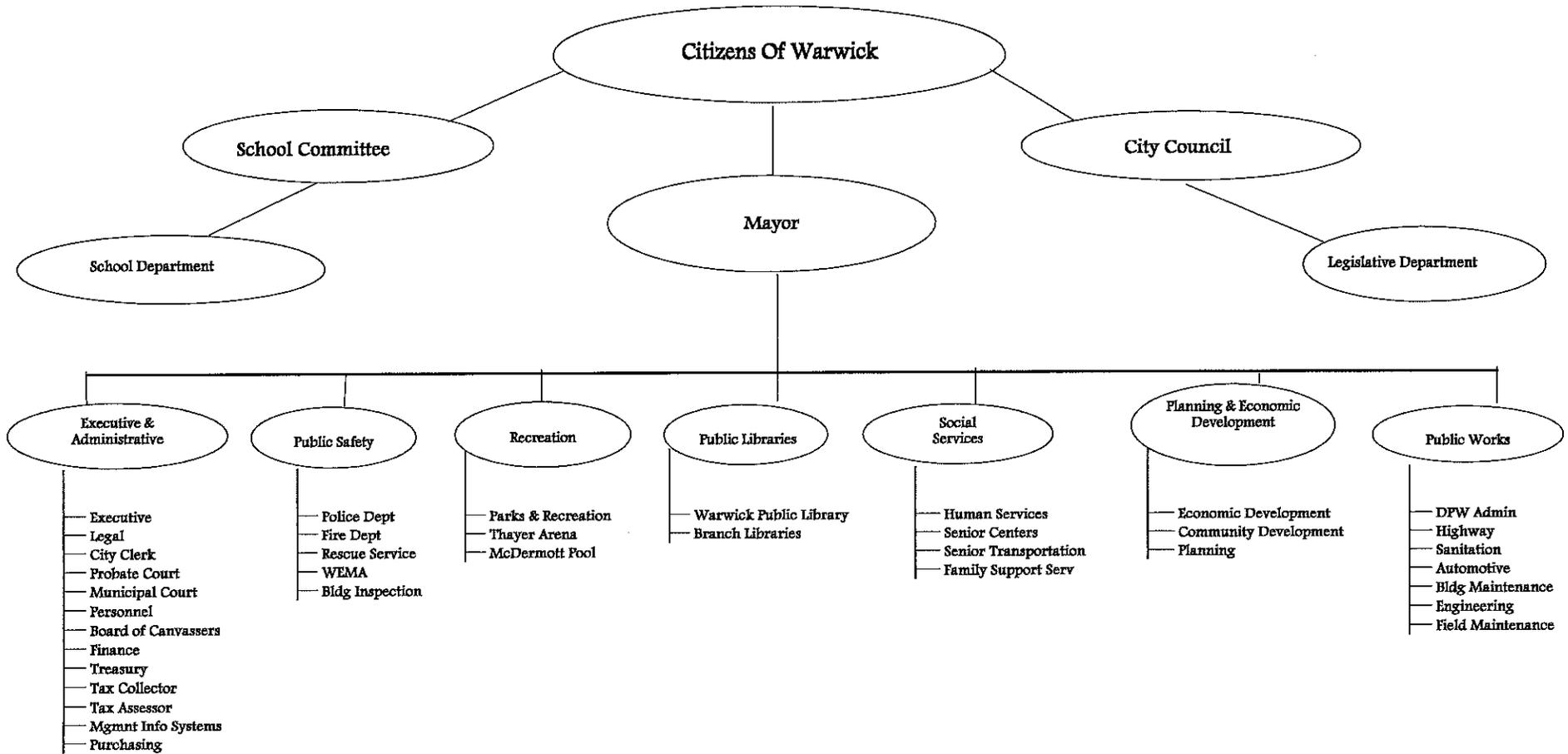


Ernest M. Zmyslinksi  
Finance Director



Kenneth R. Alfano  
Controller

# THE CITY OF WARWICK, RHODE ISLAND GOVERNMENT ORGANIZATIONAL CHART





## **CITY OF WARWICK, RHODE ISLAND**

### **MAYOR**

Scott Avedisian

### **CITY COUNCIL**

Donna Travis, Council President

Thomas Chadronet

Steven Colantuono

Kathleen Usler

Joseph Gallucci

Edgar Ladouceur

Steve Merolla

Joseph J. Solomon

Camille Vella-Wilkinson

### **SCHOOL COMMITTEE**

Bethany A. Furtado, Chairperson

Jennifer T. Ahearn

Karen A. Bachus

M. Terri Medeiros

Eugene A. Nadeau

### **FINANCE DEPARTMENT**

Ernest M. Zmyslinski, Finance Director

David C. Olsen, City Treasurer

Kenneth R. Alfano, City Controller

### **SCHOOL ADMINISTRATION**

Philip Thorton, Superintendent

Anthony Ferrucci, Chief Budget Officer

**INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and Members of the City Council  
Warwick, Rhode Island

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 Warwick (City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "*Government Auditing Standards*" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall financial statement 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, business type activities, each major fund and the aggregate remaining fund information of the City of Warwick, Rhode Island as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 of the financial statements, for the year ended June 30, 2015, the City adopted new accounting guidance affecting the accounting for pensions. Due to the adoption of this guidance, the City restated its 2015 opening net position, resulting in a net position of (\$294,155,549) at July 1, 2014. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress for OPEB plans, budgetary comparison information, schedule of net pension liability and related ratios, and schedule of employer contributions, investment returns and employers net pension liability, on pages 4 through 17, page 69, page, 118, pages 119 through 125, page 126 and pages 127 through 133, 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 statement that collectively comprise the City of Warwick's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major funds financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

*Parmelee Poirier & Associates, LLP*

Parmelee, Poirier & Associates, LLP

Warwick, Rhode Island

April 1, 2016

## **Management's Discussion and Analysis**

## **CITY OF WARWICK, RHODE ISLAND MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Warwick, we offer readers of the City of Warwick's financial statements this overview and analysis of the financial activities of the City of Warwick for the fiscal year ended June 30, 2015. We encourage readers to consider this information in conjunction with the additional information that is furnished in the letter of transmittal, which can be found preceding this narrative, and with the City's financial statements which follow.

Included within our discussion will be a series of comparative tables, serving to more clearly illustrate changes in the City's financial position. These tables will reflect governmental activities, business-type activities, and total activities for the 2014 and 2015 fiscal years.

### **FINANCIAL HIGHLIGHTS**

At the close of the fiscal year, the liabilities of the City of Warwick exceeded its assets by \$298,263,772 (*Net Position*).

The City's total net position decreased by \$333.2 million during fiscal 2015, due primarily to an increase in the City's liabilities following the implementation of GASB68, which required the accrual of the full net pension liability for each of the City's (6) pension plans. The net accrual (liability) totaled \$341.3 million and was offset by deferred pension outflows (assets) totaling \$15.7 million. In addition, the City accrued an additional \$19.0 million in post-retirement healthcare benefits in accordance with GASB45. These additional liabilities were offset by \$9.5 million in capital asset additions.

At the close of the current fiscal year, the City's governmental funds reported *combined* ending fund balances of \$20,913,316, a decrease of \$2,333,264 from those of the prior year. This was primarily due to the FY15 budgeted fund balance drawdown in the General Fund.

Fiscal 2015 operating results for the general fund reflected a net decrease in total fund balance of \$3,474,785, resulting in an ending fund balance of 15,701,236. The fund's ending unassigned fund balance decreased by \$2,652,348 to a total of \$8,151,517 or 2.77% of the total 2015 final budgeted expenditures.

The City's overall investment in capital assets (net of accumulated depreciation) increased by \$9.5 million during this year. Key additions this year included the acquisition of the Warwick Area Career & Technical Center, the installation of wireless technology at various schools, and fire code improvements within city and school buildings.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City of Warwick's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial

statements. This report also contains other supplementary information including combining statements for non-major governmental funds, enterprise funds, and other fiduciary funds. Figure 1 below graphically depicts the required elements of the financial report:

**Required Components of the Annual Financial Report**  
**Figure A-1**

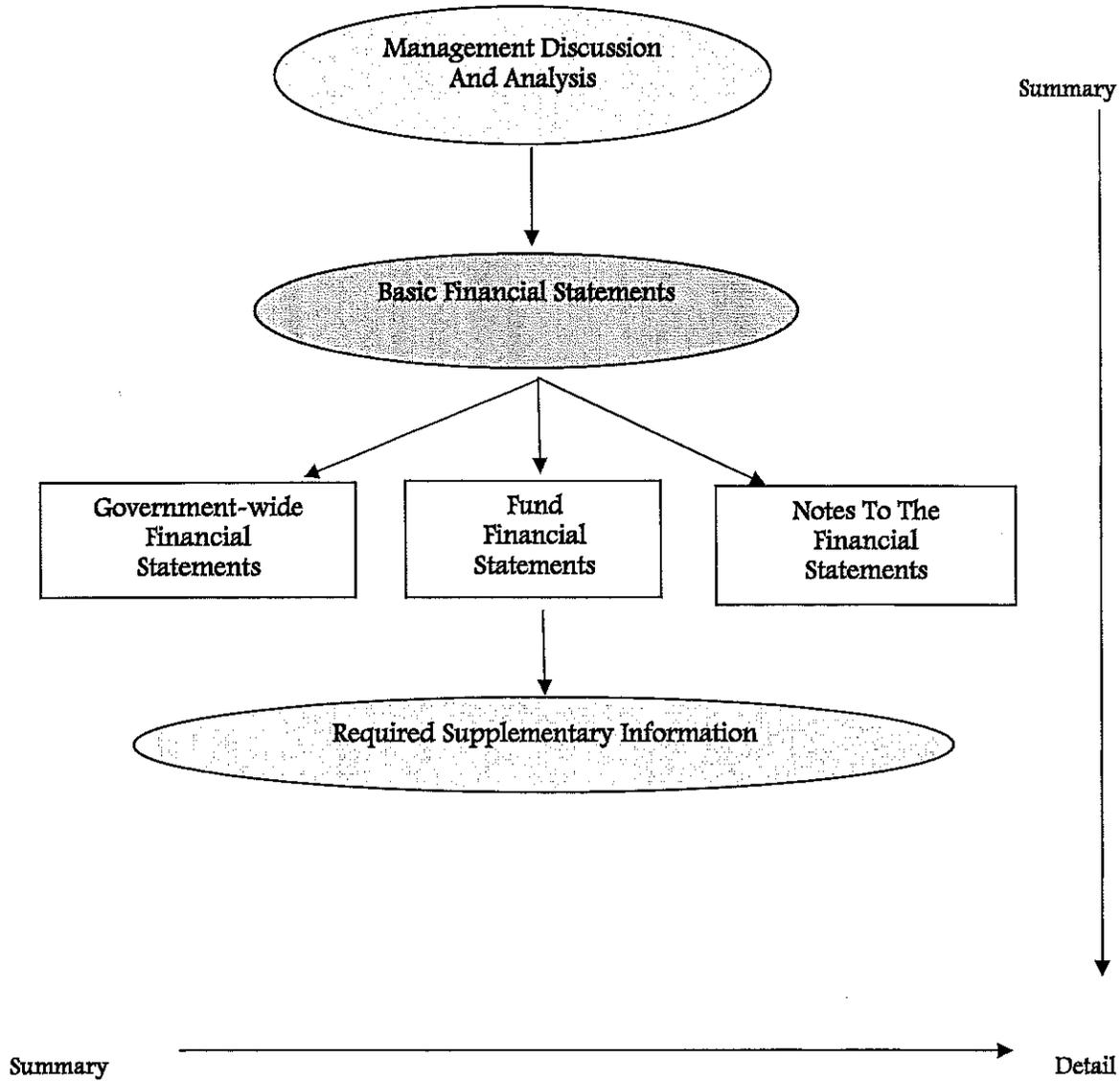


Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

- The first two statements within the basic financial statement structure are government-wide financial statements that provide both long-term and short-term information about the City's overall status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
  - The *governmental fund* statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
  - *Proprietary fund* statements offer short and long term financial information about the activities the government operates like businesses, such as the sewer and water systems.
  - *Fiduciary fund* statements provide information about assets that are held by the City as a trustee or agent for the benefit of someone or something other than the City itself. The City cannot use these assets to support its own programs.
- The financial statements also include notes that provide more detailed data about some of the information in the financial statements.
- The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.
- In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds, enterprise funds, and fiduciary funds, which are added together and presented in a single column in the basic financial statements.

Figure A-2

**Major Features of the City of Warwick's Government-Wide and Fund Financial Statements**

	Government- Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as Police, Fire and DPW.	Activities the City operate similar to private businesses such as the sewer system.	Instances in which the City is the trustee or agent for someone else's resources.
Required financial Statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balance	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position. Statement of Cash Flows	Statement of Net Position Statement of Changes in Net Position
Accounting Basis And Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Assets/ Liability Information	All assets and liabilities both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the City's funds do not currently contain capital assets, although they can
Type of inflow/ Outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

## **Government-wide Statements**

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report on the City's *net position* and how it has changed. Net position – the difference between the City's assets and liabilities – is one way to measure the City's financial health.

- Over time, increases or decreases in the City's net position are indicators of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as changes in the City's property tax base and the condition of the City's roads.

The government-wide financial statements of the City are divided into three categories.

- *Governmental activities* – Most of the City's basic services are included here, such as education, public safety, library, recreation, social services, public works and general administration. Property taxes, charges for services and state funding finance most of these activities.
- *Business-Type activities* - The City charges fees to customers to cover the costs of certain services it provides. The City's water and sewer systems are included here.
- *Component units* – The City does not have any entities that are deemed to be component units.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. 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.

All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. It is important to note that these fund categories use different accounting approaches and should be interpreted differently.

**Governmental Funds** – Most of the basic services provided by the City are reported in governmental funds, which focus on (1) how money flows into and out of those funds and (2) the balances remaining at year end that are available for spending during the next year. These funds are reported using an accounting method called the modified accrual basis of accounting, which measures cash

and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations that helps the reader to determine whether or not there are more or fewer financial resources that can be spent in the near future to finance City programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. To facilitate this comparison, a reconciliation between the governmental funds statements and the government-wide statements has been provided.

The City maintains seventy eight governmental funds and two are considered major funds for presentation purposes. Each major fund is presented in a separate column in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. The two major governmental funds are the General Fund and the School Unrestricted Fund.

The basic governmental fund financial statements can be found on pages 20-22 of this report.

**Proprietary Funds** – The City of Warwick maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its sewer and water operations. *Internal Service Funds* are used to accumulate and allocate costs internally among functions. The City uses internal service funds to account for the workers compensation self insurance fund and the healthcare self insurance funds. Because this operation benefits predominantly governmental rather than business activities, the internal service fund has been included within the governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 24-27 of this report.

**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 funds financial statements can be found on pages 28-29 of this report.

**Notes to the financial statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

**Other information** – In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This section includes budgetary comparison schedules, as well as information concerning the City's progress in funding its obligation to provide pension benefits to employees. Required supplementary information follows the notes to the financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial health. The City's combined net position (government and business-type activities) totaled (\$298,263,772) at the close of the most recent fiscal year. The largest portion of the City's net position reflects its investment in capital assets such as land, building, equipment, and infrastructure, less any related outstanding debt. 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.

### City of Warwick's Net Position June 30, 2015

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
<b>Assets:</b>						
Current Assets	\$68,725,460	\$61,848,930	\$51,969,045	\$29,849,369	\$120,694,505	\$91,698,299
Capital Assets	119,661,980	113,703,575	188,292,267	184,737,305	307,954,247	298,440,880
Other Noncurrent Assets	-	-	29,890,713	32,348,738	29,890,713	32,348,738
<b>Total Assets:</b>	<b>\$188,387,440</b>	<b>\$175,552,505</b>	<b>\$270,152,025</b>	<b>\$246,935,412</b>	<b>\$458,539,465</b>	<b>\$422,487,917</b>
<b>Deferred Outflows of Resources</b>	<b>29,852,829</b>	<b>240,282</b>	<b>907,027</b>	<b>44,328</b>	<b>\$30,759,856</b>	<b>\$284,610</b>
<b>Liabilities</b>						
Current Liabilities	\$30,604,685	\$25,877,485	\$39,068,745	\$14,310,473	\$69,673,430	\$40,187,958
Long-term Liabilities	571,740,544	214,712,426	128,846,352	132,929,507	700,586,896	347,641,933
<b>Total Liabilities:</b>	<b>\$602,345,229</b>	<b>\$240,589,911</b>	<b>\$167,915,097</b>	<b>\$147,239,980</b>	<b>\$770,260,326</b>	<b>\$387,829,891</b>
<b>Deferred Inflows of Resources</b>	<b>17,302,767</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$17,302,767</b>	<b>-</b>
<b>Net Position:</b>						
Invested in capital assets net of related debt	\$69,871,522	\$65,104,705	\$90,353,683	\$86,253,431	\$160,225,205	\$151,358,136
Restricted	4,120,308	3,382,875	3,910,099	3,672,082	8,030,407	7,054,957
Unrestricted	(475,399,557)	(133,284,704)	8,880,173	9,814,247	(466,519,384)	(123,470,457)
<b>Total Net Position:</b>	<b>(\$401,407,727)</b>	<b>(\$64,797,124)</b>	<b>\$103,143,955</b>	<b>\$99,739,760</b>	<b>(\$298,263,772)</b>	<b>\$34,942,636</b>

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net position. At the end of the current fiscal year, the City's unrestricted net position total was negative, primarily due to the implementation of GASB68, which required the full accrual of current net pension liabilities for all six city pension plans. This accrual included Warwick's portion of the NPL for the state controlled teacher pension plan.

## Changes in Net Position

During fiscal 2015, the government's total net position decreased by \$4,108,223, plus a prior period adjustment of \$329,098,185, as indicated below:

### City of Warwick's Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
Program Revenue:						
Charges for Services	\$ 15,295,396	\$ 13,849,740	\$ 33,966,829	\$ 30,389,768	\$ 49,262,225	\$ 44,239,508
Operating Grants and Contributions	57,836,909	59,427,759	-	-	57,836,909	59,427,759
Capital Grants and Contributions	125,710	524,461	-	-	125,710	524,461
General Revenue:						
Property Taxes	217,134,855	214,125,691	-	-	217,134,855	214,125,691
Interest on Property Tax	2,206,502	2,146,222	-	-	2,206,502	2,146,222
State Aid/In Lieu of Tax	7,693,925	7,861,860	-	-	7,693,925	7,861,860
Investment Earnings	5,925	5,652	6,547	7,007	12,472	12,659
Tax Titles	55,085	217,160	-	-	55,085	217,160
Insurance	427,898	133,052	-	-	427,898	133,052
Miscellaneous	7,098,886	6,034,137	-	-	7,098,886	6,034,137
<b>Total Revenues:</b>	<b>307,881,091</b>	<b>304,325,734</b>	<b>33,973,376</b>	<b>30,396,775</b>	<b>341,854,467</b>	<b>334,722,509</b>
<b>Expenses:</b>						
Executive & Admin	8,389,533	7,898,442	-	-	8,389,533	7,898,442
Public Safety	101,268,696	104,020,192	-	-	101,268,696	104,020,192
Recreation	3,044,788	2,549,088	-	-	3,044,788	2,549,088
Public Libraries	4,829,752	5,116,596	-	-	4,829,752	5,116,596
Social Services	2,021,311	2,160,896	-	-	2,021,311	2,160,896
Planning & E/D	2,880,454	3,114,804	-	-	2,880,454	3,114,804
Public Works	21,946,560	21,842,422	-	-	21,946,560	21,842,422
Education	173,887,234	173,500,902	-	-	173,887,234	173,500,902
Debt Interest	1,706,620	1,586,055	-	-	1,706,620	1,586,055
Sewer	-	-	15,082,034	14,807,198	15,082,034	14,807,198
Water	-	-	10,905,708	10,096,249	10,905,708	10,096,249
<b>Total Expenses:</b>	<b>319,974,948</b>	<b>321,789,397</b>	<b>25,987,742</b>	<b>24,903,447</b>	<b>345,962,690</b>	<b>346,692,844</b>
Change in Net Assets						
Before Transfers	(12,093,857)	(17,463,663)	7,985,634	5,493,328	(4,108,223)	(11,970,335)
Transfers	15,000	(297,396)	(15,000)	297,396	-	-
Change in Net Assets	(12,078,857)	(17,761,059)	7,970,634	5,790,724	(4,108,223)	(11,970,335)
Adjustment to Prior Yr	(324,531,746)	-	(4,566,439)	-	(329,098,185)	-
Net Assets Beginning:	(64,797,124)	(47,036,065)	99,739,760	93,949,036	34,942,636	46,912,971
<b>Net Assets - End of Yr:</b>	<b>\$ (401,407,727)</b>	<b>\$ (64,797,124)</b>	<b>\$ 103,143,955</b>	<b>\$ 99,739,760</b>	<b>\$ (298,263,772)</b>	<b>\$ 34,942,636</b>

**Governmental activities.** Including current activity and prior period adjustments, Governmental activities decreased the City's net position by \$336.7 million. Key elements are as follows:

1. The City's net position decreased by \$336.0 million following the implementation of GASB68 which required the full accrual of the current net pension liabilities relating to the six city and school pension plans. Accordingly the City's net position increased by \$12.7 following the addition of net deferred outflows relating to pension expense amortizations.
2. Per GASB45, the City accrued additional other post-employment benefits which decreased net position by \$18.6 million.
3. Increases in long term debt and compensated absences decreased the City's net position by \$2.9 million.
4. Capital asset additions totaled \$13.3 million while fiscal 2015 depreciation expense amounted to \$7.4 million. This resulted in a net position increase of \$5.9 million.
5. Changes in deferred revenue accruals increased the City's net position by \$3.6 million.

**Business-type activities.** Including current activity and prior period adjustments, Business-type activities increased the City's net position by \$3,404,195. The key elements are as follows:

1. The Sewer Department reflected an overall increase in net position which totaled \$4.3 million. One key factor contributing to the increase was the accounting reclassification of \$6.5 million in debt principal expense to the bonds payable liability account. Conversely, Sewer's net position decreased by \$2.0 million following the accrual of the net pension liability, per GASB68.
2. The Water Department reflected a net position decrease of \$2.2 million. This was primarily due to the GASB68 net pension liability accrual which decreased net position by \$2.8 million.
3. The Non-Major Enterprise Funds reflected an overall increase in net position of \$548,076 million. The Enterprise Emergency Fund increased by \$1 million (FEMA accrual for the levy upgrade project). The Water Infrastructure Replacement Fund decreased by \$527,405.

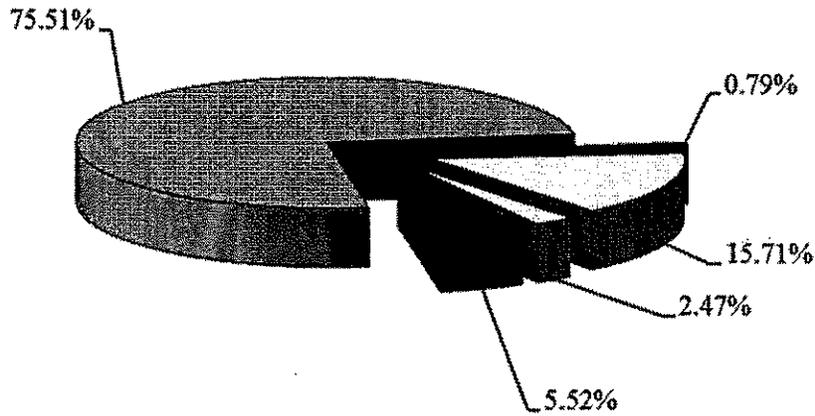
#### **Financial Analysis of the Government's Funds**

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

**Governmental funds:** The focus of 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.

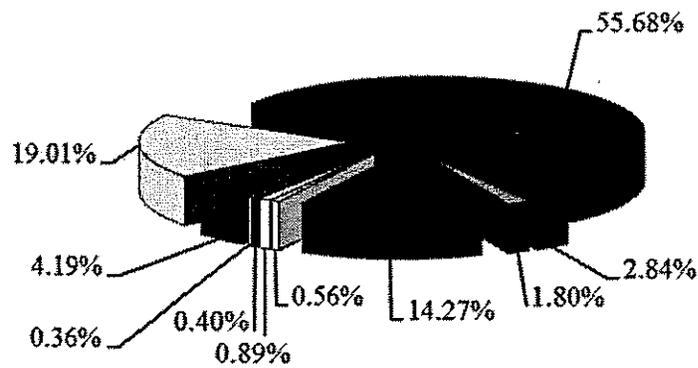
As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$20,913,316, a decrease of \$2,333,264 in comparison with the prior year balances. \$2,475,353 or 11.8% of this the total fund balance represents unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been restricted or committed.

## General Fund Revenues Fiscal 2015



■ General Property Taxes 213,689,646	■ Interest on Taxes 2,221,716	■ Intergovernmental Revenue 44,457,381
■ Charges For Services 6,992,536	■ Other Revenue 15,631,796	

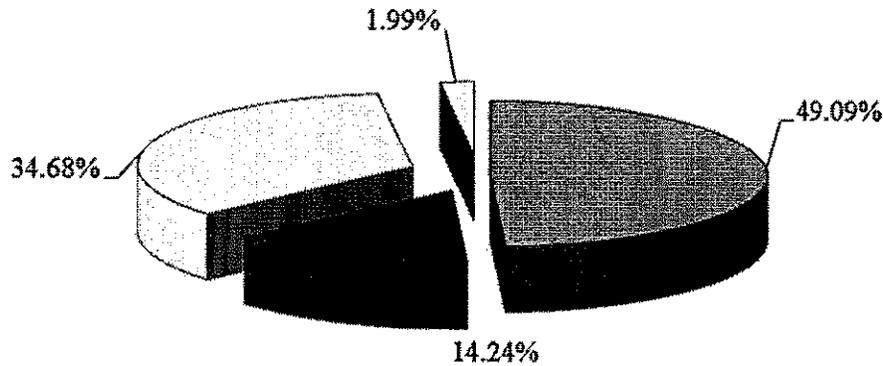
## General Fund Expenditures Fiscal 2015



■ Exec & Admin 5,151,442	■ Public Safety 40,887,654	■ Recreation 1,596,761
■ Public Libraries 2,561,907	■ Social Services 1,132,054	■ Planning & E&D 1,044,801
■ Public Works 11,989,956	■ Benefits/Fixed Costs 54,465,009	■ School 159,498,924
■ Debt 8,139,352		

*Note: Transfers to and from other funds have been integrated into their respective categories.*

## Business-type Activities Fiscal 2015 Expenses



■ Sewer 15,669,505	■ Sewer Assessment 4,546,583
■ Water 11,069,316	■ Other Non Major Enterprise 634,568

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 \$8,151,517. Total fund balance was \$15,701,236. As a measure of the general fund liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 2.77% of total general fund budgeted expenditures. During fiscal 2015, the unassigned fund balance of the City's general fund decreased by \$2,652,348. This is a 24.5% decrease from the prior year unassigned fund balance.

**Proprietary Funds:** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of the Sewer Department amounted to \$84,238,868. The funds invested in capital assets total \$78,640,122, restricted funds total \$3,910,099, and unrestricted net position totals \$1,688,647. Per GASB68, a net pension liability of \$2,397,661 was accrued to the Sewer fund during fiscal 2015.

The net position of the Water Department totaled \$7,667,435. Of this, \$11,713,559 represents the investment in capital assets while the unrestricted portion totals (\$4,046,126). During fiscal 2015 Water's net position decreased by \$2,227,434 – this was largely due to the accrual of a net pension liability which totaled \$2,870,589.

The unrestricted net position of the workers compensation internal service fund amounted to \$574,519. Net assets increased by \$32,475 due primarily to a decrease in the outstanding claim reserve.

The net position of the City's medical healthcare internal service fund totaled \$619,620. The fund's net position balance is primarily composed of cash reserves which were previously held in escrow by health insurers when the City was self-insured.

The Warwick School Department's medical healthcare internal service fund reflected a net position balance which totaled \$4,408,629. This balance represents a combination of \$1,434,300 in escrow cash reserves held by the insurers, plus \$4,023,443 in surplus funds (excess of premiums paid vs. claims paid) held by WB Community Health, less outstanding IBNR claims totaling \$1,049,114.

### **General Fund Budgetary Highlights**

During fiscal 2015, the City's original budget of \$289,208,735 was increased by \$4.68 million to \$293,842,237. The following budgetary adjustments were made during the year:

- A budget transfer in the amount of \$3,973,932 represented the re-appropriation of the fiscal 2014 school surplus to the School Department. The prior year education reserve funded this transfer.
- Additional Fire SAFER grant revenue totaling \$265,000 provided the basis for increasing the associated revenue and expenditure accounts within the Fire Department budget.
- Revenue and expenditure budgets were increased by \$394,570 to reflect funding received from the State of Rhode Island as part of the State Municipal Incentive Aid Program. As designated, these funds were used to increase pension plan funding.

### **Capital Assets and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounted to \$307,954,247 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery & equipment, roads and construction in progress. During this year, the City's overall investment in capital assets (net of accumulated depreciation) increased by approximately \$9.5 million.

Major capital asset additions during the current fiscal year included the following:

1. School Fire Code Improvements - \$992,133.
2. School HVAC/Boiler Replacement Program - \$1,275,150.
3. School Wireless Technology Implementation - \$1,344,973.
4. Warwick Area Career & Technical Center - \$3,100,000.

## City of Warwick's Capital Assets

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$18,680,138	\$18,680,138	-	-	\$18,680,138	\$18,680,138
Land Improvements	11,022,756	11,022,756	-	-	11,022,756	11,022,756
Buildings	126,942,353	117,558,557	2,900,797	2,900,797	129,843,150	120,459,354
Infrastructure	197,616,245	197,295,133	4,694,859	4,226,157	202,311,104	201,521,290
Equipment	20,513,851	19,879,820	275,664,145	275,178,014	296,177,996	295,057,834
Licensed Vehicles	30,227,523	28,143,035	-	-	30,227,523	28,143,035
Artwork	62,950	62,950	-	-	62,950	62,950
Construction in Progress	3,537,059	3,470,430	11,064,683	2,156,789	14,601,742	5,627,219
Subtotal:	408,602,875	396,112,819	294,324,484	284,461,757	702,927,359	680,574,576
Less Accumulated Depreciation:	(288,940,895)	(282,409,244)	(106,032,217)	(99,724,452)	(394,973,112)	(382,133,696)
<b>Total:</b>	<b>\$119,661,980</b>	<b>\$113,703,575</b>	<b>\$188,292,267</b>	<b>\$184,737,305</b>	<b>\$307,954,247</b>	<b>\$298,440,880</b>

Additional information on the City's capital assets can be found in Note 2 of the notes to the financial statements of this report.

**Long-term debt.** At the end of the fiscal year, the City had total bonds and loans outstanding of \$146,103,257. It is broken down as follows:

- General Fund Bonds Payable                   \$ 46,286,654.
- Water Bonds Payable                           \$ 1,033,400.
- Sewer Bonds Payable                         \$ 13,478,946.
- Sewer SRF Loans Payable                   \$ 85,304,257.

General obligation bonds are backed by the full faith and credit of the City, including the City's power to levy additional taxes to ensure repayment of the debt. Accordingly, all general obligation debt currently outstanding was approved by a vote of the citizens. During fiscal 2015, the City of Warwick's general fund general obligation debt reflected a net increase of \$37,220. Sewer debt decreased by \$6.5 million, and water debt decreased by \$163,608.

The City's bond ratings are as follows:

Moody's .....A1  
Standard & Poors.....AA-

State statute limits the amount of bonds a governmental entity can issue to 3% of its total assessed valuation. The current debt limitation for the City is \$268,628,059. As of June 30, 2015 the City's current outstanding general fund debt falls under the debt limitation by \$222,341,405.

Additional information on the City's long-term debt can be found in Note 6 of the notes to the financial statements and in the statistical tables.

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

- Warwick's average unemployment rate is 5.86%.
- Median family income in Warwick was \$78,263.
- Warwick ranks second in population among Rhode Island's 39 cities and towns.

The following factors were considered in preparing the City's budget for the 2015-16 fiscal year.

- The School Department budget will increase to \$159.5 million.
- The City's health care coverage will continue to be administered by the Rhode Island Interlocal Risk Management Trust.
- To control tax increases, \$3.0 million was drawn from the City's fund balance to provide additional funding for the fiscal 2016 budget.

Currently, the unassigned fund balance in the general fund totals \$8,151,517. While the City has maintained its commitment toward ensuring a steady growth for the City surplus, it has sometimes been necessary to utilize part of this surplus to ease the burden on its taxpayers. The City's fiscal 2016 tax rate for residential property increased from \$20.06 to \$20.75, or 3.4%. The commercial and industrial tax rate also increased 3.4% from \$30.09 to \$31.13. The tangible personal property rate increased from \$40.12 to \$41.50, or 3.4%. Per Rhode Island law, the inventory tax was phased out and the motor vehicle tax remained constant at \$34.60.

### **Requests for Information**

This 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 information provided in this report or requests for additional financial information should be addressed to the Controller, City of Warwick Treasurer's Office, 3275 Post Road, Warwick, RI 02886-7145.

# **BASIC FINANCIAL STATEMENTS**

# **Government-Wide Financial Statements**

**CITY OF WARWICK, RHODE ISLAND**  
**Statement of Net Positions**  
**June 30, 2015**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 24,393,205	\$ 12,715,068	\$ 37,108,273
Restricted cash and cash equivalents	2,030,000	3,910,099	5,940,099
<i>Accounts Receivable:</i>			
Accrued interest receivable	695,731	14	695,745
Real estate and personal property tax receivable, net	9,034,741	-	9,034,741
Water and sewer use fees receivable, net	-	9,531,855	9,531,855
Sewer assessments receivable	-	3,938,528	3,938,528
Due from federal and state government	12,479,409	1,089,684	13,569,093
Internal balances	4,225,699	19,709,480	23,935,179
Inventories	-	85,527	85,527
Other receivables, net	9,411,796	988,790	10,400,586
Other assets:	4,807,817	-	4,807,817
Prepays	212,762	-	212,762
Deposits with agent	1,434,300	-	1,434,300
<b>Total current assets</b>	<b>68,725,460</b>	<b>51,969,045</b>	<b>120,694,505</b>
<b>Noncurrent assets:</b>			
Sewer assessments receivable	-	29,890,713	29,890,713
<i>Capital assets:</i>			
Non-Depreciable assets	18,743,088	-	18,743,088
Depreciable buildings, equipment, infrastructure, net	97,381,833	177,227,584	274,609,417
Construction in progress	3,537,059	11,064,683	14,601,742
<b>Total noncurrent assets</b>	<b>119,661,980</b>	<b>218,182,980</b>	<b>337,844,960</b>
<b>Total assets</b>	<b>188,387,440</b>	<b>270,152,025</b>	<b>458,539,465</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charges on refunding	181,354	32,951	214,305
Deferred outflows - related to pensions	29,671,475	874,076	30,545,551
<b>Total Deferred Outflows</b>	<b>29,852,829</b>	<b>907,027</b>	<b>30,759,856</b>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	17,507,436	2,678,657	20,186,093
Accrued interest payable	526,624	942,366	1,468,990
Due to Federal/State	2,343,181	-	2,343,181
Accrued compensated absences	711,399	77,461	788,860
<i>Unearned revenues:</i>			
Taxes and assessments collected in advance	3,041,617	714,067	3,755,684
Other	2,502,982	134,204	2,637,186
Internal balances	-	23,965,074	23,965,074
Long-term debt - due within one year	6,474,427	10,556,916	17,031,343
<b>Total current liabilities</b>	<b>33,107,666</b>	<b>39,068,745</b>	<b>72,176,411</b>
<b>Noncurrent liabilities:</b>			
Unearned revenue	-	29,890,714	29,890,714
Other liabilities	4,772,509	82	4,772,591
Long-term debt and retroactive payroll - due in more than one year	44,719,484	89,488,750	134,208,234
Accrued compensated absences	11,741,138	286,145	12,027,283
Net other post-employment benefits obligation	123,168,811	3,912,412	127,081,223
Net pension liability	387,338,603	5,268,249	392,606,852
<b>Total noncurrent liabilities</b>	<b>571,740,545</b>	<b>128,846,352</b>	<b>700,586,897</b>
<b>Total liabilities</b>	<b>604,848,211</b>	<b>167,915,097</b>	<b>772,763,308</b>
<b>Deferred Inflows of Resources:</b>			
Deferred revenue	-	-	-
Deferred inflows - related to pensions	14,799,785	-	14,799,785
	14,799,785	-	14,799,785
<b>Net Position:</b>			
Invested in capital assets, net of related debt	69,871,522	90,353,683	160,225,205
<i>Restricted for:</i>			
Debt service payments	2,030,000	3,910,099	5,940,099
Education programs	657,887	-	657,887
Community development loans	378,436	-	378,436
City clerk records preservation	947,797	-	947,797
Public safety programs	106,188	-	106,188
Unrestricted	(475,399,557)	8,880,173	(466,519,384)
<b>Total Net Position</b>	<b>\$ (401,407,727)</b>	<b>\$ 103,143,955</b>	<b>\$ (298,263,772)</b>

See auditor's report and accompanying notes to these financial statements

**CITY OF WARWICK, RHODE ISLAND**

**Statement of Activities**

**For the Year Ended June 30, 2015**

	Program revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/ Programs</b>							
<b>Governmental Activities:</b>							
Executive and administration	\$ 8,389,533	\$ 2,309,876	\$ 7,469	\$ -	\$ (6,072,188)	\$ -	\$ (6,072,188)
Public safety	101,268,696	7,676,780	1,935,536	-	(91,656,380)	-	(91,656,380)
Recreation	3,044,788	979,791	1,875	-	(2,063,122)	-	(2,063,122)
Public libraries	4,829,752	39,297	753,846	-	(4,036,609)	-	(4,036,609)
Social services	2,021,311	105,514	94,439	-	(1,821,358)	-	(1,821,358)
Planning and economic development	2,880,454	1,837,993	768,378	-	(274,083)	-	(274,083)
Public works	21,946,560	252,276	373,400	125,710	(21,195,174)	-	(21,195,174)
Education	173,887,234	2,093,869	53,901,966	-	(117,891,399)	-	(117,891,399)
Interest on long-term debt	1,706,620	-	-	-	(1,706,620)	-	(1,706,620)
<b>Total governmental activities</b>	<b>319,974,948</b>	<b>15,295,396</b>	<b>57,836,909</b>	<b>125,710</b>	<b>(246,716,933)</b>	<b>-</b>	<b>(246,716,933)</b>
<b>Business type activities:</b>							
Sewer	15,082,034	23,220,208	-	-	-	8,138,174	8,138,174
Water	10,905,708	10,746,621	-	-	-	(159,087)	(159,087)
<b>Total business-type activities</b>	<b>25,987,742</b>	<b>33,966,829</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,979,087</b>	<b>7,979,087</b>
<b>Total</b>	<b>\$ 345,962,690</b>	<b>\$ 49,262,225</b>	<b>\$ 57,836,909</b>	<b>\$ 125,710</b>	<b>(246,716,933)</b>	<b>7,979,087</b>	<b>(238,737,846)</b>
<b>General revenues:</b>							
					217,134,855	-	217,134,855
					2,206,502	-	2,206,502
					7,693,925	-	7,693,925
					5,925	6,547	12,472
					55,085	-	55,085
					427,898	-	427,898
					7,098,886	-	7,098,886
					15,000	(15,000)	-
					<b>234,638,076</b>	<b>(8,453)</b>	<b>234,629,623</b>
					<b>(12,078,857)</b>	<b>7,970,634</b>	<b>(4,108,223)</b>
					<b>(389,328,870)</b>	<b>95,173,321</b>	<b>(294,155,549)</b>
					<b>\$ (401,407,727)</b>	<b>\$ 103,143,955</b>	<b>\$ (298,263,772)</b>

*See auditor's report and accompanying notes to these financial statements*

**CITY OF WARWICK, RHODE ISLAND**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2015**

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 17,385,119	\$ 207,880	\$ 6,049,978	\$ 23,642,977
Restricted cash and cash equivalents	-	-	2,030,000	2,030,000
<i>Accounts receivable:</i>				
Real estate and personal property taxes receivable, net	9,034,741	-	-	9,034,741
Due from federal and state governments	4,781,124	1,300,668	6,397,617	12,479,409
Other receivables	2,035,053	10,998	3,766,682	5,812,733
Internal balances	11,001,436	12,691,853	2,762,501	26,455,790
Prepays	210,507	2,255	-	212,762
Other assets	4,622,517	-	185,300	4,807,817
<b>Total assets</b>	<u>\$ 49,070,497</u>	<u>\$ 14,213,654</u>	<u>\$ 21,192,078</u>	<u>\$ 84,476,229</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenditures	\$ 3,343,742	\$ 10,525,140	\$ 2,495,422	\$ 16,364,304
Due to federal and state governments	192,396	-	785	193,181
Internal balances	11,801,776	3,650,023	7,286,221	22,738,020
<i>Deferred revenues:</i>				
Taxes collected in advance	3,041,617	-	-	3,041,617
Other	1,554,663	-	6,197,570	7,752,233
Other liabilities	4,734,018	38,491	-	4,772,509
<b>Total liabilities</b>	<u>24,668,212</u>	<u>14,213,654</u>	<u>15,979,998</u>	<u>54,861,864</u>
<b>Deferred Inflow of Resources:</b>				
Deferred tax revenue	8,701,049	-	-	8,701,049
<b>Fund balances:</b>				
<i>Reserved for:</i>				
Non-Spendables	210,507	-	-	210,507
Restricted	3,000,000	-	10,888,224	13,888,224
Committed for education	3,183,726	-	-	3,183,726
Committed other	1,155,486	-	-	1,155,486
Assigned	-	-	-	-
Unassigned	8,151,517	-	(5,676,144)	2,475,373
<b>Total fund balances</b>	<u>15,701,236</u>	<u>-</u>	<u>5,212,080</u>	<u>20,913,316</u>
<b>Total liabilities, deferred inflow of Resources, and fund balances</b>	<u>\$ 49,070,497</u>	<u>\$ 14,213,654</u>	<u>\$ 21,192,078</u>	<u>\$ 84,476,229</u>

**CITY OF WARWICK, RHODE ISLAND**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

---

*Amounts reported for governmental activities in the statement of net position differ because:*

<b>Total Fund Balances per Governmental Fund Balance Sheet:</b>	<b>\$ 20,913,316</b>
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	119,661,980
Deferred debt charges resulting from issuance of refunding and advance bonds. These charges have been included in the governmental activities in the Statement of Net Assets	181,354
Interest receivable on delinquent taxes recorded in the statement of net assets not considered available and therefore not reported in the fund statements	695,731
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(63,646,448)
Unearned revenues (net of allowance for uncollectible) are recorded in the funds, but are not recognized under the measurement focus employed in the Statement of Net Assets	13,495,920
Accrual for OPEB liabilities (net)	(123,168,811)
Accrual for net pension liabilities	(387,338,603)
Net deferred outflows and deferred inflows of resources	14,871,690
Accrued interest payable is recorded in government activities but is not recorded in the funds	(526,624)
Internal service fund equity balance	5,602,768
Amount due to federal and state government for financing of fixed asset additions	<u>(2,150,000)</u>
<b>Total Net Position of Governmental Funds per Statement of Net Position</b>	<b><u>\$ (401,407,727)</u></b>

**CITY OF WARWICK, RHODE ISLAND**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2015**

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
General property taxes	\$ 213,689,646	\$ -	\$ -	\$ 213,689,646
Interest on taxes	2,221,716	-	-	2,221,716
Intergovernmental revenue	7,895,159	36,065,434	10,228,766	54,189,359
Medicaid	-	1,746,573	-	1,746,573
State contribution to pension plan	-	6,968,124	-	6,968,124
Charges for services	8,080,407	1,028,579	2,642,442	11,751,428
Investment income	3,423	-	1,761	5,184
Contributions and private grants	-	-	202,245	202,245
Other revenue	11,280,867	113,975	1,021,147	12,415,989
<b>Total revenues</b>	<u>243,171,218</u>	<u>45,922,685</u>	<u>14,096,361</u>	<u>303,190,264</u>
<b>Expenditures</b>				
Executive and administrative	5,151,442	-	104,822	5,256,264
Public safety	41,977,698	-	6,466,102	48,443,800
Recreation	1,596,761	-	12,264	1,609,025
Public libraries	2,561,907	-	87,304	2,649,211
Social services	1,132,054	-	172,712	1,304,766
Planning and economic development	1,044,801	-	987,988	2,032,789
Public works	11,989,956	-	2,352,230	14,342,186
Employee benefits, fixed costs and capital	54,065,009	-	-	54,065,009
Education	-	158,053,949	11,035,153	169,089,102
State contribution to pension plan	-	6,968,124	-	6,968,124
<b>Debt service:</b>				
Principal	-	-	5,962,158	5,962,158
Interest and other costs	-	-	1,771,372	1,771,372
<b>Total expenditures</b>	<u>119,519,628</u>	<u>165,022,073</u>	<u>28,952,105</u>	<u>313,493,806</u>
<b>Excess of revenues over (under) expenditures before other financing sources (uses)</b>	<u>123,651,590</u>	<u>(119,099,388)</u>	<u>(14,855,744)</u>	<u>(10,303,542)</u>
<b>Other financing sources (uses)</b>				
Proceeds from bonds capital leases			7,955,278	7,955,278
Transfers from other funds	527,507	120,272,671	9,085,571	129,885,749
Transfers to other funds	(127,653,882)	(1,173,283)	(1,043,584)	(129,870,749)
<b>Total other financing sources (uses)</b>	<u>(127,126,375)</u>	<u>119,099,388</u>	<u>15,997,265</u>	<u>7,970,278</u>
<b>Net change in fund balances</b>	<u>(3,474,785)</u>	<u>-</u>	<u>1,141,521</u>	<u>(2,333,264)</u>
<b>Fund balances July 1, 2014</b>	19,176,021	-	4,070,559	23,246,580
<b>Fund balances June 30, 2015</b>	<u>\$ 15,701,236</u>	<u>\$ -</u>	<u>\$ 5,212,080</u>	<u>\$ 20,913,316</u>

*See auditor's report and accompanying notes to these financial statements*

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

---

*Amounts reported for governmental activities in the statement of activities differ because:*

<b>Net change in fund balances per Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances:</b>	<u>\$ (2,333,264)</u>
Governmental funds reported 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 outlay of \$11,218,057 exceeds depreciation of (\$7,409,652) in the current period	3,808,405
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	3,608,276
Interest expenses in the statement of activities includes accrued interest calculated for bonds payable	(48,755)
Interest on taxes in the statement of activities includes accrued interest calculated for property taxes not yet paid	(15,214)
Long-term liabilities (including bonds payable, debt issuance, capital leases, compensated absences, accrued retroactive payroll, net pension liabilities, and the net OPEB obligations) are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet	(18,196,070)
The Internal Service Fund is used by management to charge the costs of Worker's Compensation claims. The net revenues (expenses) of the Internal Service Fund is reported with Governmental Activities in the Government-Wide financial statements	<u>1,097,765</u>
Change in net assets of governmental activities	<u><u>\$(12,078,857)</u></u>

*See auditor's report and accompanying notes to these financial statements*

## **Fund Financial Statements**

**CITY OF WARWICK, RHODE ISLAND**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2015**

	Business-Type Activities Enterprise Funds				Total	Governmental Activities
	Sewer Fund	Sewer Assessment Fund	Water Fund	Other Non-Major Enterprise Funds		Internal Service Fund
<b>Assets</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 7,424,582	\$ 553,251	\$ 3,658,152	\$ 1,079,083	\$ 12,715,068	\$ 750,228
Restricted cash and cash equivalents	3,910,099		-		3,910,099	-
Accounts receivable, net:						
Water and sewer use fees	6,066,122	-	3,465,733	-	9,531,855	-
Sewer assessments	-	3,938,528	-	-	3,938,528	-
Accrued interest	14	-	-	-	14	-
Due from federal & state government	1,082,903	-	326	6,455	1,089,684	-
Other receivables	-	-	-	988,790	988,790	4,053,443
Internal balances	13,515,852	858,249	195,677	5,139,702	19,709,480	619,620
Inventory	-	-	85,527	-	85,527	-
<b>Total current assets</b>	<u>31,999,572</u>	<u>5,350,028</u>	<u>7,405,415</u>	<u>7,214,030</u>	<u>51,969,045</u>	<u>5,423,291</u>
<b>Non-current assets:</b>						
Sewer assessments receivable	-	29,890,713	-	-	29,890,713	-
Construction in progress	9,926,255	-	-	1,138,428	11,064,683	-
Depreciable capital assets, net	165,377,240	-	11,850,344	-	177,227,584	-
Deposits with agent	-	-	-	-	-	1,434,300
<b>Total noncurrent assets</b>	<u>175,303,495</u>	<u>29,890,713</u>	<u>11,850,344</u>	<u>1,138,428</u>	<u>218,182,980</u>	<u>1,434,300</u>
<b>Total assets</b>	<u>207,303,067</u>	<u>35,240,741</u>	<u>19,255,759</u>	<u>8,352,458</u>	<u>270,152,025</u>	<u>6,857,591</u>
<b>Deferred Outflows of Resources:</b>						
Deferred charge on refunding	27,097	-	5,854	-	32,951	-
Deferred outflows - related to pensions	397,805	-	476,271	-	874,076	-
<b>Total deferred outflows of resources</b>	<u>424,902</u>	<u>-</u>	<u>482,125</u>	<u>-</u>	<u>907,027</u>	<u>-</u>
<b>Liabilities</b>						
<b>Current liabilities:</b>						
Accounts payable and accrued expenses	1,359,180	-	1,170,538	148,939	2,678,657	-
Accrued interest payable	935,678	-	6,688	-	942,366	-
Accrued compensated absences	53,529	-	23,932	-	77,461	-
Internal balances	17,670,176	559,660	4,693,071	1,042,167	23,965,074	-
Advanced collections	-	714,067	-	-	714,067	111,691
Unearned revenue	134,204	-	-	-	134,204	-
Accrued claims - IBNR	-	-	-	-	-	1,143,132
Current portion of long term debt	10,438,661	-	118,255	-	10,556,916	-
<b>Total current liabilities</b>	<u>30,591,428</u>	<u>1,273,727</u>	<u>6,012,484</u>	<u>1,191,106</u>	<u>39,068,745</u>	<u>1,254,823</u>
<b>Non-current liabilities:</b>						
Other liabilities	82	-	-	-	82	-
Accrued compensated absences	95,917	-	190,228	-	286,145	-
Unearned revenue	-	29,890,714	-	-	29,890,714	-
Bonds and loans payable	88,547,275	-	941,475	-	89,488,750	-
Net other post-employment benefits obligation	1,856,738	-	2,055,674	-	3,912,412	-
Net pension liability	2,397,661	-	2,870,588	-	5,268,249	-
<b>Total noncurrent liabilities</b>	<u>92,897,673</u>	<u>29,890,714</u>	<u>6,057,965</u>	<u>-</u>	<u>128,846,352</u>	<u>-</u>
<b>Total liabilities</b>	<u>123,489,101</u>	<u>31,164,441</u>	<u>12,070,449</u>	<u>1,191,106</u>	<u>167,915,097</u>	<u>1,254,823</u>
<b>Net Position:</b>						
Invested in capital assets, net of related debt	78,640,122	-	11,713,561	-	90,353,683	-
Restricted for debt service payments	3,910,099	-	-	-	3,910,099	-
Unrestricted	1,688,647	4,076,300	(4,046,126)	7,161,352	8,880,173	5,602,768
<b>Total Net Position</b>	<u>\$ 84,238,868</u>	<u>\$ 4,076,300</u>	<u>\$ 7,667,435</u>	<u>\$ 7,161,352</u>	<u>\$ 103,143,955</u>	<u>\$ 5,602,768</u>

See auditor's report and accompanying notes to these financial statements

**CITY OF WARWICK, RHODE ISLAND**  
**Proprietary Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Net Position**  
**For the Fiscal Year Ended June 30, 2015**

	Business-Type Activities Enterprise Funds				Total	Governmental Activities
	Sewer Fund	Sewer Assessment Fund	Water Fund	Other Non-Major Enterprise Funds		Internal Service Fund
<b>Operating revenues</b>						
Assessments and user fees	\$ 15,991,842	\$ 3,061,128	\$ 10,187,345	\$ 950,830	\$ 30,191,145	\$ -
Other revenues	731,521	2,255,505	559,276	220,503	3,766,805	42,247,545
<b>Total operating revenues</b>	<u>16,723,363</u>	<u>5,316,633</u>	<u>10,746,621</u>	<u>1,171,333</u>	<u>33,957,950</u>	<u>42,247,545</u>
<b>Operating expenses</b>						
Contract services	485,209	-	274,727	-	759,936	40,260,840
Salaries and benefits	2,861,567	-	3,036,209	-	5,897,776	-
Materials and supplies	623,772	-	105,865	215,929	945,566	-
Depreciation and amortization	5,613,812	-	739,270	-	6,353,082	-
Operations	2,627,084	-	6,703,158	-	9,330,242	-
Worker's compensation claims	-	-	-	-	-	381,556
Miscellaneous	-	-	-	-	-	508,123
<b>Total operating expenses</b>	<u>12,211,444</u>	<u>-</u>	<u>10,859,229</u>	<u>215,929</u>	<u>23,286,602</u>	<u>41,150,519</u>
<b>Operating income (loss)</b>	<u>4,511,919</u>	<u>5,316,633</u>	<u>(112,608)</u>	<u>955,404</u>	<u>10,671,348</u>	<u>1,097,026</u>
<b>Non-operating revenues (expenses)</b>						
Interest income	3,954	83	1,199	1,311	6,547	739
Interest expense	(2,617,779)	-	(46,479)	-	(2,664,258)	-
Capital contributions	8,879	-	-	-	8,879	-
Loss on disposal of assets	(36,882)	-	-	-	(36,882)	-
<b>Total non-operating revenues (expenses)</b>	<u>(2,641,828)</u>	<u>83</u>	<u>(45,280)</u>	<u>1,311</u>	<u>(2,685,714)</u>	<u>739</u>
<b>Income (loss) before contributions and transfers</b>	<u>1,870,091</u>	<u>5,316,716</u>	<u>(157,888)</u>	<u>956,715</u>	<u>7,985,634</u>	<u>1,097,765</u>
Transfers in	13,946,996	-	582,247	10,000	14,539,243	-
Transfers out	(9,425,413)	(4,546,583)	(163,608)	(418,639)	(14,554,243)	-
<b>Total contributions and transfers</b>	<u>4,521,583</u>	<u>(4,546,583)</u>	<u>418,639</u>	<u>(408,639)</u>	<u>(15,000)</u>	<u>-</u>
<b>Change in Net Position</b>	<u>6,391,674</u>	<u>770,133</u>	<u>260,751</u>	<u>548,076</u>	<u>7,970,634</u>	<u>1,097,765</u>
<b>Total Net Position- beginning of year, restated</b>	77,847,194	3,306,167	7,406,684	6,613,276	95,173,321	4,505,003
<b>Total Net Position - end of year</b>	<u>\$ 84,238,868</u>	<u>\$ 4,076,300</u>	<u>\$ 7,667,435</u>	<u>\$ 7,161,352</u>	<u>\$ 103,143,955</u>	<u>\$ 5,602,768</u>

See auditor's report and accompanying notes to these financial statements

**CITY OF WARWICK, RHODE ISLAND**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2015**

	Business-Type Activities Enterprise Funds				Total	Governmental Activities
	Sewer Fund	Sewer Assessment Fund	Water Fund	Other Non-major Enterprise Funds		Internal Service Fund
<b><i>Cash flows from operating activities</i></b>						
Cash received from customers	\$ 20,663,391	\$ 5,420,162	\$10,961,250	\$ -	\$ 37,044,803	\$ -
Cash payments to suppliers for goods and services	(3,594,272)	-	(6,966,516)	(113,451)	(10,674,239)	-
Cash payments to employees for services	(2,837,132)	-	(2,982,081)	-	(5,819,213)	-
Other operating receipts	-	-	-	220,503	220,503	41,311,537
Other operating payments	-	-	-	-	-	(41,307,350)
<b><i>Net cash provided by (used for) operating activities</i></b>	<u>14,231,987</u>	<u>5,420,162</u>	<u>1,012,653</u>	<u>107,052</u>	<u>20,771,854</u>	<u>4,187</u>
<b><i>Cash flows from non-capital financing activities</i></b>						
Interfund cash receipts	(12,246,078)	(858,249)	(195,677)	1,045,793	(12,254,211)	18,996
Interfund cash payments	11,817,868	371,266	917,161	-	13,106,295	-
Transfers from other funds	13,946,996	-	582,247	10,000	14,539,243	-
Transfers to other funds	(9,425,413)	(4,546,583)	(163,608)	(418,639)	(14,554,243)	-
<b><i>Net cash provided by (used for) non-capital financing activities</i></b>	<u>4,093,373</u>	<u>(5,033,566)</u>	<u>1,140,123</u>	<u>637,154</u>	<u>837,084</u>	<u>18,996</u>
<b><i>Cash flows from capital and related financing activities</i></b>						
Acquisition and construction of capital assets	(8,165,249)	-	(654,979)	(1,087,814)	(9,908,042)	-
Loan proceeds	-	-	(327)	-	(327)	-
Loss on disposal of capital assets	(36,882)	-	-	-	(36,882)	-
Capital contributions	8,879	-	-	-	8,879	-
Bond issuance costs	10,372	-	1,005	-	11,377	-
Interest paid on bonds and loans	(2,617,779)	-	(46,479)	-	(2,664,258)	-
Principal paid on bonds and loans	(6,494,391)	-	(167,482)	-	(6,661,873)	-
<b><i>Net cash provided (used for) capital and related financing activities</i></b>	<u>(17,295,050)</u>	<u>-</u>	<u>(868,262)</u>	<u>(1,087,814)</u>	<u>(19,251,126)</u>	<u>-</u>
<b><i>Cash flows from investing activities</i></b>						
Interest and dividends on investment	3,954	83	1,199	1,311	6,547	739
<b><i>Net cash provided by (used for) investing activities</i></b>	<u>3,954</u>	<u>83</u>	<u>1,199</u>	<u>1,311</u>	<u>6,547</u>	<u>739</u>
<b><i>Net increase (decrease) in cash and cash equivalents</i></b>	1,034,264	386,679	1,285,713	(342,297)	2,364,359	23,922
<b><i>Cash and cash equivalents at beginning of year</i></b>	10,300,417	166,572	2,372,439	1,421,380	14,260,808	726,306
<b><i>Cash and cash equivalents at end of year</i></b>	<u>\$ 11,334,681</u>	<u>\$ 553,251</u>	<u>\$ 3,658,152</u>	<u>\$ 1,079,083</u>	<u>\$ 16,625,167</u>	<u>\$ 750,228</u>

*See auditor's report and accompanying notes to these financial statements*

**CITY OF WARWICK, RHODE ISLAND**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2015**

	Business-Type Activities Enterprise Funds				Total	Governmental Activities
	Sewer Fund	Sewer Assessment Fund	Water Fund	Other Non-major Enterprise Funds		Internal Service Fund
<i>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</i>						
<b>Operating income (Loss)</b>	\$ 4,511,919	\$ 5,316,633	\$ (112,608)	\$ 955,404	\$ 10,671,348	\$ 1,097,026
<i>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</i>						
Depreciation and amortization	5,613,812	-	739,270	-	6,353,082	-
<i>Changes in assets and liabilities:</i>						
(Increase) decrease in accounts receivable net	3,941,936	2,621,586	214,629	(950,830)	5,827,321	-
(Increase) decrease in other receivables	6,971	-	-	-	6,971	(1,047,699)
(Increase) decrease in accrued interest receivable	-	-	-	-	-	-
(Increase) decrease in inventory	-	-	(18,268)	-	(18,268)	-
(Increase) decrease in prepaid expenditures	-	-	-	-	-	-
(Increase) decrease in deposits with agent	-	-	-	-	-	-
Increase (decrease) in accounts payable and accrued expense	167,470	-	136,717	102,478	406,665	(1,771)
Increase (decrease) in accrued interest payable	(25,759)	-	(1,215)	-	(26,974)	-
Increase (decrease) in advanced collections	-	(60,033)	-	-	(60,033)	111,691
Increase (decrease) in unearned revenue	(8,879)	(2,458,024)	-	-	(2,466,903)	-
Increase (decrease) in net other post employment benefits obligations	133,634	-	160,259	-	293,893	-
Increase (decrease) in net pension liability and deferred outflows of resources	(78,401)	-	(93,866)	-	(172,267)	-
Increase (decrease) in other liabilities	82	-	-	-	82	-
Increase (decrease) in accrued claims - IBNR	-	-	-	-	-	(155,060)
Increase (decrease) in compensated absences	(30,798)	-	(12,265)	-	(43,063)	-
<b>Total adjustments</b>	<u>9,720,068</u>	<u>103,529</u>	<u>1,125,261</u>	<u>(848,352)</u>	<u>10,100,506</u>	<u>(1,092,839)</u>
<b>Net cash provided by operating activities</b>	<u>\$ 14,231,987</u>	<u>\$ 5,420,162</u>	<u>\$ 1,012,653</u>	<u>\$ 107,052</u>	<u>\$ 20,771,854</u>	<u>\$ 4,187</u>

*See auditor's report and accompanying notes to these financial statements*

**CITY OF WARWICK, RHODE ISLAND**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**June 30, 2015**

	<u>Pension Trust Funds</u>	<u>Private-purpose Trust Funds</u>	<u>Agency Funds</u>
<b>Assets</b>			
Cash	\$ 3,510,339	\$ 128,318	\$1,297,287
<i>Investments, at fair value:</i>			
Equity pool	47,114,141	-	-
Equity small cap funds	58,237,384	-	-
Fixed income pool	107,322,624	-	-
Index funds	78,653,201	-	-
Multi asset manager funds	100,457,928	-	-
International equity funds	18,017,221	-	-
Immediate participation guarantee contracts	4,899,621	-	-
Stable value fund	6,853,792	-	-
Mutual funds	27,488,069	-	-
Accrued interest receivable	201	-	-
Other receivable	1,838,219	10,599	19,655
<b>Total Assets</b>	<u>454,392,740</u>	<u>138,917</u>	<u>1,316,942</u>
<b>Liabilities</b>			
Accounts payable	387,165	35	5,698
Due to federal and state governments	-	-	303,845
Deposits held in custody for others	-	-	1,007,399
<b>Total liabilities</b>	<u>387,165</u>	<u>1,018</u>	<u>1,316,942</u>
<b>Net Assets</b>			
Held in trust for pension benefits and other purposes	<u>\$454,005,575</u>	<u>\$ 137,899</u>	<u>\$ -</u>

*See auditor's report and accompanying notes to these financial statements*

**CITY OF WARWICK, RHODE ISLAND**  
**Fiduciary Funds**  
**Statement of Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Pension Trust Fund</u>	<u>Private-purpose Trust Funds</u>
<i>Additions</i>		
Contributions- employer	\$ 30,204,797	\$ 23,284
Plan members	6,016,513	-
<b>Total additions</b>	<u>36,221,310</u>	<u>23,284</u>
<i>Investment earnings</i>		
Net appreciation in fair value of investments	10,304,946	-
Interest and dividends	1,529,412	95
Less investment expense	(1,413,663)	-
<b>Net investment earnings</b>	<u>10,420,695</u>	<u>95</u>
<i>Other revenue</i>	<u>-</u>	<u>19,247</u>
<b>Total additions</b>	<u>46,642,005</u>	<u>42,626</u>
<i>Deductions</i>		
Benefits paid	37,410,795	-
Administrative and other expenses	206,968	41,427
<b>Total deductions</b>	<u>37,617,763</u>	<u>41,427</u>
<b>Change in net position</b>	<u>9,024,242</u>	<u>1,199</u>
<b>Net position - beginning of year</b>	444,981,333	136,700
<b>Net position - end of year</b>	<u>\$ 454,005,575</u>	<u>\$ 137,899</u>

*See auditor's report and accompanying notes to these financial statements*

## **Notes to Financial Statements**

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Warwick, Rhode Island, (the City) have been prepared in conformity with principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing government and financial reporting principles. The following notes to the basic financial statements are an integral part of the City's Comprehensive Annual Financial Report.

**A. Reporting Entity**

The City of Warwick was established in 1642 and incorporated in 1931. In some matters, including the issuance of short and long-term debt, the City is governed by the general laws of the State of Rhode Island. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police, fire and inspections), public works (sanitation, highways and streets, engineering and building maintenance), education, parks and recreation, social services, and general administrative services.

The City complies with generally accepted accounting principles (GAAP). Generally accepted accounting principles (GAAP) include all relevant Government Accounting Standards Boards (GASB) pronouncements. In the government-wide Statement of Net Assets and Statement of Activities, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Enterprise funds also apply the same principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting entity, the City applied the criteria prescribed by GASB Statement No.61. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any one of the following conditions exists:

- (a) The primary government is legally entitled to or can otherwise access the organization's resources.
- (b) The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
- (c) The primary government is obligated in some manner for the debt of the organization.

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

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

**A. Reporting Entity (Continued)**

The following entities were considered for classification as component units for fiscal year 2015:

- Warwick School Department

Although Warwick School Department met certain criteria of the tests listed above, it is not deemed to have separate legal status apart from the City. As a result, the financial data of the Warwick School Department has been included as a major special revenue fund within the City's financial statements.

**B. Basis of Presentation**

***Government-Wide Financial Statements***

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

***Fund Financial Statements***

Fund financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, deferred outflows of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements. A fund is considered a major fund if it is the primary operating fund of the City or meets the following criteria:

- (a) Total assets and deferred outflow of resources, liabilities, and deferred inflow of resources, revenues, or expenditures of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- (b) Total assets and deferred outflow of resources, liabilities, and deferred inflow of resources, revenues, or expenditures of the individual, governmental fund, or enterprise funds are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
*June 30, 2015*

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

**B. Basis of Presentation (Continued)**

The funds of the financial reporting entity are described below:

***Governmental Funds:***

**General Fund**

The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

**Special Revenue Funds**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are committed or restricted to expenditures for specific purposes other than debt service or capital projects.

**Capital Project Fund**

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

**Permanent Funds**

The Permanent Funds account for assets held by the City pursuant to trust agreements. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

**Proprietary Fund**

Proprietary funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Operating revenues of the Proprietary Funds consist of customer/taxpayer charges for uses and services and certain other miscellaneous revenue. Operating expenses for the enterprise funds includes costs of providing services, including administration and depreciation on capital assets. All other expense items not meeting the above criteria are reported as non-operating expenses. The City has three internal service funds which are used to pay insurance expenses relating to workers and employee fringe benefits claims.

**Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest, other than those payable for Enterprise Funds.

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
*June 30, 2015*

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

**B. Basis of Presentation (Continued)**

*Fiduciary Fund (Not included in government-wide statements)*

***Agency Funds***

These funds account for assets held by the City in a purely custodial capacity for various student groups, funds held in probate and funds held in escrow for other parties.

***Pension Trust Funds***

These funds account for the funding and payment of pension benefits provided to police officers, fire fighters and municipal and school employees.

***Private Purpose Trust Funds***

These funds account for resources legally in trust held by the City under various trust arrangements for the benefit of certain individuals and groups.

***Major and Non-Major Funds:***

The funds are further classified as major or non-major as follows:

<u>Fund</u>	<u>Brief Description</u>
<b>Major:</b>	
General Fund:	See above description
School Unrestricted Fund:	The fund is used to report all financial transactions of the City of Warwick's School Department, which are not legally required to be accounted for separately. The set aside funds: School Debt Service Fund, Early Childhood, Literacy, Student Equity, Language Assistance, Technology, Building Use, Adult Continuing Education, Athletic Gate Receipts. Summer School and Commercial Foods are included in this fund.
<b>Proprietary:</b>	
Sewer Fund:	Accounts for sewer use fees and the expenses associated with providing sewer services to City residents.
Sewer Assessment Fund:	Accounts for special assessments related to the construction of the City's sewer system which are payable over 20 years.

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
*June 30, 2015*

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

**B. Basis of Presentation (Continued)**

Water Fund: Accounts for water use fees and the expenses associated with water services to City residents.

**Non-Major:**

Special Revenue: Special Detail, City Clerk, Emergency Operations City, Warwick Public Library Trustees, Open Space Land Dedication, Sewer Connection Grants, Excess Hotel Tax, Mooring Fee Reserve, Senior Center Gift Shop, JAG Grant, Drug Seizure, State Asset Forfeiture, Community Development Block Grant, Home Improvement Loan Escrow Account, Disaster Recovery Program, IDEA, IDEA Pre-School, IDEA Pre-School Targeted, Title I, Title II, E2T2 Training Consortium, Title III, Perkins Voc Even Year, Perkins Voc Odd Year, Fresh Fruit/Veg Program, Homeless Even Year, Homeless Odd Year, Skills USA, Big Yellow Bus, Smart Arts, Scott Tech Donations, Esther Chester Donations, Mary Maini Memorial Fund, City/Town Contribution Sports, Injury Fund, Emergency Repairs – Tech, Champlin Aldrich, Gorton, Champlin Comp, Feinstein, Rhode Island Foundation, Verizon ThinkFinity, Walmart, Dorothy Rich Association, Media Lab at Wickes, RIPIN, Reading Excellence, Soc Skills for Life – Vets, Alt Learning Program, City – Town Center, Cedar Hill Library Books, PTO Donation, C.A.S.I.T Italian Program, Race to the Top, School Food Service, The Jason Fund, Champlin, CTE, Art Talks Sherman, Full Day Kindergarten, Target, Common Core State Status, United Way, Shapiro Fund for Warwick, Wireless Classroom Initiative, Stop & Shop and Carol Gray Memorial Fund.

Debt Service Fund: This fund is used to account for the payments of interest and principal on all general long-term debt other than that payable from the Enterprise Funds.

Capital Projects: 2000 Open Space Bond Fund, 2006 School Bond Fund, 2002 Drainage Bond Fund, 2006 City Buildings Bond Fund, 2006 Fire Station Bond Fund, Road Bridge Fund and Capital Leases.

Permanent Funds: City of Warwick has no Permanent Bond Funds.

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
*June 30, 2015*

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

**B. Basis of Presentation (Continued)**

**Non-Major:**

<u>Fund</u>	<u>Brief Description</u>
Private Purpose Trust Funds:	Employee Benefit Trust Fund, Neighbors Helping Neighbors and Jeanette Cram Scholarship Fund.
Pension Trust Fund:	Police and Fire Pension 1, Police II Pension, Fire Pension II, City Employees' Pension, and Other School Department Employees.
Agency Funds:	Treasurer's Agent, Funds in Registry of Probate Court, Sewer Line Agency, Realty Tax Fund, Winman Student Activity Fund, Career Center Student Activity, Toll Gate Student Activity, Aldrich Student Activity, Warwick Veterans Student Activity Fund, Pilgrim Student Activity Fund, and Gorton Student Activity Fund.
Enterprise Funds:	On-Site Revolving Loan, Sewer Infrastructure Replacement Fund, Sewer Renewal & Replacement Fund, Water Renewal & Replacement Fund, Water Restricted Emergency Fund, and Water Infrastructure Replacement Fund, and Emergency Operations Fund.
Internal Service Funds:	Workers Compensation, City and School Medical Health Insurance Funds.

***Measurement Focus:***

On the government-wide Statement of Net Position and the Statement of Activities both governmental and business-like activities are presented using the economic resources management focus as defined in item (b) below and the accrual basis of accounting. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- (a) All governmental funds utilize a "current financial resources" measurement focus and the modified accrual basis of accounting. Only current financial assets, deferred outflow of resources, liabilities, and deferred inflow of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. The city considers property taxes as available if they are collected within 60 days after year end.

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

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

**B. Basis of Presentation (Continued)**

- (b) The proprietary funds and private purpose trust funds utilize “economic resources” measurement focus and the accrual basis of accounting. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flow. All inflows of resources associated with their activities are reported. Fund equity is classified as net position.
- (c) Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

***Basis of Accounting***

In the government-wide Statement of Net Position and Statement of Activities both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic assets used. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities, and deferred inflow of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues such as property taxes, are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds, private purpose trust funds, police, fire & city and school employees’ pension trust funds, and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded as when the liability is incurred or the economic asset is used.

Amounts reported as program revenues include, charges to customers or applicants for services or privileges provided, operating grants and contributions, and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with proprietary fund’s principal operation. The principal operating revenue of the enterprises fund are charges for services provided in accordance with the fund’s purpose. Operating expenses for the enterprise fund include the costs of providing the services, including administration and depreciation on capital assets. All other revenue and expense items not meeting these criteria are reported as non-operating revenues and expenses.

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
*June 30, 2015*

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

*Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance*

**C. Cash**

Cash and cash equivalents are carried at cost. Cash equivalents include amounts invested in certificate of deposits as management believes that these certificates can be accessed at any point in time. Substantially, all of the City's cash and cash equivalents are held in public deposit institutions. Pursuant to Section 35-10-1 of the Rhode Island General Laws, as of October 1, 1991, public institutions are required to insure accounts which hold public funds in excess of the \$250,000 which is guaranteed by FDIC. At times, the City pools cash resources of its various funds to facilitate the management of cash and maximize investment returns.

**D. Investments**

In accordance with GASB No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments are reported at fair value. Investments are disclosed in accordance with GASB No. 40, Deposits and Investments Risk Disclosures.

**E. Accounts and Taxes Receivable**

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, other receivables and intergovernmental receivable. Business-type activities report service fees as its major receivables.

Accounts receivable and taxes receivable are shown net of an allowance for uncollectible accounts. The allowances are calculated based on the age of the individual receivables. In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes collected within 60 days of year-end, grants, and other similar intergovernmental revenues since they are usually both measureable and available. Non-exchange transactions earned/measurable but not yet available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivables are based upon historical trends and the periodic aging of accounts receivable. The allowance for uncollectible accounts receivable amounted to \$9,440,652 for the general fund and \$744,827 for business-type activities at June 30, 2015.

Major receivable balances for the governmental activities include property taxes and amounts due from federal and state government (68% of total government receivables). Business type activities report service fees as its major receivables.

**F. Unbilled Services Receivable**

Sewer and water revenue is recorded when earned. Customers are billed quarterly. The estimated value of services provided, but unbilled at year-end has been included in the accompanying financial statements.

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
June 30, 2015

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

**G. Property Taxes**

Real and personal property taxes are based on values assessed as of each December 31 (lien date) and attach as an enforceable lien on property as of July 1 (levy date). Taxes are due in equal quarterly installments on July 15, October 15, January 15, and April 15 annually. Taxes due and unpaid after the respective due dates are subject to interest rate at the rate of 12% per annum, calculated on the unpaid portion of the total tax. An automatic lien is placed on the taxpayer's property if payment has not been received by the tax due date. Property taxes levied are recorded as receivables in the fiscal year of levy. Property tax revenues are recorded in accordance with the modified accrual basis of accounting in the fund financial statements.

**H. Inventory**

Inventory is maintained on a periodic system and is stated at cost (first in, first out method of inventory valuation). Inventory consists primarily of materials and supplies. Inventory maintained in governmental funds are recorded as expenditures when at the time of purchase.

**I. Capital Assets**

The accounting treatment for property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

**Government-Wide Financial Statements**

All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation. Capital assets that are not being depreciated are placed in service using the replacement method of cost for any new assets and the expense is charged to depreciation expense in the year of acquisition. Capital assets are defined by the City, as assets with an individual cost of \$10,000 (\$5,000 for the Water Fund) or more and an estimated useful life in excess of one year.

The government-wide financial statements include all infrastructure assets in accordance with GASB statement No. 34.

Depreciation of all exhausted capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position.

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

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

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

<u>Description</u>	<u>Useful Life</u>
Land improvements	20 years
Buildings	50 years
Roads and resurfacing	20 years
Bridges	50 years
Traffic signals	10 years
Main extensions	75 years
Pumping stations and hydrants	50 years
Wastewater collection system	50 – 75 years
Meters	20 – 40 years
Distribution lines	65 years
Machinery, equipment and furniture	5 – 30 years
Vehicles	5 – 8 years

**Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

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

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditures) until that later date. At June 30, 2015, there were two items that qualified as deferred outflows of resources; deferred charge on refunding and deferred pension amounts reported in the government-wide statement of net position. The deferred charge on the refunding totaling \$214,305 is the unamortized balance of the difference between the carrying value of the refunded debt and new debt. The deferred pension amounts totaled \$30,545,551 and relate to contributions to pension plans made subsequent to the actuarial valuation date.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate section represents the acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2015, the City had two items that qualified as a deferred inflow of resources on the government-wide Statement of Net Position; deferred revenues and deferred pension amounts. The deferred revenue amounted to \$2,502,982, which represents the tax revenue not collected within 60 days of June 30, 2015. This amount will be recognized as an

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

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

**J. Deferred Outflows/Inflows of Resources (Continued)**

as an inflow of resources when it becomes available. The deferred pension amounts totaled \$14,799,785 and represent amounts to be amortized as a component of pension expense in future years.

**K. Inter-fund Transactions**

Inter-fund activity within and among the funds of the City have been classified and reported as follows:

***Reciprocal Inter-fund Activities:***

- Inter-fund loans are reported as inter-fund receivables in the lending fund and inter-fund payables in borrower funds.
- Inter-fund services are reported as revenues in the seller fund and as expenditures on expenses in the purchasing fund.

***Non-Reciprocal Inter-fund Activities:***

- Inter-fund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after non-operating revenues and expenses.
- Inter-fund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.
- Inter-fund transactions are accounted for as expenditures/expenses when they constitute reimbursements from one fund to another. These transactions are accounted for as expenditures/expenses in the reimbursing fund and are recorded as reductions of expenditures/expenses in the fund receiving the reimbursement. All other inter-fund transactions are reported as transfers.

**L. Taxes Collected in Advance**

Tax collected in advance pertains to property taxes levied on June 30, 2015 (for fiscal year 2016) and paid prior to June 30, 2015. These advance payments could not be recognized as revenue in fiscal year 2015 and instead were reported as unearned revenue at June 30, 2015.

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
June 30, 2015

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

**M. Self-Insurance**

The City's self-insurance costs for health and general liabilities are accounted for in the City's internal service funds. Claims incurred but not paid, including those which have not been reported, are accounted for as expenses and accrued claims in those funds when incurred.

**N. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. Open encumbrances at year-end are reported as restricted, committed or assigned, and should not result in separate display of the encumbered amount within those classifications. Encumbrances do not constitute expenditures or liabilities under generally accepted accounting principles.

**O. Net Position / Fund Balance Classifications**

**Government-Wide Statements**

Net Position is classified as net assets and displayed in three components:

- 1) Net investment in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bond, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- 2) Restricted net position - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, laws/regulations of other governments, law through constitutional provisions, or enabling legislation.
- 3) Unrestricted net position -- All remaining net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**Fund Financial Statements**

Governmental fund equity is classified as fund balance in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balance is classified as non-spendable, restricted, committed, assigned or unassigned. These categories are described below:

- **Non-spendable**- Includes the amount of fund balances that cannot be spent because it is either not in spendable form or legally or contractually required to be maintained intact.

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

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

**O. Net Position / Fund Balance Classifications (Continued)**

- **Restricted** – Includes amounts that are restricted to specific purposes. Fund balance is reported as restricted when constraints placed in the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** – Includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The City Council is the highest level of decision-making authority and utilizes City Ordinances as a formal procedure to commit fund balance. In addition, the passage of the budget by the taxpayers at the annual financial City meeting is considered the commitment of funds for the line items included in the fiscal budget.
- **Assigned Fund Balance** – Includes amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by the governing body itself or a body (a budget or finance committee) or official to which the governing body has delegate the authority to assign amounts to be used for specific purposes. The Mayor through the City Council has the authority to assign fund balance. Fund balance assigned by the Finance Director is documented through issuance of a memorandum
- **Unassigned Fund Balance** – Is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The unassigned fund balance may also include negative balances for any governmental funds if the expenditures exceed amounts restricted, committed, or assigned for specific purposes.

**Application of Funds**

The following policy has been established by the City in order to address the implementation of Governmental Accounting Standards Board (GASB) Statement No., 54, Fund Balance Reporting and Governmental Funds Definitions. The policy is created in consideration of unanticipated events that could adversely affect the financial condition of the City and jeopardize the continuation of necessary public service. The policy ensures that the City maintains an adequate fund balance and reserves in order to:

- (a) Provide sufficient cash flow for daily financial needs
- (b) Provide funds for unforeseen expenditures related to emergencies
- (c) Offset significant economic downturns or revenue shortfalls
- (d) Maintain investment grade bond ratings

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
*June 30, 2015*

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

**O. Net Position / Fund Balance Classifications (Continued)**

The City maintains a spending policy in accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This policy states when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, it shall be the policy of the City is to consider restricted amounts to have been used first. When expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the City that committed funds would be spent first, followed by assigned amounts and then unassigned amounts.

Proprietary fund equity is classified the same as in the government-wide statement.

**P. Judgments and Claims**

Liabilities for legal cases and other claims against governmental funds are recorded when the ultimate liability can be estimated and such cases are expected to be liquidated with expendable available financial resources. Proprietary fund types record these liabilities using the accrual basis of accounting.

**Q. Compensated Absences**

Under the terms of various contracts and agreements, City employees are granted vacation, sick and personal leave in varying amounts based on length of service and bargaining unit. Unused vacation leave is paid upon an employee's termination. Up to one-half of unused sick-leave is paid upon termination, retirement or death depending on bargaining unit. Severance pay and personal days are also paid to terminating employees depending on bargaining unit. The liability is calculated at the rate of pay in effect at June 30, 2015. The City estimates the long-term versus short-term amount of earned but unpaid vacation and sick leave relating to governmental fund employees and records it in the applicable section of the liabilities in the government-wide financial statements.

**R. Recent Accounting Pronouncements**

During the fiscal year ended June 30, 2015, the City adopted the provisions of Statement No. 68 of the Governmental Accounting Standards Board, Accounting and Financial Reporting for Pensions (GASB 68). GASB 68 requires the liability of employers to employees for defined pension liability (net pension liability) to be measured and reported as the portion of the present value of projected benefits payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. In addition, GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources and inflows of resources, and the associated adjustment to expenses.

**CITY OF WARWICK, RHODE ISLAND**

**Notes to the Financial Statements**

**June 30, 2015**

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

**R. Recent Accounting Pronouncements (Continued)**

GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68, effective for the fiscal year ending June 30, 2015.

Effective for the fiscal year ending June 30, 2016, the City will be required to adopt the provisions of Statement No. 72 of the Governmental Accounting Standards Board, Fair value Measurements and Application (GASB 72). GASB 72 addresses accounting and financial reporting issues related to fair value measurement, and provides guidance for determining a fair value measurement for financial reporting purposes. In addition, GASB 72 provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The effect of adopting GASB 72 on the City’s financial statement has not yet been determined.

Effective for the fiscal year ending June 30, 2018, the City will be required to adopt the provisions of Statement No. 75 of the Governmental Accounting Standards Board, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension (GASB 75). GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses and expenditures related to other postemployment benefits (OPEB) administered through trusts or equivalent arrangements. For defined benefit other postemployment benefits, GASB 75 identifies the method and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute the present value to periods of employee service. In addition, GASB 75 will require more extensive footnote disclosure in the employer financial statements. The City is currently evaluation the effects of GASB 75 on its financial statements.

Effective for the fiscal year ending June 30, 2017, the City will be required to adopt the provisions of Statement No. 77 of the Governmental Accounting Standards Board, Tax Abatement Disclosures (GASB 77). GASB 77 will require more extensive footnote disclosures regarding tax abatement agreements entered into by the City or another governmental entity that reduces the City’s tax revenues. The City is currently evaluating the effects of GASB 77 on its financial statements.

***Pensions***

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Warwick, Rhode Island’s various pension plans (described in greater detail in Note 12) and additions to/deductions from the pension plans net position have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*CITY OF WARWICK, RHODE ISLAND*

*Notes to the Financial Statements*

*June 30, 2015*

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

**S. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures / expenses during the reporting period. Actual results could differ from those estimates.

**CITY OF WARWICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2 DIFFERENCES BETWEEN GOVERNMENTAL FUNDS AND GOVERNMENT-WIDE STATEMENTS**

"Total fund balances" of the city's governmental funds of \$20,913,316 differs from "net position" of governmental activities of (\$401,407,727) reported in the statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The effect of the differences is illustrated below.

**Balance Sheet / Statement of Net Position**

	<b>Total Governmental Funds</b>	<b>Long-term Assets/ Liabilities (1)</b>	<b>Reclassifications and Eliminations (2)</b>	<b>Statement of Net Position Totals</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 23,642,977	\$ -	\$ 750,228	\$ 24,393,205
Restricted cash	2,030,000	-	-	2,030,000
<i>Accounts receivable:</i>				
Interest receivable	-	695,731	-	695,731
Real estate & personal property taxes receivable, net	9,034,741	-	-	9,034,741
Due from federal and state governments	12,479,409	-	-	12,479,409
Other receivables	5,812,733	(454,380)	4,053,443	9,411,796
Internal balances	26,455,790	-	(22,230,091)	4,225,699
Prepays	212,762	-	-	212,762
Other assets	4,807,817	-	-	4,807,817
Deposits with agent	-	-	1,434,300	1,434,300
Non-Depreciable assets	-	18,743,088	-	18,743,088
Depreciable capital assets	-	97,381,833	-	97,381,833
Construction in progress	-	3,537,059	-	3,537,059
<b>Total assets</b>	<b>84,476,229</b>	<b>119,903,331</b>	<b>(15,992,120)</b>	<b>188,387,440</b>
<b>Deferred Outflows of Resources:</b>				
Deferred charges on refunding	-	181,354	-	181,354
Deferred outflows - related to pensions	-	29,671,475	-	29,671,475
	-	29,852,829	-	29,852,829
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable and accrued expenses	16,364,304	-	1,143,132	17,507,436
Accrued interest payable	-	526,624	-	526,624
Due to federal and state governments	193,181	2,150,000	-	2,343,181
Internal balances	22,738,020	-	(22,738,020)	-
<i>Unearned revenue:</i>				
Taxes collected in advance	3,041,617	-	-	3,041,617
Other	7,752,233	(5,249,251)	(2,502,982)	-
<b>Long-term liabilities</b>				
Due within one year	-	7,185,826	-	7,185,826
Due in more than one year	-	566,968,036	-	566,968,036
Other liabilities	4,772,509	-	-	4,772,509
<b>Total liabilities</b>	<b>54,861,864</b>	<b>571,581,235</b>	<b>(24,097,870)</b>	<b>602,345,229</b>
<b>Deferred Inflow of Resources</b>				
Deferred revenue	8,701,049	(8,701,049)	2,502,982	2,502,982
Deferred inflows - related to pensions	-	14,799,785	-	14,799,785
	8,701,049	6,098,736	2,502,982	17,302,767
<b>Fund Balances</b>				
Total fund balances/Net position	<b>\$ 20,913,316</b>	<b>\$ (427,923,811)</b>	<b>\$ 5,602,768</b>	<b>\$ (401,407,727)</b>

(continued)

**CITY OF WARWICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2 DIFFERENCES BETWEEN GOVERNMENTAL FUNDS AND GOVERNMENT-WIDE STATEMENTS (CONTINUED)**

(1) When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the City as a whole.

Non-Depreciable assets	\$ 18,743,088
Construction in progress	3,537,059
Depreciable capital assets	386,322,728
Accumulated depreciation	(288,940,895)
	\$ 119,661,980

Because the focus of governmental funds is on short term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by unearned revenues in the governmental funds and thus are not included in the fund balance.

Increase in allowance for uncollectible receivables	\$ (454,380)
Adjustment of deferred revenue	\$ 13,950,300

Interest on long-term debt is accrued in the Statement of Net Position but is not accrued in governmental funds. Rather, it is recognized as an expenditure when due.

Adjustment of accrued interest expense	\$ (526,624)
--	--------------

Accrued interest receivable on property taxes are reported as revenue in the government-wide financial statements in the period earned. In the governmental funds financial statements, interest on property taxes is reported when received.

Adjustment of accrued interest receivable	\$ 695,731
---	------------

Long-term liabilities applicable to the city's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term are reported in the Statement of Net Position.

Bonds & notes payable	\$ (46,286,654)
Capital leases	(2,570,079)
Amortized premium on bonds	(1,040,904)
Deferred amount on refunding	181,354
Net pension liability	(387,338,603)
Deferred outflows - pension amortizations	29,671,475
Deferred inflows - pension amortizations	(14,799,785)
Net other post employment benefit obligation	(123,168,811)
Accrued compensated absences	(12,452,537)
Accrued retroactive payroll	(1,296,274)
Liability of borrowed funds for acquisition of capital assets	(2,150,000)
	\$ (561,250,818)

(2) Internal service funds are used by management to charge the costs of healthcare and worker's compensation claims. The assets and liabilities of internal service funds are included in governmental activities in the government-wide Statement of Net Position.

\$ 5,602,768
--------------

**CITY OF WARWICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2 DIFFERENCES BETWEEN GOVERNMENTAL FUNDS AND GOVERNMENT-WIDE STATEMENTS (CONTINUED)**

The "net change in the fund balances" for governmental funds (\$2,333,264) differs from the "change in net position" for governmental activities (\$16,123,278) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Statement of Revenues, Expenditures, and Changes in Fund Balances / Statement of Activities**

	<b>Total Governmental Funds</b>	<b>Long-term Revenues/ Expenses &amp; Reclassifications (1)</b>	<b>Capital- related Items (2)</b>	<b>Internal Service Fund (3)</b>	<b>Long-term Debt Transactions (4)</b>	<b>Statement of Activities Totals</b>
<b>Revenues</b>						
General property tax	\$ 213,689,646	\$ 3,445,210	\$ -	\$ -	\$ -	\$ 217,134,856
Interest on taxes	2,221,716	(15,214)	-	-	-	2,206,502
Intergovernmental revenue	54,189,359	356,724	-	-	-	54,546,083
Medicaid	1,746,573	-	-	-	-	1,746,573
State contribution to pension plan	6,968,124	-	-	-	-	6,968,124
Charges for services	11,751,428	-	-	1,097,026	-	12,848,454
Interest on investments	5,184	-	-	739	-	5,923
Contributions and private grants	202,245	-	-	-	-	202,245
Other revenues	12,415,989	(193,658)	-	-	-	12,222,331
<b>Total revenues</b>	<b>303,190,264</b>	<b>3,593,062</b>	<b>-</b>	<b>1,097,765</b>	<b>-</b>	<b>307,881,091</b>
<b>Expenditures</b>						
<b>Current:</b>						
<b>Executive and administrative</b>	5,256,264	2,739,848	(9,827)	-	403,248	8,389,533
Public safety	48,443,800	41,690,212	(2,836,239)	-	13,970,923	101,268,696
Recreation	1,609,025	1,127,386	(181,986)	-	490,363	3,044,788
Public libraries	2,649,211	1,763,337	223,014	-	194,190	4,829,752
Social services	1,304,766	751,263	(94,633)	-	59,915	2,021,311
Planning and economic development	2,032,789	582,718	37,826	-	227,121	2,880,454
Public works	14,342,186	5,410,245	1,361,592	-	832,537	21,946,560
Employee benefits, fixed costs and capital	54,065,009	(54,065,009)	-	-	-	-
<b>Education</b>	169,089,102	-	(2,308,152)	-	138,160	166,919,110
State contribution to pension plan	6,968,124	-	-	-	-	6,968,124
<b>Debt service</b>						
Principal	5,962,158	-	-	-	(5,962,158)	-
Interest	1,771,372	48,755	-	-	(113,507)	1,706,620
<b>Total expenditures</b>	<b>313,493,806</b>	<b>48,755</b>	<b>(3,808,405)</b>	<b>-</b>	<b>10,240,792</b>	<b>319,974,948</b>
<b>Excess of revenues over (under) expenditures before other financing sources (uses)</b>	<b>(10,303,542)</b>	<b>3,544,307</b>	<b>3,808,405</b>	<b>1,097,765</b>	<b>(10,240,792)</b>	<b>(12,093,857)</b>
<b>Other financing uses/changes in net assets</b>						
Bond proceeds	7,955,278	-	-	-	(7,955,278)	-
Net transfers (to) from other funds	15,000	-	-	-	-	15,000
<b>Net other financing sources (uses)</b>	<b>7,970,278</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,955,278)</b>	<b>15,000</b>
<b>Net change for the year</b>	<b>\$ (2,333,264)</b>	<b>\$ 3,544,307</b>	<b>\$ 3,808,405</b>	<b>\$ 1,097,765</b>	<b>\$ (18,196,070)</b>	<b>\$ (12,078,857)</b>

**CITY OF WARWICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2 DIFFERENCES BETWEEN GOVERNMENTAL FUNDS AND GOVERNMENT-WIDE STATEMENTS (CONTINUED)**

(1) Because some property taxes and other receivables will not be collected for several months after fiscal year ends, they are not considered as "available" revenues in the governmental funds. This represents the increase (decrease) in unearned revenue from 2015.

Unearned revenue - property taxes	\$ 3,445,210
Unearned revenue - special revenue funds	356,724
Other revenue - special revenue funds	<u>(193,658)</u>
	<u>\$ 3,608,276</u>

Interest expense in the Statement of Activities differs from the amount reported in governmental funds. Accrued interest was calculated for bonds and notes payable. This represents the change from the prior year.

Accrued interest expenditure adjustment	<u>\$ (48,755)</u>
---	--------------------

Interest revenue in the Statement of Activities differs from the amount reported in governmental funds. Accrued interest was calculated for property taxes not paid as of year end. This represents the change from the prior year.

Accrued interest revenue adjustment	<u>\$ (15,214)</u>
-------------------------------------	--------------------

Employee benefits, fixed costs, capital expenditures, and state contribution to the pension plan were reclassified to the appropriate program. Other revenues were reclassified to charges for services and intergovernmental revenues.

\$ (54,065,009)	54,065,009
	<u>\$ -</u>

(2) When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources expended, whereas net assets decrease by the amount of depreciation expense charged for the year.

Capital outlay	\$ 11,218,057
Depreciation expense	<u>(7,409,652)</u>
Difference	<u>\$ 3,808,405</u>

(3) Internal service funds are used by management to charge the cost of certain activities, such as workers compensation insurance coverage to individual funds. The adjustments for internal service funds "close" those funds by charging additional amounts or reducing expenditures to the governmental funds thus eliminating any surplus or deficit on the internal service fund.

\$ 1,097,765	<u>\$ 1,097,765</u>
--------------	---------------------

(4) Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not recorded as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position. As a result, debt proceeds and repayment of principal are reported as other financing sources and expenditures respectively in the governmental funds. Other long-term liabilities are reported as expenditures in the governmental funds when due and payable.

Net increase in compensated absences	\$ (1,072,508)
Net increase in the net pension liability and deferred outflows and inflows of resources	3,365,691
Net increase in the net other post-employment benefit obligation	(18,685,022)
Net decrease in the accrued retroactive payroll	75,382
Increase in bond premium costs net of increase in issuance costs	113,507
Principal payments made	5,962,158
Less proceeds from bond issues & capital lease	<u>(7,955,278)</u>
	<u>\$ (18,196,070)</u>

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
 June 30, 2015

**NOTE 3 – CASH AND INVESTMENTS**

The State of Rhode Island requires that certain uninsured deposits be collateralized. Section 35-10.1-7 of the General Laws of the State of Rhode Island, dealing with the collateralization of public deposits, requires that all time deposits with maturities of greater than 60 days and all deposits in institutions that do not meet the minimum capital requirements of the federal regulator must be collateralized.

**Deposits**

At June 30, 2015 the carrying amount of the City’s deposits was \$47,969,299, (including Fiduciary Funds) while the bank balance was \$54,936,847. Of the balance, \$1,251,508 was covered by federal depository insurance and \$53,679,339 was uninsured. The City has entered into collateralization agreements with various financial institutions and as a result \$53,679,339 of the uninsured balances at June 30, 2015 collateralized by securities held by financial institutions and/or third parties in the name of the City.

Reconciliation to Government-wide Statement of Net Position:

Unrestricted cash including time deposits.....	\$	47,969,229
Less: Fiduciary funds cash, including time deposits (not included in the government-wide statement).....		(4,920,857)
Total cash and cash equivalents on A-1 (Including Restricted Cash)	<u>\$</u>	<u>43,048,372</u>

**Investments**

The City invests in various types of investments, which are stated at fair value, except for non-participating interest earning investment contracts which are recorded at amortized cost. By Charter the Finance Director and Treasurer have the authority to make investments subject to rules and regulations that the City Council may prescribe by ordinance. The Finance Director shall have the authority to purchase and invest prudently in the following investments for funds other than pension funds:

- 1) Obligations of the United States government, and its agencies and instrumentalities.
- 2) Certificates of deposit and other evidence of deposit at banks, credit unions, and savings and loan associations with offices in the State.
- 3) Bankers’ acceptance of banks with offices in the State.
- 4) Commercial paper of banks with offices in the State.
- 5) Repurchase agreements whose underlying collateral consists of U.S. government agency securities and U.S. government sponsored corporations, plus the above, and which are offered by banks with offices in the State.
- 6) Money market funds whose portfolios consist of the above instruments, and any other investments specifically approved by the City council.
- 7) No-load open-end diversified management investment companies incorporated under Rhode Island General Laws designed exclusively for all State government entities, agencies and instrumentalities.

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to the Financial Statements**  
**June 30, 2015**

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

The following is a schedule of the City's Investments by classification:

<u>Investments</u>	<u>Fair Value</u>	<u>Rating</u>
Equity Pool	\$ 47,114,141	N/R
Equity Small Cap	\$ 58,237,384	N/R
Fixed Income	\$ 107,322,624	N/R
Index Funds	\$ 78,653,201	N/R
Multi Asset Manager	\$ 100,457,928	N/R
International Equity Funds	\$ 18,017,221	N/R
Stable Value Fund	\$ 4,899,621	N/R
Immediate Participation Guarantee Contracts	\$ 6,853,792	N/R
Mutual Funds	\$ 27,488,069	N/R
Total Investments	<u>\$ 449,043,981</u>	

**Interest Rate Risk:** This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City has no investments that are subject to interest rate risk.

**Credit Risk:** Generally, credit risk 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 nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The City has no formal investment policy that limits investment choices for its pension funds.

**Concentration of Credit Risk:** The City does not have a formal investment policy that limits the amount that can be invested with one issuer. Currently, the City has no investments, to which this requirement applies, in any one issuer that represents more than five percent of the total investments.

**Custodial Credit Risk:** Custodial credit risk is the risk that in the event of financial institution failure, the city's deposits and/or investments may not be returned. The City does not believe that it has significant custodial credit risk as substantially all investments securities are registered and held in the name of the City. Additionally, the City places deposits in financial institutions that are FDIC insured up to \$250,000, rated "well capitalized" on its most recent audited financial statement/SEC filings if deposits exceed engage an outside rating agency to determine status of the institution. The City also ensures that all uninsured deposits greater than \$250,000 are collateralized.

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 4 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Legal Debt Margin**

The City's legal debt margin as set forth by the State Statute is limited to three percent of total taxable assessed value which approximates \$268,628,059. As of June 30, 2015, the City's debt applicable to the debt limitation is under the debt limit by \$222,341,405. All other City debt has been incurred through special statutory authority which consists of approval by the legislature and voter referendum.

**NOTE 5 – PROPERTY TAXES**

The City is responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation.

Net property taxes levied for the fiscal year 2015 were based on a gross assessed value of approximately \$9,329,623,562 less exemptions of \$375,354,921 for a net assessed valuation of \$8,954,268,641 at December 31, 2013 and amounted to a levy of \$222,498,782. After abatements and adjustments, the net levy amounted to \$219,805,176. Collections through June 30, 2015 amounted to \$214,479,351 which represents approximately 96.4% of the adjusted tax levy.

The City recognizes property tax revenues in accordance with Section P70, "Property Taxes" of the Codification of Governmental Accounting and Financial Reporting Standards on the fund statements. Unpaid property taxes as of June 30, 2015 amount to \$18,475,393 and are recorded as a receivable, net of an allowance for uncollectible property taxes of \$9,440,652.

Those net property taxes receivable which were not collected within the 60 days immediately following June 30, 2015 are recorded as deferred and amounted to \$8,701,049. Property taxes recognized as revenue on the fund statements for the fiscal year ended June 30, 2015 (due to their collection within the 60 days immediately following June 30, 2015) amounted to \$333,692. Taxes are due in equal quarterly installments on July 15, October 15, January 15, and April 15 during fiscal year.

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to Financial Statement**  
**June 30, 2015**

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for government funds for the fiscal year ended June 30, 2015 was as follows:

	<u>Beginning Balance 6/30/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 6/30/2015</u>
<i>Governmental activities:</i>				
<i>Nondepreciable assets:</i>				
Land	\$ 18,680,138	\$ -	\$ -	\$ 18,680,138
Construction in progress	3,470,430	6,558,376	(6,491,747)	3,537,059
Artwork	62,950			62,950
<i>Total nondepreciable assets</i>	<u>22,213,518</u>	<u>6,558,376</u>	<u>(6,491,747)</u>	<u>22,280,147</u>
<i>Depreciable assets:</i>				
Land improvements	11,022,756	-	-	11,022,756
Buildings	117,558,557	9,383,796	-	126,942,353
Infrastructure	197,295,133	321,112	-	197,616,245
Machinery & equipment	19,879,820	634,031	-	20,513,851
Motor vehicles	* 29,249,677	2,962,491	(1,984,645)	30,227,523
<i>Total depreciable assets</i>	<u>375,005,943</u>	<u>13,301,430</u>	<u>(1,984,645)</u>	<u>386,322,728</u>
<i>Less accumulated depreciation for:</i>				
Land improvements	(8,626,120)	(293,843)	-	(8,919,963)
Buildings	(58,895,298)	(2,667,888)	-	(61,563,186)
Infrastructure	(174,548,429)	(2,570,421)	-	(177,118,850)
Machinery & equipment	(18,180,840)	(486,024)	-	(18,666,864)
Motor Vehicles	* (23,265,201)	(1,373,995)	1,967,164	(22,672,032)
<i>Total accumulated depreciation</i>	<u>(283,515,888)</u>	<u>(7,392,171)</u>	<u>1,967,164</u>	<u>(288,940,895)</u>
<i>Depreciable capital assets, net</i>	<u>113,703,573</u>	<u>12,467,635</u>	<u>(17,481)</u>	<u>97,381,833</u>
<i>Governmental activities capital assets, net</i>	<u>\$113,703,573</u>	<u>\$ 12,467,635</u>	<u>\$ (6,509,228)</u>	<u>\$119,661,980</u>

\* Amounts differ from ending balance of prior year's report due to a restatement of previous years adjustment.

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to Financial Statements**  
**June 30, 2015**

**NOTE 6. CAPITAL ASSETS (continued)**

Capital asset activity for business-type activity for the fiscal year ended June 30, 2015 was as follows:

	Beginning Balance 6/30/2014	Additions	Reductions	Ending Balance 6/30/2015
<b>Business-type activities:</b>				
<i>Nondepreciable assets:</i>				
Construction in progress	\$ 2,156,789	\$ 8,907,894	\$ -	\$ 11,064,683
<b>Total nondepreciable assets</b>	<u>2,156,789</u>	<u>8,907,894</u>	<u>-</u>	<u>11,064,683</u>
<i>Depreciable assets:</i>				
Buildings	2,900,797	-	-	2,900,797
Machinery, equipment & furniture	4,226,157	549,895	81,193	4,694,859
Water distribution system & wastewater collection system	275,178,013	486,128	-	275,664,141
<b>Total depreciable assets</b>	<u>282,304,967</u>	<u>1,036,023</u>	<u>81,193</u>	<u>283,259,797</u>
<i>Less accumulated depreciation for:</i>				
Buildings	(999,685)	(44,518)	-	(1,044,203)
Machinery, equipment & furniture	(3,096,298)	(314,059)	44,311	(3,366,046)
Water distribution system & wastewater collection system	(95,628,470)	(5,993,498)	-	(101,621,968)
<b>Total accumulated depreciation</b>	<u>(99,724,453)</u>	<u>(6,352,075)</u>	<u>44,311</u>	<u>(106,032,217)</u>
<b>Depreciable capital assets, net</b>	<u>182,580,514</u>	<u>(5,316,052)</u>	<u>36,882</u>	<u>177,227,580</u>
<b>Business-type activities capital assets, net</b>	<u>\$184,737,303</u>	<u>\$ 3,591,842</u>	<u>\$ 36,882</u>	<u>\$188,292,263</u>

Depreciation expense was charged to functions/programs as follows:

<i>Governmental activities:</i>	
Executive and administration	\$ 34,762
Public safety	1,264,774
Recreation	405,357
Public Libraries	234,374
Social Services	58,456
Planning & Economic Development	72,150
Public Works	3,361,941
Education	1,960,357
<b>Total governmental activities depreciation expense</b>	<u>\$ 7,392,171</u>
<i>Business-type activities:</i>	
Water	\$ 738,263
Sewer	5,613,812
<b>Total business-type activities depreciation expense</b>	<u>\$ 6,352,075</u>

**CITY OF WARWICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 7 - LONG-TERM LIABILITIES**

**A. LONG-TERM LIABILITIES**

Long-term liability activity for the governmental activities for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
<b>Long-term debt:</b>					
General obligation bonds	\$ 46,249,434	\$ 4,970,000	\$ 4,932,780	\$ 46,286,654	\$ 5,327,751
Capital lease payable	699,456	2,900,000	1,029,377	2,570,079	1,146,676
Plus amortized premium on bonds	1,128,061	85,278	172,435	1,040,904	-
Less deferred amount on refunding	(240,282)	-	(58,928)	(181,354)	-
<b>Total long-term debt</b>	<u>47,836,669</u>	<u>7,955,278</u>	<u>6,075,664</u>	<u>49,716,283</u>	<u>6,474,427</u>
Other long-term liabilities:					
Compensated absences	11,380,030	1,097,562	25,055	12,452,537	711,399
Accrued retroactive payroll	1,371,656	-	75,382	1,296,274	-
<b>Total other long-term liabilities</b>	<u>12,751,686</u>	<u>1,097,562</u>	<u>100,437</u>	<u>13,748,811</u>	<u>711,399</u>
<b>Governmental Activities long-term liabilities</b>	<u>\$ 60,588,355</u>	<u>\$ 9,052,840</u>	<u>\$ 6,176,101</u>	<u>\$ 63,465,094</u>	<u>\$ 7,185,826</u>
<b>Business-Type Activities</b>					
<b>Long-term debt:</b>					
Bond Payable	\$ 16,015,566	\$ -	\$ 1,503,220	\$ 14,512,346	\$ 1,479,749
Loans Payable	90,426,155	3,500,000	8,621,898	85,304,257	9,077,167
Amortized premium on bond	265,818	-	36,755	229,063	-
Deferred amount on refunding	(44,328)	-	(11,377)	(32,951)	-
<b>Total Long-term debt</b>	<u>106,663,211</u>	<u>3,500,000</u>	<u>10,150,496</u>	<u>100,012,715</u>	<u>10,556,916</u>
Compensated absences	406,669	-	43,063	363,606	77,461
<b>Total other long-term liabilities</b>	<u>\$ 107,069,880</u>	<u>\$ 3,500,000</u>	<u>\$ 10,193,559</u>	<u>\$ 100,376,321</u>	<u>\$ 10,634,377</u>

Payments on the bonds and capital leases payable that pertain to the City's Governmental Activities are made by the Debt Service Fund. The compensated absences liability attributable to the Governmental Activities will be liquidated by the City's General Fund and School Unrestricted Fund. The net pension obligation and net other post-employment benefits obligation attributable to the Governmental Activities will be liquidated by the City's General Fund and School Unrestricted Fund. The accrued retroactive payroll will be paid by the School

CITY OF WARWICK  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)**  
**B. SCHEDULE OF BONDS AND LOANS PAYABLE**

	Date of Issuance	Interest Rate	Date of Maturity	Authorized and Issued	Outstanding Principal June 30, 2014	Maturities During Year	Refunding During Fiscal 14/15	New Issues	Outstanding Principal June 30, 2015
<b>Governmental Funds</b>									
<b>General Fund</b>									
School - Refunding	6/1/2002	3.0/5.0%	10/15/2014	\$ 5,695,077	\$ 292,806	\$ (292,806)	\$ -	\$ -	\$ -
School	6/15/2003	2.5/5.0%	6/15/2023	5,000,000	2,792,000	(258,000)	-	-	2,534,000
School	8/15/2004	3.0/4.75%	8/15/2024	5,000,000	3,346,000	(234,000)	-	-	3,112,000
School	1/15/2006	3.75/5.0%	1/15/2026	2,500,000	1,750,000	(115,000)	-	-	1,635,000
School - Refunding	4/30/2008	3.5/4.2%	8/1/2017	9,740,114	3,419,021	(948,901)	-	-	2,470,120
School - RIHEBC	6/15/2010	5.75%	4/1/2027	3,908,000	3,908,000	-	-	-	3,908,000
School - RIHEBC	11/15/2010	6.29%	4/1/2027	4,212,000	4,212,000	-	-	-	4,212,000
School - Refunding	5/26/2011	3.0/5.0%	1/15/2022	8,713,480	7,460,833	(843,293)	-	-	6,617,540
School - RIHEBC	6/15/2013	3.52%	5/15/2033	4,295,000	4,080,000	(215,000)	-	-	3,865,000
School - RIHEBC	8/6/2014	3.63%	5/15/2034	3,370,000	-	(150,000)	-	3,370,000	3,220,000
Drainage - Refunding	6/1/2002	3.0/5.0%	10/15/2044	281,525	14,474	(14,474)	-	-	-
Highway/Drainage	6/15/2003	2.5/5.0%	6/15/2023	1,000,000	558,400	(51,600)	-	-	506,800
Highway/Drainage	8/15/2004	3.0/4.75%	8/15/2024	1,000,000	669,200	(46,800)	-	-	622,400
Hwy/Drainage - Refunding	4/30/2008	3.5/4.2%	8/1/2017	685,646	328,456	(76,939)	-	-	251,517
Fire - Refunding	4/30/2008	3.5/4.2%	8/1/2017	424,435	188,325	(48,166)	-	-	140,159
Open Space - Refunding	4/30/2008	3.5/4.2%	8/1/2017	870,396	394,462	(98,478)	-	-	295,984
Open Space - Refunding	5/26/2011	3.0/5.0%	1/15/2022	2,085,827	1,827,705	(201,177)	-	-	1,626,528
City Buildings - Refunding	5/26/2011	3.0/5.0%	1/15/2022	1,266,653	1,140,293	(121,666)	-	-	1,018,627
Library - Refunding	4/30/2008	3.5/4.2%	8/1/2017	2,546,610	1,129,953	(288,998)	-	-	840,955
Recreation	6/15/2003	2.5/5.0%	6/15/2023	3,000,000	1,675,200	(154,800)	-	-	1,520,400
Recreation	4/30/2008	3.5/4.2%	8/1/2017	870,396	394,462	(98,479)	-	-	295,983
Recreation - Refunding	5/26/2011	3.0/5.0%	1/15/2022	1,830,556	1,474,074	(178,704)	-	-	1,295,370
Public Safety	6/15/2003	2.5/5.0%	6/15/2023	2,000,000	558,400	(51,600)	-	-	506,800
Public Safety	8/15/2004	3.0/4.75%	8/15/2024	5,500,000	3,680,600	(257,400)	-	-	3,423,200
Transportation - Refunding	4/30/2008	3.5/4.2%	8/1/2017	1,004,699	451,301	(113,819)	-	-	337,482
Senior Center - Refunding	6/1/2002	3.0/5.0%	10/15/2014	235,573	12,112	(12,112)	-	-	-
Animal Shelter - Refunding	5/26/2011	3.0/5.0%	1/15/2022	610,184	491,357	(59,568)	-	-	431,789
Municipal Road & Bridge Loan	7/17/2014	0.76/3.3%	9/1/2034	-	-	(1,000)	-	1,600,000	1,599,000
<b>Total Governmental Funds Bonds Payable</b>				<b>\$ 77,646,171</b>	<b>\$ 46,249,434</b>	<b>\$ (4,932,780)</b>		<b>\$ 4,970,000</b>	<b>\$ 46,286,654</b>

**CITY OF WARWICK**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)**

**B. SCHEDULE OF BONDS AND LOANS PAYABLE**

	Date of Issuance	Interest Rate	Date of Maturity	Authorized and Issued	Outstanding Principal June 30, 2014	Maturities During Year	Refunding During Fiscal 14/15	New Issues	Outstanding Principal June 30, 2015
<b>Enterprise Funds</b>									
<b>Bonds Payable</b>									
<b>WATER</b>									
Water - Refunding	6/1/2002	3.0/5.0%	10/15/2014	\$ 985,358	\$ 50,661	\$ (50,661)	\$ -	\$ -	\$ -
Water	6/15/2003	2.5/5.0%	6/15/2023	1,500,000	837,600	(77,400)	-	-	760,200
Water - Refunding	4/30/2008	3.5/4.2%	8/1/2017	45,714	14,732	(5,000)	-	-	9,732
Water - Refunding	5/26/2011	3.0/5.0%	1/15/2022	319,171	294,015	(30,547)	-	-	263,468
<b>Total Water Bonds Payable</b>				<b>2,850,243</b>	<b>1,197,008</b>	<b>(163,608)</b>	<b>-</b>	<b>-</b>	<b>1,033,400</b>
<b>SEWER</b>									
Sewer - Refunding	6/1/2002	3.0/5.0%	10/15/2014	582,467	29,947	(29,947)	-	-	-
Sewer	6/15/2003	2.5/5.0%	6/15/2023	1,000,000	558,400	(51,600)	-	-	506,800
Sewer	8/15/2004	3.0/4.75%	8/15/2024	1,000,000	669,200	(46,800)	-	-	622,400
Sewer	1/15/2006	3.75/5.0%	1/15/2026	15,000,000	10,520,000	(680,000)	-	-	9,840,000
Sewer - Refunding	4/30/2008	3.5/4.2%	8/1/2017	3,066,990	1,224,288	(321,220)	-	-	903,068
Sewer - Refunding	5/26/2011	3.0/5.0%	1/15/2022	2,164,129	1,816,723	(210,045)	-	-	1,606,678
<b>Total Sewer Bonds Payable</b>				<b>22,813,586</b>	<b>14,818,558</b>	<b>(1,339,612)</b>	<b>-</b>	<b>-</b>	<b>13,478,946</b>
<b>Total Enterprise Funds Bonds Payable</b>				<b>\$ 25,663,829</b>	<b>\$ 16,015,566</b>	<b>\$ (1,503,220)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,512,346</b>
<b>Loans Payable</b>									
PLUS SRF - 1ST	3/12/1992	3.16%	9/1/2013	3,500,000	-	-	-	-	-
PLUS SRF - 2ND	3/1/1993	3.11%	9/1/2015	3,100,000	418,500	(205,500)	-	-	213,000
PLUS SRF - 3RD	12/28/1995	2.82%	9/1/2016	3,996,000	599,400	(199,800)	-	-	399,600
PLUS SRF - 4TH	4/1/1997	2.97%	9/1/2016	10,000,000	1,578,947	(526,316)	-	-	1,052,631
PLUS SRF - 5TH	6/26/1998	2.57%	9/1/2019	10,200,000	3,600,591	(555,515)	-	-	3,045,076
PLUS SRF - 6TH	8/25/1999	2.84%	9/1/2019	14,750,000	5,760,714	(894,266)	-	-	4,866,448
PLUS SRF - 7TH	12/19/2000	2.90%	9/1/2020	20,232,323	8,427,021	(1,103,064)	-	-	7,323,957
PLUS SRF - 8TH	4/25/2002	1.25%	9/1/2022	12,000,000	6,277,883	(618,158)	-	-	5,659,725
PLUS SRF - 9TH	10/24/2002	1.00%	9/1/2022	20,000,000	10,645,555	(1,069,159)	-	-	9,576,396
PLUS SRF - 10TH	11/13/2003	1.34%	9/1/2024	20,000,000	11,892,000	(977,000)	-	-	10,915,000
PLUS SRF - 11TH	12/30/2004	1.40%	9/1/2025	20,000,000	12,830,000	(963,000)	-	-	11,867,000
PLUS SRF - 12TH	12/15/2005	1.41%	9/1/2026	5,000,000	3,250,000	(250,000)	-	-	3,000,000
PLUS SRF - 13TH	12/21/2006	1.27%	9/1/2027	9,500,000	6,650,000	(475,000)	-	-	6,175,000
PLUS SRF - 14TH	12/12/2007	1.685/2.145%	9/1/2026	6,942,000	5,207,000	(347,000)	-	-	4,860,000
PLUS SRF - 15TH	10/6/2009	1.26%/3.35%	9/1/2029	1,169,026	936,544	(58,120)	-	-	878,424
PLUS SRF - 16TH	3/6/2014	2.714%	9/1/2034	-	7,000,000	(1,000)	-	-	6,999,000
Sewer Conduit	4/30/2008	4.85%	3/1/2008	4,000,000	3,160,000	(165,000)	-	-	2,995,000
Sewer Conduit	6/26/2012	3.29%		2,400,000	2,192,000	(214,000)	-	-	1,978,000
Sewer Conduit/Admin	3/31/2015	1.95%	9/1/2034	3,500,000	-	-	-	3,500,000	3,500,000
<b>Total Enterprise Funds Loans Payable</b>				<b>\$ 170,289,349</b>	<b>\$ 90,426,155</b>	<b>\$ (8,621,898)</b>	<b>\$ -</b>	<b>\$ 3,500,000</b>	<b>\$ 85,304,257</b>

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to the Financial Statements**  
**June 30, 2015**

**NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)**

**C. Debt Maturity**

Debt service requirements at June 30, 2015 were as follows:

**GOVERNMENTAL ACTIVITIES**

**General Obligation Debt**

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2016	\$ 4,820,251 *	\$ 1,480,489	\$ 6,300,740
2017	5,004,479	1,287,390	6,291,869
2018	4,617,127	1,085,896	5,703,023
2019	3,572,374	912,007	4,484,381
2020	3,719,693	772,619	4,492,312
2021-2025	11,864,730	2,160,799	14,025,529
2026-2030	10,701,000	737,728	11,438,728
2031-2035	1,987,000	180,273	2,167,273
	<u>\$ 46,286,654</u>	<u>\$ 8,617,201</u>	<u>\$ 54,903,855</u>

\* Does not include voluntary payments to School RIHEBC bond sinking fund

**BUSINESS-TYPE ACTIVITIES**

**General Obligation Debt**

<b>Year Ended June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2016	\$ 1,479,749	\$ 604,883	\$ 2,084,632
2017	1,541,521	542,971	2,084,492
2018	1,503,873	478,285	1,982,158
2019	1,319,626	417,786	1,737,412
2020	1,383,307	361,669	1,744,976
2021-2025	6,179,270	977,888	7,157,158
2026	1,105,000	46,962	1,151,962
	<u>\$ 14,512,346</u>	<u>\$ 3,430,444</u>	<u>\$ 17,942,790</u>

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)**

**C. Debt Maturity (Continued)**

**School RIHEBC Bonds**

The proceeds from the bonds were used to finance the acquisition, construction, furnishing and equipping of schools and school facilities, including but not limited to various school renovation projects, and to pay the costs of issuance. The \$3,908,000 bond and \$4,212,000 bond require sinking fund deposits to be held on deposit by the trustee and will be paid to the bondholders in full May 2027 for both bonds. While these sinking fund deposits do not allow the City to present these payments as retirements of the respective debt, the City has effectively accumulated \$2,030,000 to retire the debts in 2027. These restricted funds are shown as restricted fund balance within the debt service fund.

The future sinking fund deposit required to amortize the 2010 Revenue Bonds of \$3,908,000 and \$4,212,000 are as follows:

<b>\$3,908,000 Revenue Bond</b>			<b>\$4,212,000 Revenue Bond</b>		
<b>Year Ended June 30,</b>	<b>Required Sinking Fund Deposits Principal</b>	<b>Actual Sinking Fund Deposits</b>	<b>Year Ended June 30,</b>	<b>Required Sinking Fund Deposits Principal</b>	<b>Actual Sinking Fund Deposits</b>
2012	\$ 244,250	\$ 244,250	2012	\$ 263,250	\$ 263,250
2013	244,250	244,250	2013	263,250	263,250
2014	244,250	244,250	2014	263,250	263,250
2015	244,250	244,250	2015	263,250	263,250
2016	244,250		2016	263,250	
2017	244,250		2017	263,250	
2018	244,250		2018	263,250	
2019	244,250		2019	263,250	
2020	244,250		2020	263,250	
2021	244,250		2021	263,250	
2022	244,250		2022	263,250	
2023	244,250		2023	263,250	
2024	244,250		2024	263,250	
2025	244,250		2025	263,250	
2026	244,250		2026	263,250	
2027	244,250		2027	263,250	
<b>TOTAL</b>	<b>\$ 3,908,000</b>	<b>\$ 977,000</b>	<b>TOTAL</b>	<b>\$ 4,212,000</b>	<b>\$ 1,053,000</b>

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to the Financial Statements**  
**June 30, 2015**

**NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)**

**D. Loans Payable**

The City of Warwick has entered into nineteen loan agreements with the Rhode Island Infrastructure Bank, formerly known as Rhode Island Clean Water Finance Agency. The loan proceeds are to be used by the City for the extension and upgrade of the City's sewer system. The Bank advances loan proceeds to the City periodically to reimburse the City for capital costs incurred on the projects. The following loan agreements were active as of June 30, 2015:

Agreement Date	Amount	Interest Rate	Maturity Dates
March 11, 1992	\$ 3,500,000	3.16%	September 1, 1994-2013
March 10, 1993	\$ 3,100,000	3.11%	September 1, 1996-2015
December 19, 1995	\$ 3,996,000	2.82%	September 1, 1997-2016
March 31, 1997	\$ 10,000,000	2.97%	September 1, 1997-2016
June 26, 1998	\$ 10,200,000	2.57%	September 1, 1999-2019
August 25, 1999	\$ 14,750,000	2.84%	September 1, 2002-2019
December 19, 2000	\$ 20,232,323	2.90%	September 1, 2001-2020
April 25, 2002	\$ 12,000,000	1.25%	September 1, 2002-2022
October 24, 2002	\$ 20,000,000	1.00%	September 1, 2004-2022
November 13, 2003	\$ 20,000,000	1.34%	September 1, 2005-2024
December 30, 2004	\$ 20,000,000	1.40%	September 1, 2006-2025
December 15, 2005	\$ 5,000,000	1.41%	September 1, 2007-2026
December 21, 2006	\$ 9,500,000	1.27%	September 1, 2008-2027
December 12, 2007	\$ 6,942,000	1.185-1.645%	September 1, 2009-2028
April 30, 2008	\$ 4,000,000	4.85%	September 1, 2009-2028
October 6, 2009	\$ 1,169,026 *	2.16%	September 1, 2010-2029
June 26, 2012	\$ 2,400,000	3.29%	September 1, 2012-2022
March 6, 2014	\$ 7,000,000	2.71%	September 1, 2014-2034
March 31, 2015	\$ 3,500,000	1.95%	September 1, 2015-2034

\*SFR/Stimulus Loan is shown net of \$178,601.10 principal forgiveness

The City pays an additional 0.5% finance fee on all loans except for the loan dated April 30, 2008

The loan proceeds are to be used by the City for the extension and upgrade of the sewer system. The Bank pays project invoices certified by the City directly to the contractors or reimburses the City for costs incurred on the projects. As of June 30, 2015, loans payable of \$85,304,257 are reflected in the Sewer Fund. A due from the Rhode Island Infrastructure Bank of \$1,082,903 is shown for that portion of the loans which has not been advanced as of June 30, 2015. The City is responsible to draw down and to repay the full amount of the loan.

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to the Financial Statements**  
**June 30, 2015**

**NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)**

The debt service through maturity for the above loans is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2016	9,077,167	1,929,635
2017	9,197,336	1,730,776
2018	8,655,886	1,516,850
2019	8,850,149	1,307,991
2020	9,045,111	1,091,606
2021-2025	28,793,390	3,143,333
2026-2030	8,429,218	1,014,838
2031-2035	3,256,000	282,568
	<u>\$ 85,304,257</u>	<u>\$ 12,017,597</u>

Interest, at the fixed rates indicated above, is calculated monthly based on the loan balances outstanding. The City has not completely drawn down all of the loans as of June 30, 2015. The interest through maturity shown above is based upon estimated amortization schedules prepared by Rhode Island Infrastructure Bank. The Rhode Island Infrastructure Bank loans dated December 30, 2004, December 15, 2005, December 21, 2006, December 12, 2007, April 30, 2008, October 6, 2009, June 26, 2012, March 6, 2014, and March 31, 2015 are revenue loans. The revenue loans are secured by the revenues derived from the operation of the City's wastewater collection system.

**E. Debt Service Requirements**

The City's Business Type debt service requirement relating to outstanding bond and loan obligations consist of the following:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2016	10,556,916	2,534,517	13,091,433
2017	10,738,857	2,273,747	13,012,604
2018	10,159,759	1,995,135	12,154,894
2019	10,169,775	1,725,776	11,895,551
2020	10,428,418	1,453,276	11,881,694
2021-2025	34,972,660	4,121,219	39,093,879
2026-2030	9,534,218	1,061,799	10,596,017
2031-2035	3,256,000	282,568	3,538,568
	<u>\$ 99,816,603</u>	<u>\$ 15,448,037</u>	<u>\$ 115,264,640</u>

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to the Financial Statements**  
**June 30, 2015**

**NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)**

**F. Bonds Authorized but Unissued**

The following table sets forth amounts, purposes and statutorily authorized, but unissued general obligation debt of the City.

<u>Purpose</u>	<u>Statutory Authorization</u>	<u>Authorized But Unissued Debt</u>
Incinerator Purposes	P.L. Ch. 33-1966	\$ 1,900,000
Energy Conservation	P.L. Ch. 65-1980	600,000
Sewer Improvements	P.L. Ch. 223-1994	417,677
Open Space	P.L. Ch.77-2000	175,000
Open Space	P.L. Ch. 125/479-2006	2,000,000
Recreation	P.L. Ch. 77-2000	500,000
Parks and Recreation	P.L. Ch. 74/147-2006	3,500,000
Drainage	P.L. Ch. 78-2002	3,000,000
Building Repairs	P.L. Ch. 426/527-2006	9,000,000
Mickey Stevens Sports Complex	P.L. Ch. 385-2006	7,000,000
Fire Station	P.L. Ch. 51/73-2006	2,000,000
School Renovations	P.L. Ch. 386/516-2006	9,215,000
		<u>\$ 39,307,677</u>

**G. Capital Lease Commitments**

The City of Warwick's capital lease program consists of two leases for the purchase of various vehicles and equipment. The City may purchase leased vehicles and equipment as set forth in the lease agreements. Leases are renewed annually based on the City's appropriation of funds sufficient to pay the obligations under the lease agreements.

Obligations of Governmental Activities under capital leases at June 30, 2015 were as follows:

<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>LEASE PAYMENT REQUIRED</u>
2016	\$ 1,146,676
2017	786,844
2018	357,150
2019	357,150
Future Minimum Rental Commitments	2,647,820
Interest Portion of Payments	77,741
Principal Portion of Payments	<u>\$ 2,570,079</u>

**NOTE 8 – OPERATING LEASES**

The School Department entered into an operating lease for equipment in 2013. The operating lease is for 36 months and started July 1, 2012. Rental expenditures relating to the operating lease were \$57,477 in fiscal year 2015.

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to the Financial Statements**  
**June 30, 2015**

**NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances represent short-term advances from one fund (primarily the General Fund) to another fund. The advances may represent balances resulting from operating advances or reimbursement for expenditures paid by one fund or may simply be the result of pooling financial resources to maximize income. The composition of interfund balances at June 30, 2015 is as follows:

	Due From Other Funds	Due To Other Funds
<i>General Fund</i>	\$ 11,001,436	\$ 11,801,776
<i>School Unrestricted Fund</i>	12,691,853	3,650,023
<i>Non Governmental Funds:</i>		
Special Detail Fund	-	116,469
City Clerk Restricted Fund	962,692	-
Emergency Operations City	67,216	-
Warwick Public Library Restricted Fund	-	9,436
Home Improvement Loan Escrow Account	1,000	-
Sewer Connection Grants	-	13,713
Excess Hotel Tax Fund	15,142	-
Mooring Fee Reserve Fund	-	13,831
Senior Center Gift Shop	1,081	-
JAG Grant	-	9,409
Drug Seizure Fund	-	8,854
State Asset Forfeiture Fund	1,877	-
Community Development Block Grant	400	20,773
IDEA	-	847,197
IDEA Pre-School	-	22,497
IDEA Pre-School Targeted	251	-
Title I	-	441,496
Title II	-	188,771
E2T2 Training Consortium ARRA	44	-
Title III	-	8,782
Perkins Voc Even Year	38,317	10,871
Perkins Voc Odd Year	-	117,310
Fresh Fruit/Veg Program	-	7,789
Homeless Even Year	1,785	1,599
Homeless Odd Year	-	11,240
Big Yellow Bus	1,970	-
Smart Arts	220	-
Scott Tech Donations	3,785	514
Esther Tech Donations	-	1,597
Mary Maini Memorial Fund	50	-
City/Town Contribution Sports	4,990	-
Injury Fund	228	-
Emergency Repairs - Tech	967,607	9,887
Champlin Comp	148	144
Champlin	72,114	56,617
Feinstein	125,191	3,159
Rhode Island Foundation	1,959	-
Shapiro Foundation for Warwick	500	-
Verizon ThinkFinity	82	-
Walmart	67	-
Dorothy Rich Association	314	-

CITY OF WARWICK, RHODE ISLAND

Notes to the Financial Statements

June 30, 2015

**NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)**

Media Labs at Wickes	1,908	-
RIPIN	2,244	2,207
Reading Excellence	83	-
Soc Skills for Life-Vets	113	-
Alt Learning Program	30	-
City-Town Center	660	490
Cedar Hill Library Books	42	-
PTO Donation	9,820	206
C.A.S.I.T Italian Program	1,686	-
Race to the Top	-	27,523
School Lunch	178,596	-
The Jason Fund	-	178
Target	942	-
CTE	292,524	80,686
Common Core State Status	25	51,857
Art Talks Sherman	2,858	359
United Way	589	-
Stop & Shop	1,328	2
Carol Gray Memorial Fund	23	-
Wireless Classroom Int.	-	892,218
2000 Open Space Bond Fund	-	121
2006 Fire Station Bond Fund	-	958,875
2002 Drainage Fund	-	7,000
Road & Bridge Fund	-	110,555
2006 City Buildings Bond Fund	-	1,032,632
Capital Leases	-	2,199,716
<b>Total Non Governmental Funds</b>	<u>2,762,501</u>	<u>7,286,580</u>
<b>Major Enterprise Funds:</b>		
Sewer Fund	13,515,852	17,670,176
Sewer Assessment Fund	858,249	559,660
Water Fund	195,677	4,693,071
<b>Total Major Enterprise Funds</b>	<u>14,569,778</u>	<u>22,922,907</u>
<b>Non-Major Enterprise Funds:</b>		
Emergency Operations Enterprise Funds	-	866,621
On-Site Revolving Loan Fund	6,142	-
Sewer Infrastructure Replacement Fund	513	-
Sewer Renewal & Replacement Fund	2,133,047	29,710
Water Renewal & Replacement Fund	750,000	41,000
Water Restricted Emergency Fund	250,000	45,000
Water Infrastructure replacement Fund	2,000,000	59,836
<b>Total Non-Major Enterprise Funds</b>	<u>5,139,702</u>	<u>1,042,167</u>
<b>Internal Service Funds:</b>		
Workers Compensation Fund	-	111,691
Internal Service City	619,620	-
<b>Total Internal Service Funds</b>	<u>619,620</u>	<u>111,691</u>
<b>Agency Funds:</b>		
Treasurer's Agent	4,568	-
Sewer Line	15,087	-
<b>Total Agency Funds</b>	<u>19,655</u>	<u>-</u>
<b>Private Purpose Trust Funds:</b>		
Employee Benefit Trust Fund	3,068	-
Neighbors Helping Neighbors	6,548	-
Jeanette Cram Scholarship Fund	983	-
<b>Total Private Purpose Trust Funds</b>	<u>10,599</u>	<u>-</u>
<b>Totals</b>	<u>\$ 46,815,144</u>	<u>\$ 46,815,144</u>

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
 June 30, 2015

**NOTE 10 – NET ASSETS/FUND BALANCES**

(a) Fund Balances

As stated in Note 1, Fund Balance may be classified as one of five categories: Nonspendable, Restricted, Committed, Assigned or Unassigned. See Note 1 of these financial statements for definitions of these five Fund Balance categories. The detail of the composition of Nonspendable, Restricted, Committed, and Assigned Fund Balance follows.

At June 30, 2015 Nonspendable Fund Balance consisted of the following:

**MAJOR GOVERNMENTAL FUNDS:**

**General Fund:**

Prepaid Expenditures	<u>\$ 210,507</u>
----------------------	-------------------

At June 30, 2015 Restricted Fund Balance consisted of the following:

**MAJOR GOVERNMENTAL FUNDS:**

General Fund	<u>\$ 3,000,000</u>
--------------	---------------------

**NON-MAJOR GOVERNMENTAL FUNDS:**

**Special Revenue Funds:**

Entitlement Community program of U.S. Housing	\$ 356,317
CDBG Seed Program	22,119
Drug related property seizure	106,188
Open space acquisition	288,828
Library operations	118,813
Pilgrim Senior Center	37,976
Sewer connections assistance	52,247
State hotel tax exceeding current year tourism expenditures	146,510
Public Safety	-
Emergency operations FEMA	313,402
Waterfront safety	180,877
Maintenance of historical records	947,207
Education	1,556,472
	<u>4,126,956</u>

**NOTE 10 – NET ASSETS/FUND BALANCES (CONTINUED)**

(a) Fund Balances (Continued)

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
 June 30, 2015

**Capital Project Funds:**

Open Space acquisition	362,060
School capital improvements	3,576,435
Road and bridge improvements	792,773
	4,731,268

**Debt Service Fund**

2,030,000

**Total Non-Major Government Funds**

\$ 10,888,284

At June 30, 2015 Committed Fund Balance consisted of the following:

**MAJOR GOVERNMENTAL FUNDS:**

**General Fund:**

Education	\$ 3,183,726
Encumbrances	1,155,486

**Total Major Governmental Funds**

\$ 4,339,212

At June 30, 2015 Assigned Fund Balance consisted of the following:

(b) Fund Deficits

The following funds had fund deficits at June 30, 2015:

**NON-MAJOR GOVERNMENTAL FUNDS**

**Special Revenue Funds:**

Special Detail Fund	172,116
The Jason Fund	178
Race to the Top	2,298
Wireless Classroom	896,109
	1,070,701

**Capital Project Funds:**

Capital Leases	\$ 1,988,664
Fire Station Bond Fund	1,247,469
City Buildings Bond Fund	1,369,310
	\$ 4,605,443

**Total Non-Major Fund Deficits**

\$ 4,777,559

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
 June 30, 2015

**NOTE 10 – NET ASSETS/FUND BALANCES (CONTINUED)**

(c) Operating Deficits

Deficits for non-major governmental fund activities will be funded through the General Fund, a major governmental activities fund, future bond issuance and a future lease purchase issuance.

The following individual funds had operating deficits for the year ending June 30, 2015, but still maintained positive fund balances:

**MAJOR BUSINESS-TYPE FUNDS**

<b>Water Fund</b>	\$ 166,885
<b>Total Major Business-Type Funds</b>	<u>\$ 166,885</u>

**Non-Major Governmental Funds:**

**Special Revenue Funds:**

Home Improvement Loan Escrow Account	30,283
Drug Seizure	126,253
Emergency Operations - City	130,037
Sewer Connection Grants	5,977
Special Detail	260,048
Mooring Fee Reserves	13,644
Homeless Even Year	1,599
Verizon Thinkfinity	4,918
Alt Learning Program	1,599
Champlin	57,980
C.A.S.I.T Italian Program	280
Race to the Top	2,175
Wireless Classroom Initiative	812,911
Stop & Shop	2
Dorothy Rich Association	337
	<u>1,448,043</u>

**Capital Project Funds**

2006 Fire Station Bond Fund	984,810
2006 City Buildings Bond	835,574
	<u>1,820,384</u>

<b>Total deficits Non-Major Governmental Funds</b>	<u>\$ 3,268,427</u>
--	---------------------

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 10 – NET ASSETS/FUND BALANCES (CONTINUED)**

**Non-Major Business Type Activities**

Water Renewal and Replacement Fund	\$ 40,959
Water Restricted Emergency Fund	44,955
Water Infrastructure Replacement Fund	<u>527,405</u>
<b>Total deficits Non-Major Business-Type Funds</b>	<b><u>\$ 613,319</u></b>

(c) Operating Deficits (Continued)

**Non-Major Business Type Activities**

Water Renewal and Replacement Fund	\$ 40,959
Water Restricted Emergency Fund	44,955
Water Infrastructure Replacement Fund	<u>527,405</u>
<b>Total Operating Deficits Non-Major Business-Type Funds</b>	<b><u>\$ 613,319</u></b>

**NOTE 11 – INTER-FUND TRANSFERS**

The principal purpose of inter-fund transfers is to provide a financing source to various funds that may not have the ability to cover all costs with revenue generated by the fund. The composition of inter-fund transfers for the year ended June 30, 2015 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Major Funds:</b>		
General Fund	\$ 2,863,282	\$ 129,989,657
School Unrestricted Fund	120,272,671	1,173,283
Debt Service Fund	8,139,352	-
Sewer Fund	13,946,996	9,425,413
Sewer Assessment Fund	-	4,546,583
Water Fund	582,247	163,608
 <b>Non-major Funds:</b>		
Enterprise Funds	10,000	418,639
Special Revenue Funds	246,219	1,043,584
Capital Projects Funds	<u>700,000</u>	-
<b>Total:</b>	<b><u>\$146,760,767</u></b>	<b><u>\$ 146,760,767</u></b>

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

**A) City Employees' Pension Plan**

**Summary of Significant Accounting Policies**

**Basis of Accounting**

The City Employees' Pension Trust Fund's financial statements are prepared using the accrual basis of accounting. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City Employees' Pension Plan and additions to and deductions from the Plan's net position have been determined on the same basis as they are reported by the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and when the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

**Plan Description**

The City of Warwick City Employees' Pension Plan covers all City employees not covered by other plans. Non-elected employees are eligible to participate after six months of employment. Elected officials are eligible on the date they assume their elected position. The City Employees' Pension Plan is a single employer defined benefit pension plan that was established in 1965. The Municipal Retirement Board is responsible for the administration of the plan. The Board is comprised of (11) members consisting of the City's Finance Director, Personnel Director, Municipal Union President, Chairperson of the City Finance Committee, (1) Union Employee, (1) Non-Union Employee, (1) Municipal Retiree, and (4) Members of the Public. The pension plan is reported as a Pension Trust Fund in the City's financial statements. The City does not issue a separate publicly available financial report that includes financial statements and required supplementary information (RSI) for the City Employees' Pension Plan.

Employee membership data related to the pension plan was as follows:

Active Plan Members	386
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	364
Inactive Plan Members Entitled To, But Not Yet Receiving Benefits	27
	<hr/> 777

The following benefit provisions and contribution requirements were established and may be amended by City Ordinance.

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

**Benefit Provisions**

Members in the plan who have attained age 65 and have reached their fifth anniversary of participation may retire. The normal monthly retirement benefit is equal to 2.5% of their final average monthly compensation multiplied by years of creditable service. Final average monthly compensation is one-twelfth of the average of the highest three consecutive years of base compensation. However, no elected member will receive less than one-twelfth of the sum of \$1,500 plus \$200 multiplied by years of creditable service; the sum not to exceed \$5,500. Effective September 1, 1994, the plan compensation is equal to the sum of base compensation and longevity pay. Eligibility for early retirement is after age 55 with at least 10 years of creditable service or any member whose age plus service totals 80 or more. Effective for new hires after July 1, 2012, the eligibility requirement changes to the attainment of age 59 with 25 years of service, or age 65 if vested. Additionally, the monthly retirement benefit decreases to 2% of final average monthly compensation multiplied by years of creditable service. Benefits will be calculated based upon the average of the last three years of service. Effective September 1, 1994, an elected official is eligible upon the attainment of age 55 with at least six years of service. The retirement benefit for early retirement is determined under the normal retirement formula above reduced for commencement prior to age 65. The reduction is equal to ½% per month for the first sixty months prior to age 65 plus 1/3% per month in excess of sixty. If the sum of the retired member's years of age plus service is at least equal to 80, there is no reduction for early commencement. The provision for late retirement is continued employment beyond normal retirement. The retirement benefit for late retirement is the same as the normal retirement benefit formula determined as of the member's actual retirement date.

Upon termination of employment, a non-elected member is eligible for a benefit deferred to retirement age after 10 years of creditable service. An elected member is eligible after 6 years of creditable service. The benefit is the same as early retirement. For all members except elected officials, the benefit amount determined under the normal retirement formula is increased by 3% per year between termination and retirement. In lieu of receiving retirement benefits, a member may receive a lump sum payment of his or her accumulated contributions with interest at any time prior to the commencement of retirement benefits.

A non-elected member who leaves employment prior to completing 10 years of creditable service or an elected member who leaves prior to completing 6 years of creditable service will receive a lump sum payment of his or her accumulated contributions with interest.

A non-elected member who has completed 10 years of creditable service or an elected member who has completed 6 years of creditable service, and who is totally disabled as determined by the City's medical board is eligible for disability retirement. The disability retirement benefit formula is the same as normal retirement, but reduced by worker's compensation payments.

*CITY OF WARWICK, RHODE ISLAND*

*Notes to the Financial Statements*

*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

Any married non-elected member with 10 years creditable service or any married elected member with 6 years of creditable service who dies while still employed after age 50 is eligible for pre-retirement death benefits. The benefit is the same as vested deferred or early retirement with reduction for each month by which benefit commencement precedes age 65 and further reduced to reflect the optional form of payment which provides payments at the same rate to the surviving spouse. A member's surviving spouse may elect to receive a lump sum payment equal to the member's accumulated contributions with interest in lieu of the annuity described above.

Any terminated member with a deferred vested benefit or an active member not eligible for the surviving spouse's annuity described above is eligible for death benefits before retirement benefits equal to one lump sum pay of the member's accumulated contributions with interest.

Effective September 1, 1994, a member may, in lieu of receiving one half of his or her accumulated sick pay in cash at termination or retirement, receive a pension service credit for unused sick pay (6 month maximum).

**Contributions**

The City's annual contribution to the plan is based upon an actuarially determined amount recommended by an independent actuary. During fiscal 2015, this contribution amounted to 28.10% of covered payroll. In addition, the non-elected plan members contribute 8% of their annual base compensation and longevity compensation. Elected plan members contribute 8% of their annual base compensation plus \$20.00 per month. Administrative costs are included in the actuarial valuation as part of the normal cost and financed through contributions.

**Investments**

Investment Policy:

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by a majority vote of the Municipal Pension Board members. It is the policy of the City to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy is long-term and strategic in nature. The policy refrains from dramatically shifting asset class allocations over short time spans, and it seeks to be fully invested using cash equivalents for liquidity purposes.

The long term rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of future real rates of return are developed for each major asset class. These ranges are combined to produce the expected long term rate of return by

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
 June 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

weighing the expected future rates of return by the target asset allocation percentage plus expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income Core	37.50%	4.45%
Large Cap Domestic Equity	32.50%	7.80%
Small Cap Domestic Equity	14.00%	8.10%
International Equity Developed	8.50%	8.10%
International Equity Emerging Mark	3.75%	9.05%
Commodities	3.75%	4.75%

Rate of Return

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.11%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability**

The City's net pension liability was measured as of June 30, 2015. The components of the net pension liability of the City at June 30, 2015 were as follows:

Total Pension Liability	151,713,345.00
Plan Fiduciary Net Position	<u>115,824,719.00</u>
City's Net Pension Liability	35,888,626.00
 Plan Fiduciary Net Position As A Percentage of the Total Pension Liability	  76.34%

Actuarial Assumptions

The following actuarial assumptions, used in the June 30, 2015 valuation, were based on the results of an actual experience study as of July 1, 2014.

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
 June 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

**City Employees Pension Plan  
 Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balance at 6/30/14</b>	\$ 145,419,139	\$ 114,311,415	\$ 31,107,724
<b>Changes for the year:</b>			
Service Cost	2,361,164		2,361,164
Interest	10,681,187		10,681,187
Differences Between Expected and Actual Experience	1,619,642		1,619,642
Assumption Changes	-		-
Contributions-Employer		5,640,498	(5,640,498)
Contributions-Employee		1,579,755	(1,579,755)
Net Investment Income		2,695,082	(2,695,082)
Benefit Payments, Including Refunds of Contributions	(8,367,787)	(8,367,787)	-
Administrative Expense		(34,244)	34,244
Other Charges		-	-
<b>Net Changes</b>	6,294,206	1,513,304	4,780,902
<b>Balance at 6/30/15</b>	\$ 151,713,345	\$ 115,824,719	\$ 35,888,626

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

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it was calculated using a single discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the single discount rate:

**Sensitivity of the Net Pension Liability to the Single Discount Rate**

Plan	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City Employees Pension Plan	53,323,359	35,888,626	21,194,577

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to the Financial Statements**  
**June 30, 2015**

Actuarial Assumptions

Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Inflation	2.75%
Salary Increases	3.50% to 7.50% including inflation
Investment Rate of Return	7.5 Percent
Mortality Rates	Based Upon the RP-2000 Healthy Annuitant Mortality Tables for Males and Females, as appropriate, projected with Scale AA from 2000

**Measurement of the Net Pension Liability**

Discount Rate

The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

A single discount rate of 7.5% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.5%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to the Financial Statements**  
**June 30, 2015**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

**City Employees Pension Plan**  
**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 6/30/14	\$ 145,419,139	\$ 114,311,415	\$ 31,107,724
<b>Changes for the year:</b>			
Service Cost	2,361,164		2,361,164
Interest	10,681,187		10,681,187
Differences Between Expected and Actual Experience	1,619,642		1,619,642
Assumption Changes	-		-
Contributions-Employer		5,640,498	(5,640,498)
Contributions-Employee		1,579,755	(1,579,755)
Net Investment Income		2,695,082	(2,695,082)
Benefit Payments, Including Refunds of Contributions	(8,367,787)	(8,367,787)	-
Administrative Expense		(34,244)	34,244
Other Charges		-	-
<b>Net Changes</b>	6,294,206	1,513,304	4,780,902
Balance at 6/30/15	\$ 151,713,345	\$ 115,824,719	\$ 35,888,626

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

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it was calculated using a single discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the single discount rate:

**Sensitivity of the Net Pension Liability to the Single Discount Rate**

Plan	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City Employees Pension Plan	53,323,359	35,888,626	21,194,577

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

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

For the year ended June 30, 2015 the City Employee Pension Plan recognized pension expense of \$4,466,973. As of June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$1,258,839	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	4,695,588	-
Total	<u>\$5,954,427</u>	<u>-</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Year Ended June 30:		
2016	\$1,534,701	-
2017	1,534,701	-
2018	1,534,701	-
2019	1,350,324	-
2020	-	-
Thereafter	-	-
	<u>\$5,954,427</u>	<u>-</u>

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

**B) Police I and Fire Pension Plan**

**Summary of Significant Accounting Policies**

Basis of Accounting

The Police I and Fire Pension Trust Fund's financial statements are prepared using the accrual basis of accounting. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police I and Fire Pension Plan and additions to and deductions from the Plan's net position have been determined on the same basis as they are reported by the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and when the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

**Plan Description**

The City of Warwick's Police I and Fire Pension Plan covers all City Police Officers that were appointed before February 1, 1971, and all permanent members of the City's Fire Department appointed before May 29, 1992. The Police I and Fire Pension Plan is a single-employer defined benefit pension plan that was established in 1953. There is no separate financial report issued for the pension plan. The pension plan is reported as a Pension Trust Fund in the City's financial statements. The City does not issue a separate publicly available financial report that includes financial statements and required supplementary information (RSI) for the Police I and Fire Pension Plan.

Employee membership date related to the pension plan was as follows:

Active Plan Members	41
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	395
Inactive Plan Members Entitled To, But Not Yet Receiving Benefits	0
	<hr/> 436

The following benefit provisions and contribution requirements were established and may be amended by City Ordinance.

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

**Benefit Provisions-Police Officers**

Benefits provided to remaining active police officers are in accordance with the City's Code of Ordinances. Retirement, death, and disability benefits payable to retired members and beneficiaries are indexed in accordance with the base salary increases provided to active members of the police force.

**Benefit Provisions-Firefighters**

Participating firefighters in the plan who have completed 20 years of service may retire. The normal annual retirement benefit is equal to 50 percent of highest annual salary plus 1% of salary for each year of service in excess of 20 years (maximum 10). For pension purposes, annual salary includes regular, longevity, and holiday pay.

Any firefighter retiring after July 23, 1996 may also irrevocably elect to have his or her pension calculated under the City's Fire II Pension Plan. The Fire II benefit formula is 50% of the final year's compensation. Plus 2% for each year of service from 20 to 25 years, plus 3% for each year of service from 25 to 30 years with a fixed compounded cost of living adjustment.

A participant who is unable to perform active duty as a firefighter, which the Board of Public Safety finds to be permanently incapacitating, is eligible to receive disability retirement benefits. The service related disability retirement benefit for disabilities involving heart, lung, cancer or other social security disabilities is 66 2/3% of the highest annual salary, reduced for each dollar of earned income in excess of the salary the member would earn as an active employee, to a minimum of 50% of annual salary. The other service related and non-service related benefit is 50% of annual salary.

A member is eligible for a return of contributions without interest for terminations prior to the completion of ten years of service. For termination after the completion of 10 years of service, but prior to eligibility for retirement, the employee is eligible for a deferred benefit equal to 2½% of annual salary at termination, multiplied by the number of full years of service, payable on the 20<sup>th</sup> anniversary of employment.

The Plan provides death benefits to a participant's spouse and dependents if the participant dies while actively employed. Per City ordinance, the service related death benefit is 50% of the deceased member's average salary, payable to the surviving spouse until death or earlier remarriage. However, it must be noted that Rhode Island State Law, Chapter 45-21-4, raises the percentage to 67.5%. For non-service related death, the annual benefit is 30% of the deceased member's highest annual salary, payable to the surviving spouse until death or remarriage. The benefit for surviving children is 10% of the deceased member's highest annual salary, payable to each surviving child until age 18 (or for life if such child becomes permanently disabled prior to

**CITY OF WARWICK, RHODE ISLAND**

*Notes to the Financial Statements*

*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

the member's death). The maximum family death benefit for service related death is 75% of the deceased member's highest annual salary and for non-service related deaths 50% of the highest annual salary.

A lump sum payment equal to the member's accumulated contributions without interest shall be paid to the estate of any active member who dies with no surviving spouse or children.

Benefits provided to remaining active police officers and firefighters are in accordance with the proposed restatement of Section 15-19 of the City's Code of Ordinances. Retirement, death, and disability benefits payable to retired members and beneficiaries are indexed in accordance with the base salary increases provided to active members of the police force.

**Funding Policy**

Active plan members contribute 7% of their covered earnings (regular, holiday, and longevity). In addition, the City is required to contribute an actuarially determined amount each year, calculated in accordance with its pension ordinances. The statutory contribution level includes a 40 year amortization of the unfunded actuarial liability as a level percentage of payroll. During fiscal 2015, this contribution amounted to \$16,039,998. Administrative costs are netted against investment return in the actuarial valuation.

**Investments**

**Investment Policy:**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Plan's fiduciary custodian, the City Finance Director. It is the policy of the City to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy is long-term and strategic in nature. The policy refrains from dramatically shifting asset class allocations over short time spans, and it seeks to be fully invested using cash equivalents for liquidity purposes.

The long term rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of future real rates of return are developed for each major asset class. These ranges are combined to produce the expected long term rate of return by weighing the expected future rates of return by the target asset allocation percentage plus expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

**CITY OF WARWICK, RHODE ISLAND**

*Notes to the Financial Statements*

June 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income Core	37.50%	4.45%
Large Cap Domestic Equity	32.50%	7.80%
Small Cap Domestic Equity	14.00%	8.10%
International Equity Developed	8.50%	8.10%
International Equity Emerging Mark	3.75%	9.05%
Commodities	3.75%	4.75%

Rate of Return

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was .545%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the City at June 30, 2015 were as follows:

Total Pension Liability	277,320,653.00
Plan Fiduciary Net Position	<u>69,544,038.00</u>
City's Net Pension Liability	207,776,615.00
 Plan Fiduciary Net Position As A Percentage of the Total Pension Liability	  25.08%

Actuarial Assumptions

The following actuarial assumptions, used in the June 30, 2015 valuation, were based on the results of an actual experience study as of July 1, 2014.

Actuarial Assumptions

Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Inflation	2.75%
Salary Increases	4.00% to 14.00% including inflation
Investment Rate of Return	7.50%
Mortality Rates	Based Upon the RP-2000 Healthy Annuitant Mortality Tables for Males and Females, as appropriate, projected with Scale AA from 2000

**CITY OF WARWICK, RHODE ISLAND**

*Notes to the Financial Statements*

*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

**Measurement of the Net Pension Liability**

Discount Rate

The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

A single discount rate of 7.5% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.5%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Police I & Fire Pension Plan  
Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balance at 6/30/14</b>	\$ 277,179,395	\$ 71,622,345	\$ 205,557,050
<b>Changes for the year:</b>			
Service Cost	1,005,457		1,005,457
Interest	20,085,394		20,085,394
Differences Between Expected and Actual Experience	(1,195,853)		(1,195,853)
Assumption Changes	-		-
Contributions-Employer		16,039,998	(16,039,998)
Contributions-Employee		284,810	(284,810)
Net Investment Income		1,380,201	(1,380,201)
Benefit Payments, Including Refunds of Contributions	(19,753,740)	(19,753,740)	-
Administrative Expense		(29,576)	29,576
Other Charges		-	-
<b>Net Changes</b>	141,258	(2,078,307)	2,219,565
<b>Balance at 6/30/15</b>	\$ 277,320,653	\$ 69,544,038	\$ 207,776,615

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
 June 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

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

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it was calculated using a single discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the single discount rate:

**Sensitivity of the Net Pension Liability to the Single Discount Rate**

Plan	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Police I & Fire Pension Plan	237,143,002	207,776,615	183,073,317

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

For the year ended June 30, 2015 the Police I & Fire Pension Plan recognized pension expense of \$15,145,591. As of June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	\$3,113,972	-
Total	<u>\$3,113,972</u>	<u>-</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

	Outflows of Resources	Inflows of Resources
Year Ended June 30:		
2016	\$778,494	-
2017	778,494	-
2018	778,494	-
2019	778,490	-
2020	-	-
Thereafter	-	-
	<u>\$3,113,972</u>	<u>-</u>

**CITY OF WARWICK, RHODE ISLAND**

*Notes to the Financial Statements*

June 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

**C) Police Pension II Plan**

**Summary of Significant Accounting Policies**

Basis of Accounting

The Police II Pension Trust Fund's financial statements are prepared using the accrual basis of accounting. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police II Pension Plan and additions to and deductions from the Plan's net position have been determined on the same basis as they are reported by the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and when the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

**Plan Description**

The City of Warwick's Police II Pension Plan covers all City Police Officers that were appointed after February 1, 1971. The Police Pension II Plan is a single-employer defined benefit pension plan that was established in 1971. There is no separate financial report issued for the pension plan. The pension plan is reported as a Pension Trust Fund in the City's financial statements. The City does not issue a separate publicly available financial report that includes financial statements and required supplementary information (RSI) for the Police II Pension Plan.

As of July 1, 2014 employee membership date related to the pension plan was as follows:

Active Plan Members	161
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	166
Inactive Plan Members Entitled To, But Not Yet Receiving Benefits	<u>2</u>
	329

The following benefit provisions and contribution requirements were established and may be amended by City Ordinance.

**Benefit Provisions**

Members in the plan who have completed 20 years of service may retire. The normal annual retirement benefit is equal to 50 percent of annual salary at retirement plus incremental increases

**CITY OF WARWICK, RHODE ISLAND**

*Notes to the Financial Statements*

*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

of 2 percent per year between the 20<sup>th</sup> and 25<sup>th</sup> years, and annual increases of 3 percent between the 26<sup>th</sup> and 30<sup>th</sup> years. For pension purposes, annual salary includes regular, longevity, and holiday pay.

Effective for new hires after July 1, 2012, the eligibility requirement increases to 25 years of service. Additionally the retirement benefit will now be calculated at a rate of 50% of the average salary from the last three years of service, plus an additional 2% for every year of service from year 10 to retirement. The maximum pension benefit decreases from 75% after 30 years, to 70% after 30 years.

A member who is unable to perform active as a result of disability, which the Board of Public Safety finds to be permanently incapacitating, is eligible to receive disability retirement benefits. The service related disability retirement benefit is 66 2/3% of the highest annual salary, reduced for each dollar of earned income in excess of the salary the member would earn as an active employee, to a minimum of 50% of annual salary. The non-service related benefit is 50% of annual salary.

A member who leaves employment prior to completing ten year of service will receive a lump sum payment of accumulated contributions without interest. For termination after the completion of 10 years of service, but prior to eligibility for retirement, the employee is eligible for a deferred benefit equal to 2½% of annual salary at termination, multiplied by the number of full years of service, payable on the 20<sup>th</sup> anniversary of employment.

The Plan provides death benefits to a participant's spouse and dependents if the participant dies while actively employed. Per City ordinance, the service related death benefit is 50% of the deceased member's average salary, payable to the surviving spouse until death or earlier remarriage. However, it must be noted that Rhode Island State Law, Chapter 45-21-4, raises the percentage to 67.5%. For non-service related death, the annual benefit is 30% of the deceased member's highest annual salary, payable to the surviving spouse until death or remarriage. The benefit for surviving children is 10% of the deceased member's highest annual salary, payable to each surviving child until age 18 (or for life if such child becomes permanently disabled prior to the member's death). The maximum family death benefit for service related death is 75% of the deceased member's highest annual salary and for non-service related deaths 50% of the highest annual salary.

A lump sum payment equal to the member's accumulated contributions without interest shall be paid to the estate of any active member who dies with no surviving spouse or children.

**Funding Policy**

Active plan members contribute a percentage of their covered earnings (regular, holiday, and longevity) equal to 1/3 of the actuarially determined contribution rate. The City is required to contribute 2/3 of the actuarially determined contribution rate. For fiscal year 2015, employees

**CITY OF WARWICK, RHODE ISLAND**

*Notes to the Financial Statements*

June 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

were required to contribute 14.98% and the City was required to contribute 29.95% of covered earnings. The statutory contribution level includes a 20, 25, and 30 year amortization of the unfunded actuarial liability as a level percentage of payroll. Administrative costs are netted against investment return in the actuarial valuation.

**Investments**

**Investment Policy:**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Plan's fiduciary custodian, the City Finance Director. It is the policy of the City to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy is long-term and strategic in nature. The policy refrains from dramatically shifting asset class allocations over short time spans, and it seeks to be fully invested using cash equivalents for liquidity purposes.

The long term rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of future real rates of return are developed for each major asset class. These ranges are combined to produce the expected long term rate of return by weighing the expected future rates of return by the target asset allocation percentage plus expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income Core	37.50%	4.45%
Large Cap Domestic Equity	32.50%	7.80%
Small Cap Domestic Equity	14.00%	8.10%
International Equity Developed	8.50%	8.10%
International Equity Emerging Mark	3.75%	9.05%
Commodities	3.75%	4.75%

**Rate of Return**

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.25%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
 June 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

**Net Pension Liability**

The components of the net pension liability of the City at June 30, 2015 were as follows:

Total Pension Liability	196,709,719.00
Plan Fiduciary Net Position	178,415,137.00
City's Net Pension Liability	18,294,582.00
Plan Fiduciary Net Position As A Percentage of the Total Pension Liability	90.70%

**Actuarial Assumptions**

The following actuarial assumptions, used in the June 30, 2015 valuation, were based on the results of an actual experience study as of July 1, 2014.

Actuarial Assumptions

Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Inflation	2.75 Percent
Salary Increases	4.00% to 14.00% including inflation
Investment Rate of Return	7.5 Percent
Mortality Rates	Based Upon the RP-2000 Healthy Annuitant Mortality Tables for Males and Females, as appropriate, projected with Scale AA from 2000

**Measurement of the Net Pension Liability**

**Discount Rate**

The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

A single discount rate of 7.5% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.5%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to the Financial Statements**  
**June 30, 2015**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Police II Pension Plan**  
**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
<b>Balance at 6/30/14</b>	\$ 186,157,733	\$ 176,405,576	\$ 9,752,157
<b>Changes for the year:</b>			
Service Cost	3,770,366		3,770,366
Interest	13,811,883		13,811,883
Differences Between Expected and Actual Experience	738,684		738,684
Assumption Changes	-		-
Contributions-Employer		3,828,534	(3,828,534)
Contributions-Employee		1,914,267	(1,914,267)
Net Investment Income		4,075,102	(4,075,102)
Benefit Payments, Including Refunds of Contributions	(7,768,947)	(7,768,947)	-
Administrative Expense		(39,395)	39,395
Other Charges		-	-
<b>Net Changes</b>	10,551,986	2,009,561	8,542,425
<b>Balance at 6/30/15</b>	\$ 196,709,719	\$ 178,415,137	\$ 18,294,582

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

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it was calculated using a single discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the single discount rate:

**Sensitivity of the Net Pension Liability to the Single Discount Rate**

Plan	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Police II Pension Plan	47,152,950	18,294,582	(5,095,241)

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
 June 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

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

For the year ended June 30, 2015 the Police II Pension Plan recognized pension expense of \$4,473,454. As of June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$602,521	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	7,294,984	-
Total	<u>\$7,897,505</u>	<u>-</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ended June 30:	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
2016	\$1,959,910	-
2017	1,959,910	-
2018	1,959,910	-
2019	1,959,906	-
2020	57,869	-
Thereafter	-	-
	<u>\$7,897,505</u>	<u>-</u>

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
June 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

**D) Fire II Pension Plan**

**Summary of Significant Accounting Policies**

Basis of Accounting

The Fire II Pension Trust Fund's financial statements are prepared using the accrual basis of accounting. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Fire II Pension Plan and additions to and deductions from the Plan's net position have been determined on the same basis as they are reported by the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and when the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

**Plan Description**

The City of Warwick's Fire Pension II Plan covers all City firefighters who were appointed after May 29, 1992. The Fire Pension II Plan is a single employer defined benefit pension plan that was established in 1992. The pension plan is reported as a Pension Trust Fund in the City's financial statements. The City does not issue a separate, publicly available report that includes financial statements and required supplementary information (RSI) for the Fire II Pension Plan.

As of July 1, 2014, employee membership data related to the pension plan was as follows:

Active Plan Members	180
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	8
Inactive Plan Members Entitled To, But Not Yet Receiving Benefits	0
	<hr/> 188

The following benefit provisions and contribution requirements were established and may be amended by City Ordinance.

**Benefit Provisions**

A member who has completed 20 years of service may retire. Such member shall receive an annual benefit equal to 50% of their last year's salary, plus 2% of their average salary for each of

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

service from 20 – 25, plus 3% for each year of service form 25-30. For pension purposes, annual salary includes regular, holiday, and longevity pay.

Effective for new hires after July 1, 2012, the eligibility requirement increases to 25 years of service. Additionally, the retirement benefit will now be calculated at a rate of 50% of the average salary from the last three years of service, plus an additional 2% for every year of service from year 10 to retirement. The maximum pension benefit decreases from 75% after 30 years to 70% after 30 years.

A member who is unable to perform active duty as a result of disability, which the Board of Public Safety finds to be permanently incapacitating, is eligible to receive disability retirement benefits. The annual benefit for a service related disability involving any heart, lung, cancer or other social security disability is 66 2/3% of the member's average salary, reduced for each dollar of earned income in excess of the salary the member would earn as an active employee, to a minimum of 50% of salary. The benefit for other service related and non-service related disabilities is 50% of the member's average salary.

The Plan provides death benefits to a participant's spouse and dependents if the participant dies while actively employed. Per City ordinance, the service related death benefit is 50% of the deceased member's average salary, payable to the surviving spouse until death or earlier remarriage. However, it must be noted that Rhode Island State Law, Chapter 45-21-4, raises the percentage to 67.5%. For non-service related death, the annual benefit is 30% of the deceased member's highest annual salary, payable to the surviving spouse until death or remarriage. The benefit for surviving children is 10% of the deceased member's highest annual salary, payable to each surviving child until age 18 (or for life if such child becomes permanently disabled prior to the member's death). The maximum family death benefit for service related death is 75% of the deceased member's highest annual salary and for non-service related deaths 50% of the highest annual salary.

A lump sum payment equal to the member's accumulated contributions without interest shall be paid to the estate of any active member who dies with no surviving spouse or children.

Any member who terminates employment with 10 years or more of creditable service, but less than 20 years of creditable service, shall receive an annual benefit commencing at normal retirement age equal to 2.5% of average salary multiplied by full years of service at termination.

Any member who terminates employment prior to the completion of 10 years of creditable service will receive a lump sum payment of his or her accumulated contributions without interest.

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

**Funding Policy**

Active plan members contribute a percentage of their covered earnings (regular, holiday, and longevity) equal to 1/3 of the actuarially determined contribution rate. The City is required to contribute 2/3 of the actuarially determined contribution rate. Administrative costs are netted against investment return in the actuarial valuation. For fiscal year 2015, employees were required to contribute 11.68% and the City was required to contribute 23.35% of covered earnings.

**Investments**

Investment Policy:

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Plan's fiduciary custodian, the City Treasurer. It is the policy of the City to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy is long-term and strategic in nature. The policy refrains from dramatically shifting asset class allocations over short time spans, and it seeks to be fully invested using cash equivalents for liquidity purposes.

The long term rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of future rates of return are developed for each major asset class. These ranges are combined to produce the expected long term rate of return by weighing the expected future rates of return by the target asset allocation percentage plus expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income Core	37.50%	4.45%
Large Cap Domestic Equity	32.50%	7.80%
Small Cap Domestic Equity	14.00%	8.10%
International Equity Developed	8.50%	8.10%
International Equity Emerging Mark	3.75%	9.05%
Commodities	3.75%	4.75%

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
 June 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

Rate of Return

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.306%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability**

The components of the net pension liability of the City at June 30, 2015 were as follows:

Total Pension Liability	53,252,922.00
Plan Fiduciary Net Position	49,536,540.00
City's Net Pension Liability	3,716,382.00
Plan Fiduciary Net Position As A Percentage of the Total Pension Liability	93.02%

Actuarial Assumptions

The following actuarial assumptions, used in the June 30, 2015 valuation, were based on the results of an actual experience study as of July 1, 2014.

Actuarial Assumptions

Actuarial Cost Method	Entry Age Normal Actuarial Cost Method
Inflation	2.75 Percent
Salary Increases	4.00% to 14.00% including inflation
Investment Rate of Return	7.5 Percent
Mortality Rates	Based Upon the RP-2000 Healthy Annuitant Mortality Tables for Males and Females, as appropriate, projected with Scale AA from 2000

**Measurement of the Net Pension Liability**

Discount Rate

The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
 June 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

A single discount rate of 7.5% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.5%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Fire II Pension Plan**  
**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balance at 6/30/14</b>	\$ 46,060,602	\$ 44,745,257	\$ 1,315,345
<b>Changes for the year:</b>			
Service Cost	3,534,726		3,534,726
Interest	3,572,193		3,572,193
Differences Between Expected and Actual Experience	482,842		482,842
Assumption Changes	-		-
Contributions-Employer		2,943,088	(2,943,088)
Contributions-Employee		1,471,544	(1,471,544)
Net Investment Income		782,789	(782,789)
Benefit Payments, Including Refunds of Contributions	(397,441)	(397,441)	-
Administrative Expense		(8,697)	8,697
Other Charges		-	-
<b>Net Changes</b>	7,192,320	4,791,283	2,401,037
<b>Balance at 6/30/15</b>	\$ 53,252,922	\$ 49,536,540	\$ 3,716,382

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

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it was calculated using a

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
 June 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

single discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the single discount rate:

**Sensitivity of the Net Pension Liability to the Single Discount Rate**

<u>Plan</u>	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Fire II Pension Plan	14,270,566	3,716,382	(4,614,189)

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

For the year ended June 30, 2015 the Fire II Pension Plan recognized pension expense of \$2,713,075. As of June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$445,093	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	2,185,957	-
Total	<u>\$2,631,050</u>	<u>-</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
 June 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

	Outflows of Resources	Inflows of Resources
Year Ended June 30:		
2016	\$584,239	-
2017	584,239	-
2018	584,239	-
2019	584,236	-
2020	37,749	-
Thereafter	256,348	-
	\$2,631,050	-

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

**E) Warwick Public School Employees' Pension Plan**

**Summary of Significant Accounting Policies**

**Basis of Accounting**

The Warwick Public School Employees' Pension Trust Fund's financial statements are prepared using the accrual basis of accounting. For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Warwick Public School Employees' Pension Plan and additions to and deductions from the Plan's net position have been determined on the same basis as they are reported by the Plan. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and when the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

**Plan Description**

The Warwick Public School Employees' Pension Plan, a single-employer defined benefit public employee pension plan. There is no separate financial report issued for this plan, however it is audited as part of the City of Warwick's Pension Trust Funds and is reported within the City's Annual Financial Report. All eligible Warwick Public School employees other than teachers are eligible to participate on the first of the month after completing three months of service. A person is eligible if they are a) employed 20 hours or more per week and covered under the collective bargaining agreement or b) employed 20 hours or more per week in a non-certified management position or c) an elected School Committee member. There are two committees that oversee the administration of this plan. The Executive Administration Board is comprised of the School's Chief Budget Officer, the Director of Human Resources, and the Warwick Independent Employees' Union President. The Executive Administration Board delegates investment responsibilities to the Pension Investment Administration Committee which is comprised of (2) Warwick Public School Administrative Employees, the Chief Budget Officer, the Controller, and (2) Warwick Independent Employees' Union Representatives, who are appointed by the Union leadership.

As of July 1, 2014, employee membership data related to the pension plan was as follows:

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

Active Plan Members	359
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	103
Inactive Plan Members Entitled To, But Not Yet Receiving Benefits	19
	<hr/> 481

**Benefit Provisions**

Participants are eligible for normal retirement at the later of age 62 or 10 years of plan participation or at any age upon completion of 32 years of service with 10 years of plan participation. The normal retirement benefit is 1.67% of average monthly earnings times years of participation, plus .33% times the average monthly earnings times years of participation exceeding 20 years. The normal form of benefit is a life annuity. Average monthly earnings are the monthly average of total compensation for the 3 consecutive years of highest compensation over the last 10 years.

The yearly annuity amount for a School Committee member who becomes a retired member is \$1,000 plus 4.8% times the salary amount for each plan year in which one made mandatory employee contributions.

The plan also provides death and disability benefits.

The following table summarizes the plan's requirements and benefits:

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

**Plan Provisions**

Effective Date:	July 1, 1965
Plan Year Beginning:	July 1, 2015
Requirements	Minimum Age: 0 Minimum months of service: 3
Eligible Class	An elected school committee member, full time management employee, or full time member covered by the collective bargaining agreement.
Entry Dates	1st day of the month coinciding with or next following the date the plan requirements are met.
Employee Contributions	5% of earnings
Normal Retirement Date	First day of the month coinciding with or next following attainment of age 62, or if later, the 10th anniversary of plan entry, or 32 years of service with 10 years of plan participation.
Normal Retirement Benefit	1.67% of the member's average monthly earnings multiplied by years of participation, plus .33% times average monthly earnings times years of participation greater than 20. The yearly amount of annuity for a school committee member who becomes a retired member is \$1,000 plus 4.8% times the salary amount for each plan year in which one made mandatory employee contributions.
Average Monthly Earnings	Monthly average of total compensation for the 3 consecutive years of highest compensation of the previous 10 years.
Maximum Annual Benefit	\$215,000 as adjusted per IRC sec 415 for retirement age other than social security retirement age and annuity form.
Normal Form of Benefit	Life Annuity
Accrued Benefit	Normal Retirement Benefit based on earnings and participation to date.
Early Retirement Benefit	Minimum Age: 52 Minimum Service: 10 Years Benefit Amount: Accrued benefit, reduced by 7% for each year by which early retirement precedes normal retirement.
Pre-Retirement Death Benefit	Member contributions with interest, plus a \$5,000 lump sum benefit.
Disability Benefit	Determined in the same manner as the normal retirement benefit.
Vest Termination Benefit	Upon termination after 10 years of service, 100% of the accrued benefit, deferred until the normal retirement date. A school committee member is vested after 6 years of plan participation.

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

**Contributions**

Plan members contribute 5% of earnings during the year. The School Department contributes based upon an annual actuarial valuation. During fiscal 2015, the School Department's contribution totaled \$1,752,679. Administrative costs are included in the actuarial valuation as part of the normal cost and financed through contributions.

**Investments**

Investment information has been provided by USI Advisors.

**Investment Policy:**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Warwick School Committee by a majority vote of its members. It is the policy of the 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 plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

This is an ongoing plan with a perpetual time horizon. For this reason, long-term capital market assumptions (20+ years) are applicable to approximate future real rate of return expectations. A modified building blocks methodology was used because being able to identify historical return premiums of asset classes in the context of varying market environments provides a reasonable basis to estimate the performance of asset classes going forward.

Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity-Large Cap	30.00%	8.50%
US Equity-Small/Mid Cap	15.00%	9.30%
Non-US Equity - Developed	8.80%	8.70%
Non-US Equity - Emerging	1.20%	9.50%
US Corporate Bonds - Core	3.38%	4.90%
US Corporate Bonds-High Yield	2.25%	7.40%
Non-US Debt - Emerging	2.25%	6.70%
TIPS (Inflation Protected)	32.62%	5.30%
Real Estate	4.50%	4.00%

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

Rate of Return

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.93%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The City's net pension liability was measured as of June 30, 2015. The components of the net pension liability of the City at June 30, 2015 were as follows:

Total Pension Liability	45,839,537.00
Plan Fiduciary Net Position	<u>40,685,142.00</u>
City's Net Pension Liability	5,154,395.00
Plan Fiduciary Net Position As A Percentage of the Total Pension Liability	88.76%

Actuarial Assumptions

The following actuarial assumptions, were used in the most recent actuarial valuation.

Actuarial Cost Method	Individual Entry Age Normal Actuarial Cost Method
Amortization Method	Level Amortization
Salary Increases	3.0% Percent
Investment Rate of Return	7.0 Percent
Mortality Rates	Prescribed IRS Static Mortality Tables for the Year of the Valuation

**Measurement of the Net Pension Liability**

Discount Rate

The net pension liability is measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

A single discount rate of 7.0% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.0%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will

**CITY OF WARWICK, RHODE ISLAND**

*Notes to the Financial Statements*

June 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Warwick Public School Employees' Pension Plan  
Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balance at 6/30/14</b>	\$ 42,452,878	\$ 37,896,741	\$ 4,556,137
<b>Changes for the year:</b>			
Service Cost	1,153,661		1,153,661
Interest	3,013,821		3,013,821
Differences Between Expected and Actual Experience Assumption Changes	342,058		342,058
Contributions-Employer		1,752,679	(1,752,679)
Contributions-Employee		766,137	(766,137)
Net Investment Income		1,487,522	(1,487,522)
Benefit Payments, Including Refunds of Contributions	(1,122,881)	(1,122,881)	-
Administrative Expense		(95,056)	95,056
Other Charges		-	-
<b>Net Changes</b>	3,386,659	2,788,401	598,258
<b>Balance at 6/30/15</b>	\$ 45,839,537	\$ 40,685,142	\$ 5,154,395

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

Below is a table providing the sensitivity of the net pension liability to changes in the discount rate. In particular, the table presents the plan's net pension liability if it was calculated using a single discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the single discount rate:

**CITY OF WARWICK, RHODE ISLAND**

*Notes to the Financial Statements*

June 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

**Sensitivity of the Net Pension Liability to the Single Discount Rate**

Plan	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Warwick School Employees	10,793,808	5,154,395	353,411

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

For the year ended June 30, 2015 the Warwick Public School Employees Pension Plan recognized pension expense of \$1,132,046. As of June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$290,621	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	928,270	-
Total	<u>\$1,218,891</u>	<u>-</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ended June 30:	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
2016	\$283,504	-
2017	283,504	-
2018	283,504	-
2019	283,506	-
2020	51,437	-
Thereafter	33,436	-
	<u>\$1,218,891</u>	<u>-</u>

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

**F) Teacher's Pension Plan – Employee's Retirement System**

**General Information about the Pension Plan**

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

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

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

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

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

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

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

**Contributions** - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2015, Warwick Public School system teachers were required to contribute 3.75% of their annual covered salary. The state and Warwick Public Schools are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by Warwick Public Schools; the rates were 9.19% and 13.41 % of annual covered payroll for the fiscal year ended June 30, 2015 for the state and Warwick Public Schools, respectively. Warwick Public Schools contributed \$9,729,707, \$9,851,725 and \$9,288,387 for the fiscal years ended June 30, 2015, 2014 and 2013, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2015, Warwick Public Schools reported a liability of \$121,776,253 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by Warwick Public Schools as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with Warwick Public Schools were as follows:

Warwick Public School's proportionate share of the net pension liability	\$ 121,776,253
State's proportionate share of the net pension liability Associated with the Warwick School Department	<u>\$ 83,507,586</u>
Total net pension liability	<u>\$ 205,283,839</u>

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

The net pension liability was measured as of June 30, 2014, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014. Warwick Public Schools proportion of the net pension liability was based on a projection of Warwick Public Schools long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2014 Warwick Public Schools proportion was 5.00313203%.

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

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

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

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

**CITY OF WARWICK, RHODE ISLAND**

*Notes to the Financial Statements*

June 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

For the year ended June 30, 2015 Warwick Public Schools recognized gross pension expense of \$14,270,526 and revenue of \$5,805,119 for support provided by the State. At June 30, 2015 Warwick Public Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources	
Contributions subsequent to the measurement date	<u>\$ 9,729,707</u>
Deferred inflows of resources	
Change of assumptions	\$ 4,313,547
Net difference between projected and actual earnings on pension plan investments	<u>10,486,238</u>
Total	<u>\$ 14,799,785</u>

\$9,729,707 reported as deferred outflows of resources related to pensions resulting from Warwick Public Schools contributions in fiscal year 2015 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ 3,232,284
2017	3,232,284
2018	3,232,284
2019	3,232,284
2020	610,724
thereafter	<u>1,259,925</u>
	<u>\$ 14,799,785</u>

**Actuarial Assumptions** - the total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.50% to 6.50%
Investment rate of return	7.50%

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

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to the Financial Statements**  
**June 30, 2015**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

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

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

Asset Class	Target allocation	Medium-term expected real rate of return
Global Equity	38%	6.05%
Private Equity	7%	9.05%
Equity Hedge funds	8%	4.75%
Absolute return hedge	7%	2.95%
Real Return	14%	3.85%
Real Estate	8%	4.45%
Core Fixed	15%	0.25%
Cash	3%	-0.50%
	100%	

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

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

**CITY OF WARWICK, RHODE ISLAND**

*Notes to the Financial Statements*

*June 30, 2015*

**NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED):**

*Sensitivity of the net pension liability (asset) to changes in the discount rate* - the following presents the net pension liability (asset) calculated using the discount rate of 7.5 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

<b>1.00% Decrease (6.5%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>1.00% Increase (8.5%)</b>
\$152,509,707	\$121,776,253	\$90,412,177

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 13 – DEFINED CONTRIBUTION PLAN**

**Plan Description**

Certified School Department teachers participating in the defined benefit plan, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute 1% of annual covered salary. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

**Plan Funding Policy**

As previously indicated in the disclosure of recently-enacted pension legislation, the employer contribution for certain qualifying employees will increase slightly beginning in fiscal 2016.

Amounts in the defined contribution plan are available to participants in accordance with Internal Revenue Service guidelines for such plans.

Warwick Public Schools recognized pension expense of \$483,621 for the fiscal year ended June 30, 2015.

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

**NOTE 14 – OTHER POST EMPLOYMENT BENEFITS**

**A. Other Post-Employment Benefits – City**

**Plan Description**

The City of Warwick administers a single-employer defined benefit healthcare plan. This plan does not include the pension benefits discussed in Note 12. The plan provides medical/drug and dental (police officers only) benefits for eligible retirees and their dependents through the City group health and dental insurance plans, which cover both active and retired members. Benefits provisions are established and amended by union contract, through negotiations between the City and respective unions. The plan does not issue a publicly available financial report.

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**A. Other Post-Employment Benefits – City (Continued)**

**Funding Policy**

Contribution requirements are negotiated between the City and the respective unions. The City is required to contribute the cost of medical/drug and dental benefits, less the amount of any applicable co-payments in effect at the time or retirement. For the year ended June 30, 2015, the City contributed \$7,224,889 (estimated) to the plan.

At July 1, 2013, membership consisted of:	City, Police, Fire
Active Employees:	743
Retired	792
Total	1,535

**Annual OPEB Cost and Net OPEB Obligation**

Fiscal Year Ending June 30,	Beginning Net OPEB Obligation	Annual OPEB Cost	Expected Contribution	Ending Net OPEB Obligation
2010	\$ 23,622,803	\$ 20,225,642	\$ 7,487,501	\$ 36,360,944
2011	\$ 36,360,944	\$ 20,718,067	\$ 7,667,430	\$ 49,411,581
2012	\$ 49,411,581	\$ 20,673,126	\$ 6,750,000	\$ 63,334,707
2013	\$ 63,334,707	\$ 21,871,662	\$ 7,191,700	\$ 78,014,669
2014	\$ 78,014,669	\$ 23,081,875	\$ 7,307,821	\$ 93,788,723
2015	\$ 93,788,723	\$ 24,080,274	\$ 7,224,889	\$ 110,644,108

Actuarial Valuation Date July 1,	Actuarial Value of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	-	\$240,497,738	\$240,497,738	-	N/A	N/A
2011	-	\$223,593,412	\$223,593,412	-	N/A	N/A
2012	-	\$246,036,471	\$246,036,471	-	N/A	N/A
2013	-	\$263,936,479	\$263,936,479	-	N/A	N/A
2014	-	\$281,166,875	\$281,166,875	-	N/A	N/A

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**A. Other Post-Employment Benefits – City (Continued)**

**Actuarial Methods and Assumptions**

The information presented was determined as part of the actuarial valuation. Additional information as of the last valuation follows:

Actuarial Cost Method:	Projected Unit Credit (PCU)
Asset Valuation Method:	Plan is currently unfunded
Payroll Growth Rate:	N/A
Amortization Method:	30 years
Remaining Amortization Period:	29 years

Annual OPEB Cost and Net OPEB Obligation: Below are the required OPEB obligation presentations per GASB 45 for the period ending June 30, 2015:

Annual Required Contribution (ARC)	\$ 25,647,209
Interest on Net OPEB Obligation	3,751,549
Adjustment to ARC	<u>(5,318,484)</u>
Annual OPEB Cost (Expense)	\$ 24,080,274
Expected Benefit Payments	<u>(7,224,889)</u>
Increase in net OPEB Obligation	16,855,385
Net OPEB Obligation - Beginning of Year	<u>93,788,723</u>
Net OPEB Obligation - End of Year	<u>\$110,644,108</u>

**B. Other Post-Employment Benefits - School**

**Plan Description**

The Warwick School Department administers a single-employer defined benefit healthcare plan. The plan provides medical/drug benefits for eligible retirees and their dependents through the City's group health and dental insurance plans, which cover both active and retired members. Benefit provisions are established and amended by union contract, through negotiations between the City and respective unions. The plan does not issue a publicly available financial report. All benefits terminate at age 65.

Teaching Employees are eligible for GASB Statement 45 benefits after serving the district for 20 to 30 years depending on their date of hire. Other district employees are required to reach age 62 and have 25 years of service. Teaching employees contribute 20 to 60% for coverage depending on their date of hire. Other employees will contribute 20% for coverage. Spouses of teaching employees are not covered by the plan. Souses of other district employees will contribute 20%

**CITY OF WARWICK, RHODE ISLAND**

*Notes to the Financial Statements*

June 30, 2015

**NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**B. Other Post-Employment Benefits – School (Continued)**

for coverage. Surviving beneficiaries continue to receive access to the districts medical coverage through COBRA after the death of the retired employee. Survivors are required to pay the full cost of benefits.

**Funding Policy**

Contribution requirements are negotiated between the City and the respective unions. The City is required to contribute the cost of medical/drug and dental benefits, less the amount of any applicable co-payments in effect at the time of retirement. For the year ended June 30, 2015, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members. For the fiscal year ended June 30, 2015, the Warwick School Department contributed \$1,709,076 (estimated) for its employees.

At July 1, 2013, membership consisted of:	<u>City</u>
Active Employees:	1,291
Retired	<u>74</u>
Total	<u>1,365</u>

**Annual OPEB Cost and Net OPEB Obligation**

<b>Fiscal Year</b>	<b>Beginning Net</b>	<b>Annual OPEB</b>	<b>Expected</b>	<b>Ending Net</b>
<b>Ending June</b>	<b>OPEB</b>	<b>Cost</b>	<b>Contribution</b>	<b>OPEB</b>
<b>30,</b>	<b>Obligation</b>	<b>Cost</b>	<b>Contribution</b>	<b>Obligation</b>
2011	\$ 9,204,172	\$ 3,776,268	\$ 2,483,423	\$ 10,497,017
2012	\$ 10,497,017	\$ 3,494,693	\$ 2,777,971	\$ 11,213,739
2013	\$ 11,213,739	\$ 3,654,601	\$ 2,637,067	\$ 12,231,273
2014	\$ 12,231,273	\$ 3,526,052	\$ 1,443,740	\$ 14,313,585
2015	\$ 14,313,585	\$ 3,832,606	\$ 1,709,076	\$ 16,437,115

<b>Actuarial</b>	<b>Actuarial</b>	<b>Accrued</b>	<b>Unfunded</b>	<b>Funded</b>	<b>Covered</b>	<b>UAAL as a</b>
<b>Valuation</b>	<b>Value of</b>	<b>Liability</b>	<b>AAL</b>	<b>Ratio</b>	<b>Payroll</b>	<b>Percentage</b>
<b>Date</b>	<b>Assets</b>	<b>(AAL)</b>	<b>(UAAL)</b>	<b>Ratio</b>	<b>Payroll</b>	<b>of Covered</b>
<b>July 1,</b>	<b>(a)</b>	<b>(b)</b>	<b>(b-a)</b>	<b>(a/b)</b>	<b>(c)</b>	<b>Payroll</b>
						<b>((b-a)/c)</b>
2010	-	\$ 42,722,906	\$ 42,722,906	-	N/A	N/A
2011	-	\$ 37,833,649	\$ 37,833,649	-	N/A	N/A
2012	-	\$ 39,359,679	\$ 39,359,679	-	N/A	N/A
2013	-	\$ 35,979,047	\$ 35,979,047	-	N/A	N/A
2014	-	\$ 40,139,099	\$ 40,139,099	-	N/A	N/A

*CITY OF WARWICK, RHODE ISLAND*  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 14 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**B. Other Post-Employment Benefits – School (Continued)**

**Actuarial Methods and Assumptions**

The information presented was determined as part of the actuarial valuation. Additional information as of the last valuation follows:

Actuarial Cost Method:	Projected Unit Credit (PCU)
Asset Valuation Method:	Plan is currently unfunded
Payroll Growth Rate:	N/A
Amortization Method:	30 years
Remaining Amortization Period:	29 years

Annual OPEB Cost and Net OPEB Obligation: Below are the required OPEB obligation presentations per GASB 45 for the period ending June 30, 2015:

Annual Required Contribution (ARC)	\$ 4,071,745
Interest on Net OPEB Obligation	572,543
Adjustment to ARC	<u>(811,682)</u>
Annual OPEB Cost (Expense)	\$ 3,832,606
Expected Benefit Payments	<u>(1,709,076)</u>
Increase in net OPEB Obligation	2,123,530
Net OPEB Obligation - Beginning of Year	<u>14,313,585</u>
Net OPEB Obligation - End of Year	<u>\$16,437,115</u>

**NOTE 15 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

**Litigation**

Liabilities for legal cases and other claims against governmental funds are recorded in the governmental funds when the ultimate liability can be estimated and such cases are expected to be settled with available expendable financial resources.

At June 30, 2015, the City had several lawsuits pending. The Total maximum damages being sought from the City to these cases are not known. In the opinion of the City officials and the City's legal counsel, the City's ultimate liability with respects to these cases, if any, will be immaterial.

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to the Financial Statements**  
**June 30, 2015**

**NOTE 15 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES (CONTINUED)**

**Commitments**

The City of Warwick had several outstanding construction projects as of June 30, 2015. These projects are evidenced by contractual commitments with contractors and include:

Contract	Spent To Date	Commitment Remaining	Funding Source(s)
AWT	\$ 9,092,177	\$ 6,223,749	SRF Capital Contracts
NW Gorton's Pond	162,188	22,639	SRF Capital Contracts
Governor Francis Phase III	121,344	44,500	SRF Capital Contracts
E Natick	20,500	13,460	SRF Capital Contracts
Sewer Levy Reconstruction	1,039,236	614,192	FEMA/GO Bond/SRF Capital Contracts
Potowomut Fire Station	1,331,995	1,255,005	GO Bond/City Emergency Fund/ FY 15 & 16 Operating Budget
Rink/Pool Upgrades	343,066	38,618	GO Bond
Municipal Buildings Design	158,831	110,364	GO Bond
East Natick Riverwalk	34,323	25,727	GO Bond
Mill Creek Bridge Replacement	1,281,011	589,590	Municipal Road & Bridge Program
Grand Totals	<u>\$ 13,584,671</u>	<u>\$ 8,937,844</u>	

**Grants**

The City has received federal and state grants for specific purposes that are subject to audit by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. City officials believe such allowances, if any, would be immaterial.

**NOTE 16 – DEFERRED COMPENSATION PLAN**

The City offers its municipal employees a deferred compensation plan established in accordance with the provisions of Internal Revenue Code Section 457 (g). The Plan, available to certain municipal employees, permits the deferral of a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The City has implemented the Governmental Accounting Standards Board, Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. As a result, deferred compensation investments and the respective liability have been removed from the City's financial statement.

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to the Financial Statements**  
**June 30, 2015**

**NOTE 17 – RISK MANAGEMENT**

The City of Warwick is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; and natural disasters. As a result, the City participates in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property/liability claims. Upon joining the Trust, the City signed a participation agreement which outlines the rights and responsibilities of both the Trust and the City. The agreement states that for premiums paid by the City, the Trust will assume financial responsibility for the City's losses up to the maximum amount of insurance purchased, minus the City's deductible amounts. The

Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its Members.

There have been no significant reductions in insurance coverage during the year ended June 30, 2015 as compared to the previous year. The claims incurred did not exceed insurance coverage this year.

The changes in workers' compensation claims liability are as follows:

	<b>Beginning Fiscal</b>	<b>Current Year</b>	<b>Claims</b>	<b>Balance</b>
	<b>Year Liability</b>	<b>Claims and Changes in Estimate</b>	<b>Payments</b>	<b>Fiscal Year End</b>
2004-2005	\$ 388,253	\$ 83,033	\$ 364,731	\$ 106,555
2005-2006	\$ 106,555	\$ 377,258	\$ 370,989	\$ 112,824
2006-2007	\$ 112,824	\$ 450,276	\$ 380,759	\$ 182,341
2007-2008	\$ 182,341	\$ 200,923	\$ 273,217	\$ 110,047
2008-2009	\$ 110,047	\$ 352,133	\$ 213,255	\$ 248,925
2009-2010	\$ 248,925	\$ 356,889	\$ 549,887	\$ 55,927
2010-2011	\$ 55,927	\$ 361,799	\$ 342,858	\$ 74,868
2011-2012	\$ 74,868	\$ 253,092	\$ 276,539	\$ 51,421
2012-2013	\$ 51,421	\$ 390,714	\$ 247,352	\$ 194,783
2013-2014	\$ 194,783	\$ 299,376	\$ 258,930	\$ 235,229
2014-2015	\$ 235,229	\$ 381,556	\$ 522,767	\$ 94,018

For its employer health insurance coverage, School Department has chosen to participate in the Health Benefit Project provided by the WB Community Health, an independent, non-profit organization. The School Department is also self-insured for the dental insurance coverage through WB Community Health. Deposits made to the Collaborative are treated as expenditures when it is probable that a claim has been incurred, and include estimates amounts for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim and health care trends, and other economic and social factors.

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to the Financial Statements**  
**June 30, 2015**

**NOTE 17 – RISK MANAGEMENT (CONTINUED)**

The City is fully insured for its employee health plan through the RI Interlocal Risk Management Trust, effective July 1, 2013. The City’s employee dental plan is provided by Blue Cross on a fully insured basis. Prior to July 1, 2013, the City was self-insured with participation in WB Community Health.

An analysis of claims activity is presented below:

	<b>Net Position Balance June 30, 2014</b>	<b>Claims and Expenses Including IBNR</b>	<b>Plan Deposits</b>	<b>Net Position Balance at June 30, 2015</b>
School	\$ 3,343,339	\$ 20,551,059	\$ 21,616,349	\$ 4,408,629
City	\$ 619,620	\$ 20,217,904	\$ 20,217,904	\$ 619,620

**NOTE 18 – RESTATEMENTS**

The net position of the Government Wide Activities has been restated to reflect adjustments made to adopt GASB Statement No. 68, “Accounting and Financial reporting for Pensions – an amendment of GASB No. 27,” and GASB Statement No. 71, “Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68,” in fiscal year 2015.

	Governmental Activities
Net Position, June 30, 2014 as previously reported	\$ (64,797,124)
Adoption of GASB Statements	<u>\$ (324,531,746)</u>
Net Position, June 30, 2014 as restated	\$ (389,328,870)
	Sewer Revenue Fund
Net Position, June 30, 2014 as previously reported	\$ 79,925,450
Adoption of GASB Statements	<u>\$ (2,078,256)</u>
Net Position, June 30, 2014 as restated	\$ 77,847,194

**CITY OF WARWICK, RHODE ISLAND**  
*Notes to the Financial Statements*  
*June 30, 2015*

**NOTE 18 – RESTATEMENTS (CONTINUED)**

	Water Revenue Fund
Net Position, June 30, 2014 as previously reported	\$ 9,894,867
Adoption of GASB Statements	\$ (2,488,183)
Net Position, June 30, 2014 as restated	\$ 7,406,684

**NOTE 19 - RELATED PARTIES**

The City reviews its records on an annual basis to determine if any related party transactions exist that would represent a conflict of interest with parties related to its officers and department heads. No such transactions were noted in the fiscal year ended June 30, 2015.

**NOTE 20 – SUBSEQUENT EVENTS**

On July 30, 2015, the City received a new loan from the Rhode Island Infrastructure Bank, formerly known as Rhode Island Clean Water Finance Agency. The loan totaled \$10,574,900, and will mature in September 2035. The proceeds will be used to extend and upgrade the City sewer system.

On August 12, 2015, the City issued \$1,980,000 in general obligation bonds to fund the construction of a new fire station in the Potowomut section of the City. The loan will mature in August 2035.

On August 12, 2015, the City issued \$3,455,000 in general obligation bonds to fund various improvements to city buildings. The bonds will mature in August 2035.

On August 12, 2015, the City issued \$23,810,000 in general obligation bonds to refund existing debt obligations for bonds dated 6/15/2003, 8/15/2004, and 1/15/2006. The bonds will mature in August 2025.

**REQUIRED SUPPLEMENTARY INFORMATION**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OF WARWICK, RHODE ISLAND**  
**Pension Plan - Schedule of Funding Progress (1)**  
**"Unaudited"**  
**June 30, 2015**

	Actuarial Valuation Date	Actuarial Value of Assets (2)	Actuarial Accrued Liability (AAL) Projected Unit Credit	AAL (UAAL) Funding Excess (deficit)	Funding Ratio	Covered Payroll	UAAL (Funding Excess) as a Percentage of Covered Payroll
Other Post Employee Benefits	6/30/08	\$ -	\$ 251,736,786	\$(251,736,786)	0.0%	N/A	N/A
	6/30/09	-	257,751,982	(257,751,982)	0.0%	N/A	N/A
	6/30/10	-	270,992,626	(270,992,626)	0.0%	N/A	N/A
	6/30/11	-	283,220,644	(283,220,644)	0.0%	N/A	N/A
	6/30/12	-	261,427,061	(261,427,061)	0.0%	N/A	N/A
	6/30/13	-	285,396,150	(285,396,150)	0.0%	N/A	N/A
	6/30/14	-	299,915,526	(299,915,526)	0.0%	N/A	N/A
	6/30/15	-	321,305,974	(321,305,974)	0.0%	N/A	N/A

- (1) The information included in the schedule of funding progress was obtained from annual or biennial actuarial valuations at the dates indicated. These were the last actuarial reports available.
- (2) Actuarial valuations are performed on an annual basis for all pension plans.
- (3) The Fire II Pension Plan was established in 1992. Although an actuarial valuation was performed on July 1, 1993, the related contribution formula was not required to become effective until July 1, 1998 per City Ordinance. Prior to July 1, 1998, the total required contribution was 33% of covered payroll with 22% paid by the City and 11% paid by the covered employees. The cap on contributions in the early years of the program was intended to avoid charging the first generation of employees with costs which are expected to be significantly higher than the long term costs of the plan. An actuarial valuation as of July 1, 1997 was completed and was used to determine the contribution requirements for fiscal year 1999.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OF WARWICK, RHODE ISLAND**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)**  
**Budget and Actual**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Original Budgeted Revenues</b>	<b>Final Budgeted Revenues</b>	<b>Actual Amounts (Budgetary Basis)</b>	<b>Variance</b>
<b>General property taxes</b>	<u>\$ 217,222,237</u>	<u>\$ 217,222,237</u>	<u>\$ 213,689,646</u>	<u>\$ (3,532,591)</u>
<b>Intergovernmental</b>				
Telephone tax	1,041,829	1,041,829	1,019,420	(22,409)
Aid to school buildings	1,032,620	1,032,620	1,036,120	3,500
Connecticut tax	1,396,598	1,396,598	1,453,550	56,952
GPA reimbursements	-	-	-	-
Motor vehicle tax phase-out	1,270,121	1,270,121	964,785	(305,336)
Departmental grant income	2,249,142	2,514,142	3,300,196	786,054
State municipal incentive aid	-	394,570	394,569	(1)
<b>Total intergovernmental</b>	<u>6,990,310</u>	<u>7,649,880</u>	<u>8,168,640</u>	<u>518,760</u>
<b>Licenses and fees</b>				
Licenses- police/miscellaneous	349,750	349,750	357,129	7,379
Municipal fees	1,948,500	1,948,500	1,997,781	49,281
Building permits	750,150	750,150	720,159	(29,991)
Advertising and zoning fees	21,000	21,000	28,039	7,039
Recreational fees	807,000	807,000	932,787	125,787
Parking violations and fines	195,000	195,000	210,982	15,982
Department processing/program fees	424,733	424,733	409,884	(14,849)
<b>Total licenses and fees</b>	<u>4,496,133</u>	<u>4,496,133</u>	<u>4,656,761</u>	<u>160,628</u>
<b>Other revenue</b>				
Tax titles	113,000	113,000	55,085	(57,915)
Interest on taxes	1,500,000	1,500,000	2,221,716	721,716
Interest on investments/ capital projects	900	900	2,887	1,987
Housing authority	130,000	130,000	138,101	8,101
Airport parking tax	500,000	500,000	500,000	-
Airport miscellaneous income	725,000	725,000	916,700	191,700
Airport surcharge	1,000,000	1,000,000	1,091,994	91,994
Airport EDC	778,000	778,000	790,578	12,578
Municipal court	250,000	250,000	233,512	(16,488)
Hotel tax	1,550,000	1,550,000	1,786,987	236,987
Meal Tax	2,400,000	2,400,000	2,657,702	257,702
Pilot Program - Johnson & Wales	40,000	40,000	40,000	-
School back charge - lease purchase/tipping fee	15,000	15,000	22,342	7,342
School RIHEBC Debt Reimbursement	1,291,822	1,291,822	1,173,283	(118,539)
Enterprise fund back charges	2,225,191	2,225,191	2,332,429	107,238
Other	2,841,350	2,841,350	3,580,936	739,586
<b>Total other revenues</b>	<u>15,360,263</u>	<u>15,360,263</u>	<u>17,544,252</u>	<u>2,183,989</u>
<b>Total revenues</b>	<u>244,068,943</u>	<u>244,728,513</u>	<u>244,059,299</u>	<u>(669,214)</u>
<b>Other financing sources</b>				
Appropriation of fund balance-education reserve	3,600,000	7,573,932	7,573,931	(1)
Rescue service fees	2,150,000	2,150,000	2,335,775	185,775
Transfers - In from school	39,389,792	39,389,792	39,226,253	(163,539)
<b>Total other financing sources</b>	<u>45,139,792</u>	<u>49,113,724</u>	<u>49,135,959</u>	<u>22,235</u>
<b>Total revenues and other financing sources</b>	<u>\$ 289,208,735</u>	<u>\$ 293,842,237</u>	<u>\$ 293,195,258</u>	<u>\$ (646,979)</u>

(continued)

**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OF WARWICK, RHODE ISLAND**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)**

**For the Fiscal Year Ended June 30, 2015**  
**(continued)**

	<u>Original Budgeted Expenditures</u>	<u>Final Budgeted Expenditures</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance</u>
<b>Executive and administrative</b>				
Executive department	\$ 399,115	\$ 399,115	\$ 337,816	\$ 61,299
Legal department	480,450	480,450	339,858	140,592
City clerk	349,715	349,715	336,442	13,273
Probate court	105,910	105,910	102,974	2,936
Municipal court	99,005	99,005	77,385	21,620
Personnel department	279,001	279,001	273,082	5,919
	<u>1,713,196</u>	<u>1,713,196</u>	<u>1,467,557</u>	<u>245,639</u>
<b>Legislative and citizens representation</b>				
Legislative department	201,924	201,924	193,930	7,994
Board of canvassers	327,350	327,350	264,396	62,954
	<u>529,274</u>	<u>529,274</u>	<u>458,326</u>	<u>70,948</u>
<b>Financial management</b>				
Finance administration	394,810	394,810	385,244	9,566
Purchasing	192,725	192,725	165,276	27,449
Treasury	377,561	377,561	348,045	29,516
City collection	705,447	705,447	707,478	(2,031)
Management information services	1,144,031	1,144,031	1,083,958	60,073
City assessment	1,154,176	1,154,176	1,004,045	150,131
Board of assessment review	15,950	15,950	3,096	12,854
	<u>3,984,700</u>	<u>3,984,700</u>	<u>3,697,142</u>	<u>287,558</u>
<b>Total executive and administrative</b>	<u>6,227,170</u>	<u>6,227,170</u>	<u>5,623,025</u>	<u>604,145</u>
<b>Public safety department</b>				
Animal shelter	206,082	206,082	182,037	24,045
Police department	17,887,298	17,887,298	17,980,528	(93,230)
Fire department	21,137,072	21,402,072	21,559,823	(157,751)
Organized crime/drug enforcement task force	24,000	24,000	39,423	(15,423)
Building inspection and minimum housing	791,920	791,920	717,160	74,760
Emergency management	203,642	203,642	725,826	(522,184)
Alcohol and highway safety enforcement	112,000	112,000	96,663	15,337
Police grants	34,300	34,300	36,605	(2,305)
Board of public safety	51,743	51,743	52,631	(888)
<b>Total public safety</b>	<u>40,448,057</u>	<u>40,713,057</u>	<u>41,390,696</u>	<u>(677,639)</u>
<b>Social services</b>				
Recreation department:				
Parks and recreation	334,572	334,572	307,261	27,311
William Thayer memorial ice rink	800,206	800,206	802,334	(2,128)
McDermott swimming pool	498,598	498,598	486,728	11,870
	<u>1,633,376</u>	<u>1,633,376</u>	<u>1,596,323</u>	<u>37,053</u>
<b>Public library</b>	<u>2,564,485</u>	<u>2,564,485</u>	<u>2,561,907</u>	<u>2,578</u>

(continued)

**REQUIRED SUPPLEMENTARY INFORMATION**  
**CITY OF WARWICK, RHODE ISLAND**  
**Budgetary Comparison Schedule - General Fund**  
**Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)**  
**Budget and Actual**  
**For the Fiscal Year Ended June 30, 2015**  
**(continued)**

	<u>Original Budgeted Expenditures</u>	<u>Final Budgeted Expenditures</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance</u>
<b>Human services:</b>				
Human services administration	516,440	516,440	454,849	61,591
Senior center	472,813	472,813	446,263	26,550
Senior transportation	256,664	256,664	232,276	24,388
	<u>1,245,917</u>	<u>1,245,917</u>	<u>1,133,388</u>	<u>112,529</u>
<b>Total social services</b>	<u>5,443,778</u>	<u>5,443,778</u>	<u>5,291,618</u>	<u>152,160</u>
Planning department	<u>676,856</u>	<u>676,856</u>	<u>537,805</u>	<u>139,051</u>
Community development	<u>277,656</u>	<u>277,656</u>	<u>256,434</u>	<u>21,222</u>
Tourism, culture, and development	<u>664,675</u>	<u>664,675</u>	<u>528,211</u>	<u>136,464</u>
Public works department:				
Administrative division	195,043	195,043	190,128	4,915
Highway division	4,253,720	4,280,320	4,054,620	225,700
Sanitation division	2,106,867	2,085,867	1,931,957	153,910
Automotive division	2,744,467	2,738,867	2,293,821	445,046
City building maintenance division	1,258,048	1,258,048	1,116,033	142,015
Engineering division	1,524,202	1,524,202	1,568,953	(44,751)
Recycling	69,500	69,500	63,832	5,668
Field maintenance	774,479	774,479	705,117	69,362
	<u>12,926,326</u>	<u>12,926,326</u>	<u>11,924,461</u>	<u>1,001,865</u>
Sewer review board	<u>2,150</u>	<u>2,150</u>	<u>1,683</u>	<u>467</u>
<b>Totals physical resources</b>	<u>14,547,663</u>	<u>14,547,663</u>	<u>13,248,594</u>	<u>1,299,069</u>
Employee benefits, special and capital	<u>55,007,474</u>	<u>55,402,044</u>	<u>56,443,796</u>	<u>(1,041,752)</u>
<b>Total expenditures</b>	<u>121,674,142</u>	<u>122,333,712</u>	<u>121,997,729</u>	<u>335,983</u>
<b>Other financing uses</b>				
Operating transfer to debt service fund	8,662,337	8,662,337	8,139,352	522,985
Operating transfer to school unrestricted fund	158,872,256	162,846,188	159,498,924	3,347,264
<b>Total other financing uses</b>	<u>167,534,593</u>	<u>171,508,525</u>	<u>167,638,276</u>	<u>3,870,249</u>
<b>Total expenditures and other financing uses</b>	<u>\$ 289,208,735</u>	<u>\$ 293,842,237</u>	<u>\$ 289,636,005</u>	<u>\$ 4,206,232</u>

(concluded)

**CITY OF WARWICK, RHODE ISLAND**  
**Budgetary Comparison Schedule - School General Fund**  
**Schedule of Revenues and Expenditures (Non-GAAP Budgetary Basis)**  
**Budget and Actual**  
**For the Fiscal Year Ended June 30, 2015**  
**(Unaudited)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance</u>
<b>Revenues</b>				
State and Federal School Aid	\$ 37,846,191	\$ 37,846,191	\$ 36,562,222	\$ (1,283,969)
Other school miscellaneous revenue	1,543,601	1,543,601	2,664,032	1,120,431
Appropriation from the City	119,482,464	119,482,464	119,482,464	-
Re-appropriation of fund balance - transfer from City	-	3,973,932	3,973,932	-
<b>Total revenues</b>	<u>158,872,256</u>	<u>162,846,188</u>	<u>162,682,650</u>	<u>(163,538)</u>
<b>Expenditures</b>				
Education	<u>158,872,256</u>	<u>162,846,188</u>	<u>159,498,924</u>	<u>3,347,264</u>
<b>Total expenditures</b>	<u>158,872,256</u>	<u>162,846,188</u>	<u>159,498,924</u>	<u>3,347,264</u>
<b>Gross Excess of Revenue Over Expenditures</b>			3,183,726	3,183,726
<b>Less Prior Period Adjustment</b>			-	-
<b>Net Excess of revenues over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,183,726</u>	<u>\$ 3,183,726</u>

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2015**

**BUDGETARY DATA AND BUDGETARY COMPLIANCE**

(a) Adoption

In accordance with the Warwick City charter, the City has formally established budgetary accounting control for the General Fund and the School Unrestricted Fund, which is a Special Revenue Fund. The General Fund is subject to an annual operating budget submitted and recommended by City Mayor and adopted by the City Council. The City Council must hold a public hearing on the budget prior to adoption and may make changes to the budget. The General Fund Budget must be adopted no later than June 15th. Should the City council take no formal action on or prior to such day, the budget as submitted by the Mayor, shall be deemed to have been finally adopted by the City Council. The School Unrestricted Fund is subject to an annual operating budget provisionally approved by the School Committee, forwarded to the Mayor, for his review and possible amendment, with final adoption by the City Council. The annual operating budgets; appropriation amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. The City's General Fund and School Unrestricted Fund annual operating budgets are in conformance with the legally enacted budgetary basis, which is not in conformance with accounting principles generally accepted in the United States of America. The accompanying budgetary comparison schedules are reflected on the budgetary basis. The difference between the budgetary basis and the accounting principles generally accepted in the United States of America basis is explained below.

The City of Warwick makes use of an encumbrance system. Encumbrances are commitments related to unperformed contracts for goods and services. When a purchase order or commitment is placed, the City reduces the amount of the budgetary authority remaining in a budget category and records an encumbrance. When goods or services are received, the encumbrance balance is reduced and an expenditure and liability is recorded. The City's outstanding encumbrances at year-end are carried forward as a component of committed fund balance.

Appropriations in addition to those contained in the annual operating budgets, except for the purpose of meeting a public emergency, are made upon the recommendation of the City Mayor and by a resolution adopted by the favorable votes of at least five members of the council. Amendments to the operating budgets that do not result in additional appropriations may be made within departments by means of a transfer. The Director of Finance, subject to approval of the Mayor, may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department or agency. At the request of the Mayor and within the last three months of the fiscal year, the Council may by resolution transfer any unencumbered appropriation balance or portion thereof from one office, department or agency to another. The level at which General Fund expenditures may not legally exceed appropriations is at the department level. The Schools Unrestricted Fund, a Special Revenue Fund, does not have a legal level of control over expenditures, except that total expenditures may not exceed available revenues. Appropriations which are no expended or encumbered lapse at year end.

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2015**

**BUDGETARY DATA AND BUDGETARY COMPLIANCE (CONTINUED)**

(b) Budgetary to GAAP Basis Reconciliation

The following reconciliation summarizes the difference for the City's General Fund and the School Unrestricted Fund between budgetary and GAAP basis accounting principles for the year ended June 30, 2015:

<u>Revenue and Other Financing Sources</u>	<u>General Fund</u>	<u>School Unrestricted Fund</u>
Actual Amounts (budgetary basis)	\$ 293,195,258	\$ 162,682,650
Difference - budget to GAAP		
The appropriated fund balance is a budgetary revenue but is not a current year revenue for financial reporting purposes.	(3,600,000)	
The appropriated fund balance from Reserve for Education is a budgetary revenue but is not a current year revenue for financial reporting purposes.	(3,973,931)	(3,183,726)
Transfer from other funds is a budgetary revenue, but is reported net of the related transfer to other funds for financial reporting purposes.	(40,695,359)	
Fund back charges are budgetary revenue, but are reflected as a reduction of expenditures for financial reporting purposes.	(2,332,429)	
Rescue Service Fund revenue net of transfer to General Fund reported as revenue for GAAP purposes not included in Budget Basis revenues.	1,090,044	
Transfer to other funds are reflected as reductions of revenue for budgetary purposes, but are reflected as revenues for financial reporting purposes.	15,142	
The pension contributions made to the Employees Retirement System by the State of Rhode Island on behalf of the City of Warwick is not reported as budgetary revenue, but is a current year revenue for financial reporting purposes.		6,968,124
<b>Total revenues and other financing sources as reported in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.</b>	<u>\$ 243,698,725</u>	<u>\$ 166,467,048</u>

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2015**

**BUDGETARY DATA AND BUDGETARY COMPLIANCE (CONTINUED)**

(b) Budgetary to GAAP Basis Reconciliation (Continued)

<u>Expenditures and Other Financing Uses</u>	<u>General Fund</u>	<u>School Unrestricted Fund</u>
Actual Amounts (budgetary basis)	\$289,636,005	\$159,498,924
Difference - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.	(539,893)	
Transfer to School Department is reported at gross amount for budget purposes but is reported net of School revenue for GAAP.	(39,226,253)	
Transfer from other funds is a budgetary revenue, but is reported net of the related transfer to other funds for financial reporting purposes.	(1,469,106)	
Fund back charges are budgetary revenue, but are reflected as a reduction of expenditures for financial reporting purposes.	(2,332,429)	
Rescue Service Fund revenue net of transfer to General Fund reported as revenue for GAAP purposes not part of the budgetary basis expenditures.	1,090,044	
Transfer to other funds are reflected as reductions of revenue for budgetary purposes, but are reflected as revenues for financial reporting purposes.	15,142	
The pension contributions made to the Employees Retirement System by the State of Rhode Island on behalf of the City of Warwick is not reported as budgetary revenue, but is a current year revenue for financial reporting purposes.		<u>6,968,124</u>
<b>Total expenditures and other financing sources as reported in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.</b>	<u><u>\$247,173,510</u></u>	<u><u>\$166,467,048</u></u>

**CITY OF WARWICK  
REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Changes in Employers' Net Pension Liability and Related Ratios  
City of Warwick Pension Plans  
June 30, 2015**

	<b>Police I &amp; Fire Pension Plan 2015</b>	<b>Police II Pension Plan 2015</b>	<b>Fire II Pension Plan 2015</b>	<b>City Employees' Pension Plan 2015</b>	<b>Warwick Public School Employees' Pension Plan 2015</b>
<b>Total Pension Liability</b>					
Service Cost	1,005,457	3,770,366	3,534,726	2,361,164	1,153,661
Interest	20,085,394	13,811,883	3,572,193	10,681,187	3,013,821
Benefit Changes	-	-	-	-	-
Difference Between Actual and Expected Experience	(1,195,853)	738,684	482,842	1,619,642	342,058
Assumption Changes	-	-	-	-	-
Benefit Payments	(19,753,740)	(7,768,947)	(397,441)	(8,367,787)	(1,122,881)
<b>Net Change in Total Pension Liability</b>	<b>141,258</b>	<b>10,551,986</b>	<b>7,192,320</b>	<b>6,294,206</b>	<b>3,386,659</b>
<b>Total Pension Liability-Beginning</b>	<b>277,179,395</b>	<b>186,157,733</b>	<b>46,060,602</b>	<b>145,419,139</b>	<b>42,452,878</b>
<b>Total Pension Liability-Ending (a)</b>	<b>277,320,653</b>	<b>196,709,719</b>	<b>53,252,922</b>	<b>151,713,345</b>	<b>45,839,537</b>
<b>Plan Fiduciary Net Position</b>					
Contributions-Employer	16,039,998	3,828,534	2,943,088	5,640,498	1,752,679
Contributions-Member	284,810	1,914,267	1,471,544	1,579,755	766,137
Net Investment Income	1,380,201	4,075,102	782,789	2,695,082	1,487,522
Benefit Payments	(19,753,740)	(7,768,947)	(397,441)	(8,367,787)	(1,122,881)
Administrative Expense	(29,576)	(39,395)	(8,697)	(34,244)	(95,056)
Transfers to Affiliated Systems	-	-	-	-	-
Other	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>(2,078,307)</b>	<b>2,009,561</b>	<b>4,791,283</b>	<b>1,513,304</b>	<b>2,788,401</b>
<b>Plan Fiduciary Net Position-Beginning</b>	<b>71,622,345</b>	<b>176,405,576</b>	<b>44,745,257</b>	<b>114,311,415</b>	<b>37,896,741</b>
<b>Plan Fiduciary Net Position-Ending (b)</b>	<b>69,544,038</b>	<b>178,415,137</b>	<b>49,536,540</b>	<b>115,824,719</b>	<b>40,685,142</b>
<b>Net Pension Liability (a - (b))</b>	<b>207,776,615</b>	<b>18,294,582</b>	<b>3,716,382</b>	<b>35,888,626</b>	<b>5,154,395</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>25.1%</b>	<b>90.7%</b>	<b>93.0%</b>	<b>76.3%</b>	<b>88.8%</b>
<b>Covered Employee Payroll</b>	<b>4,068,714</b>	<b>12,781,663</b>	<b>12,602,432</b>	<b>20,072,947</b>	<b>13,918,915</b>
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	<b>5106.7%</b>	<b>143.1%</b>	<b>29.5%</b>	<b>178.8%</b>	<b>37.0%</b>

**City of Warwick, Rhode Island**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of City Contributions**  
**Police I & Fire Pension Plan**

June 30, 2015

	2014	2015
Actuarially Determined Contribution	15,206,485	16,039,998
Actual Contribution Made in Relation to the Actuarially Determined Contribution	15,206,485	16,039,998
Contribution Deficiency (Excess)	-	-
Covered Employee Payroll	4,154,657	4,068,714
Contributions as a Percentage of Covered Employee Payroll	366.0%	394.2%

**Notes to the Schedule of Contributions**  
**Police I & Fire Pension Plan**

Valuation Date: June 30, 2015

Notes: Actuarially determined contribution rates are calculated as of June 30, effective for the fiscal year that begins 12 months after the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	For funding purposes, the Entry Age Normal Actuarial Cost Method is used.
Amortization Method	Level Percentage of Payroll
Single Equivalent Amortization Period	20 Years Closed
Amortization Period for New Gains/Losses	20 Years Closed
Asset Valuation Method	5 Year Smoothed Market
Inflation	2.75%
Salary Increases	4.00% to 14.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition.
Mortality	(Male) 115% of RP-2000 Combined Healthy for Males with White Collar Adjustments projected with Scale AA from 2000. (Female) 95% of RP-2000 Combined Healthy for Females with White Collar Adjustments projected with Scale AA from 2000.

Other Information:

Notes: There were no benefit changes during the year.

**City of Warwick, Rhode Island  
REQUIRED SUPPLEMENTARY INFORMATION  
Schedule of City Contributions  
Police II Pension Plan**

June 30, 2015

	2014	2015
Actuarially Determined Contribution	3,322,236	3,828,534
Actual Contribution Made in Relation to the Actuarially Determined Contribution	3,322,236	3,828,534
Contribution Deficiency (Excess)	-	-
Covered Employee Payroll	12,494,306	12,781,663
Contributions as a Percentage of Covered Employee Payroll	26.6%	30.0%

**Notes to the Schedule of Contributions  
Police II Pension Plan**

Valuation Date: June 30, 2015

Notes: Actuarially determined contribution rates are calculated as of June 30, effective for the fiscal year that begins 12 months after the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	For funding purposes, the Entry Age Normal Actuarial Cost Method is used.
Amortization Method	Level Percentage of Payroll
Single Equivalent Amortization Period	24 Years Closed
Amortization Period for New Gains/Losses	30 Years Closed
Asset Valuation Method	5 Year Smoothed Market
Inflation	2.75%
Salary Increases	4.00% to 14.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition.
Mortality	(Male) 115% of RP-2000 Combined Healthy for Males with White Collar Adjustments projected with Scale AA from 2000. (Female) 95% of RP-2000 Combined Healthy for Females with White Collar Adjustments projected with Scale AA from 2000.

Other Information:

Notes: There were no benefit changes during the year.

**City of Warwick, Rhode Island**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of City Contributions**  
**Fire II Pension Plan**

**June 30, 2015**

	<b>2014</b>	<b>2015</b>
Actuarially Determined Contribution	2,903,462	2,943,088
Actual Contribution Made in Relation to the Actuarially Determined Contribution	2,903,462	2,943,088
Contribution Deficiency (Excess)	-	-
Covered Employee Payroll	11,769,201	12,602,432
Contributions as a Percentage of Covered Employee Payroll	24.7%	23.4%

**Notes to the Schedule of Contributions**  
**Fire II Pension Plan**

Valuation Date: June 30, 2015

Notes: Actuarially determined contribution rates are calculated as of June 30, effective for the fiscal year that begins 12 months after the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	For funding purposes, the Entry Age Normal Actuarial Cost Method is used.
Amortization Method	Level Percentage of Payroll
Single Equivalent Amortization Period	16 Years Closed
Amortization Period for New Gains/Losses	20 Years Closed
Asset Valuation Method	5 Year Smoothed Market
Inflation	2.75%
Salary Increases	4.00% to 14.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experienced-based table of rates that are specific to the type of eligibility condition.
Mortality	(Male) 115% of RP-2000 Combined Healthy for Males with White Collar Adjustments, projected with Scale AA from 2000. (Female) 95% of RP-2000 Combined Healthy for Females with White Collar Adjustments, projected with Scale AA from 2000.

Other Information:

Notes: There were no benefit changes during the year.

**City of Warwick, Rhode Island**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of City Contributions**  
**City Employees' Pension Plan**

June 30, 2015

	2014	2015
Actuarially Determined Contribution	5,436,625	5,640,498
Actual Contribution Made in Relation to the Actuarially Determined Contribution	5,436,625	5,640,498
Contribution Deficiency (Excess)	-	-
Covered Employee Payroll	18,391,191	20,072,947
Contributions as a Percentage of Covered Employee Payroll	29.6%	28.1%

**Notes to the Schedule of Contributions**  
**City Employees Pension Plan**

Valuation Date: June 30, 2015

Notes: Actuarially determined contribution rates are calculated as of June 30, effective for the fiscal year that begins 12 months after the valuation date.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	For funding purposes, the Entry Age Normal Actuarial Cost Method is used.
Amortization Method	Level Percentage of Payroll
Single Equivalent Amortization Period	11 Years Closed
Amortization Period for New Gains/Losses	20 Years Closed
Asset Valuation Method	5 Year Smoothed Market
Inflation	2.75%
Salary Increases	3.5% to 7.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based tables of rates that are specific to the type of eligibility condition.
Mortality	(Male) 115% of RP-2000 Combined Healthy for Males with White Collar Adjustments, projected with Scale AA from 2000. (Female) 95% of RP-2000 Combined Healthy for Females with White Collar Adjustments, projected with Scale AA from 2000.

Other Information:

Notes: There were no benefit changes during the year.

**City of Warwick, Rhode Island**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of City Contributions**  
**Warwick Public School Employees' Pension Plan**

June 30, 2015

	2014	2015
Actuarially Determined Contribution	1,236,062	1,092,021
Actual Contribution Made in Relation to the Actuarially Determined Contribution	2,160,500	1,752,679
Contribution Deficiency (Excess)	(924,438)	(660,658)
Covered Employee Payroll	13,335,646	13,918,915
Contributions as a Percentage of Covered Employee Payroll	16.2%	12.6%

**Notes to the Schedule of Contributions**  
**Warwick Public School Employees' Pension Plan**

Valuation Date: June 30, 2015

Notes: Actuarially determined contribution rates are calculated as of the beginning of the fiscal year - July 1st.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Individual entry age Normal, level % of pay
Amortization Method	Level Percentage of Payroll
Remaining Amortization Period	30 Years
Asset Valuation Method	Fair Market Value
Salary Increases	3.0% per annum
Investment Rate of Return	7.00%
Retirement Age	15% Per year for ages 62-64; 100% at Age 65
Mortality	Prescribed IRS Static Mortality Table for the Year of the Valuation

Other Information:

Notes: There were no benefit changes during the year.

**City of Warwick, Rhode Island  
REQUIRED SUPPLEMENTAL INFORMATION**

**Schedule of Investment Returns  
City Pension Plans**

**JUNE 30, 2015**

Annual Money-Weighted Rate of Return, Net of Investment Expense	2014	2015
Police I & Fire Pension Plan	15.35%	0.51%
Police II Pension Plan	15.70%	2.25%
Fire II Pension Plan	14.80%	1.31%
City Employees Pension Plan	15.73%	2.11%
Warwick Public School Employees' Pension Plan	12.43%	3.93%

**Notes:**

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

City of Warwick, Rhode Island  
**REQUIRED SUPPLEMENTAL INFORMATION**  
 June 30, 2015

**SCHEDULE OF WARWICK PUBLIC SCHOOL'S PROPORTIONATE SHARE  
 OF THE NET PENSION LIABILITY**

**Employees' Retirement System**

	<b>2015</b>
Employer's proportion of the net pension liability	5.003%
Employer's proportionate share of the net pension liability	\$ 121,776,253
State's proportionate share of the net pension liability associated with the school district	\$ 83,507,586
<b>Total</b>	<b>\$ 205,283,839</b>
Employer's covered employee payroll	\$ 70,786,646
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	172.03%
Plan fiduciary net position as a percentage of the total pension liability	61.40%

**Notes:**

- 1.) The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.
- 2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

---

**SCHEDULE OF WARWICK PUBLIC SCHOOLS' S CONTRIBUTIONS**  
**Employees' Retirement System**

	<b>2015</b>
Actuarially determined contribution	\$ 9,729,707
Contributions in relation to the actuarially determined contribution	9,729,707
Contribution deficiency (excess)	\$ 0
Covered-employee payroll	\$ 70,786,646
Contributions as a percentage of covered- employee payroll	13.75%

**Notes:**

- 1.) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.
- 2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

## **SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUNDS**

**CITY OF WARWICK, RHODE ISLAND**

**NON-MAJOR GOVERNMENTAL FUNDS**

---

**SPECIAL REVENUE FUNDS:**

Special Revenue Funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government, and which therefore cannot be diverted to other uses. The following is a list of special revenue funds in this section:

**Special Detail Fund** – Established to account for the rescue service fees and any related expenditures.

**City Clerk Restricted Fund** – Established to account for fees and expenditures related to the enhancement of the vital statistic and land evidence systems.

**Emergency Operations City** – Established to account for the revenues and expenditures associated with the March 2010 Flood Disaster.

**Warwick Public Library Restricted Fund** – Established to account for receipt and disbursements of grants/donations and related expenditures for library operations.

**Open Space Land Dedication Fund** - Established to account for residential subdivision fees and related expenditures for public recreation land acquisitions in districts containing these subdivisions.

**Sewer Connection Grant** – Established to account for the receipt and disbursement of funds relating to a grant program which assists residents with the cost of new sewer connections.

**Excess Hotel Tax Fund** – Established to reserve economic development portion of state hotel tax exceeding current year tourism related expenditures.

**Mooring Fee Reserve Fund** – Established to account for waterfront safety fees and related expenditures.

**Senior Center Gift Shop** – Established to account for receipts and expenditures related to the operation of Pilgrim Senior Center.

**JAG Grant** – Established to account for grant proceeds received from the U.S. Department of Justice for the purpose of enhancing law enforcement operations and public safety.

**Drug Seizure Fund** – Established to account for proceeds from drug related property seizures and related anti-drug expenditures.

**State Asset Forfeiture** – Established to account for proceeds from drug related property seizures and related anti-drug expenditures.

(CONTINUED)

CITY OF WARWICK, RHODE ISLAND

NON-MAJOR GOVERNMENTAL FUNDS

---

**SPECIAL REVENUE FUNDS (CONTINUED):**

**Community Development Block Grant** – Established to account for the annual Entitlement Community program of the U.S. Department of Housing and Urban Development and related expenditures addressing housing and community development needs throughout Warwick. It provides assistance to the low and moderate income population of the City of Warwick.

**Lead Reduction Program** – Established to account for a grant received from the U.S. Department of Housing and Urban Development. Expenses relate to oversight and monitoring of lead reduction programs for low and moderate income residents of the City of Warwick.

**Disaster Recovery Program** – Established to account for a grant received from the U.S. Department of Housing and Urban Development. Expenses relate to assisting individuals and businesses affected by the March 2010 flood, with regard to repairing and rehabilitating housing units and public facilities.

**School Lunch Fund** – Accounts for the fees, Federal reimbursements and related expenditures for the school lunch program.

**School Restricted Funds** – Funds established to account for federal, state, and private grant monies used for the benefit of the Warwick School Department. The following is a list of the School funds included in this section:

IDEA	Walmart
IDEA Pre-School	Dorothy Rich Association
IDEA Pre-School Targeted	Reading Excellence
Title I	Soc Skills for Life - Vets
Title II	Alt Learning Program
E2T2 Training Consortium ARRA	City - Town Center
Title III	Cedar Library Books
Perkins Voc Even Year	PTO Donations
Perkins Voc Odd Year	School Lunch Fund
Homeless Even Year	Media Labs at Wickes
Homeless Odd Year	The Jason Fund
Fresh Fruit/Veg Program	Champlin Aldrich Groton
Skills USA	Champlin Comp
Big Yellow Bus	Art Talks Sherman
Scott Tech Donations	C.A.S.I.T Italian Program
Esther Chester Donations	Race to the Top
Mary Maini Memorial Fund	Common Core State Status
City/Town Contribution Sports	United Way

CITY OF WARWICK, RHODE ISLAND

**NON-MAJOR GOVERNMENTAL FUNDS**

---

Full Day Kindergarten  
Injury Fund  
Emergency Repairs-Tech  
Feinstein  
Rhode Island Foundation  
Smart Arts  
Verizon Thinkfinity  
Target

Shapiro Fund For Warwick  
Wireless Classroom Int  
RIPIN  
CTE  
Stop & Shop  
Carol Gray Memorial Fund  
Champlin

**DEBT SERVICE FUND:**

The Debt Service Fund is used to account for the payment of interest and principal on all general long-term debt other than that payable from the Enterprise Funds.

**CITY OF WARWICK, RHODE ISLAND**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2015**

	<u>Special Revenue Restricted City</u>	<u>Special Revenue Restricted School</u>	<u>Capital Projects Funds</u>	<u>Debt Service Fund</u>	<u>Total Non-Major Governmental</u>
<b>Assets:</b>					
Cash and cash equivalents	\$ 1,378,864	\$ 1,530	\$ 4,669,584	\$ -	\$ 6,049,978
Restricted cash	-	-	-	2,030,000	2,030,000
Accounts receivable	3,694,589	72,093	-	-	3,766,682
Due from federal and state governments	2,867,702	2,195,360	1,334,555	-	6,397,617
Internal balances	1,049,408	1,713,093	-	-	2,762,501
Other assets	-	178,300	7,000	-	185,300
<b>Total assets</b>	<u>\$ 8,990,563</u>	<u>\$ 4,160,376</u>	<u>\$ 6,011,139</u>	<u>\$ 2,030,000</u>	<u>\$ 21,192,078</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable and accrued expenditures	\$ 201,355	\$ 717,652	\$ 1,576,415	\$ -	\$ 2,495,422
Due to federal and state governments	785	-	-	-	785
Internal balances	192,485	2,784,837	4,308,899	-	7,286,221
Unearned revenue	6,197,570	-	-	-	6,197,570
<b>Total liabilities</b>	<u>6,592,195</u>	<u>3,502,489</u>	<u>5,885,314</u>	<u>-</u>	<u>15,979,998</u>
<b>Fund balances (deficits)</b>					
Restricted	2,570,484	1,556,472	4,731,268	2,030,000	10,888,224
Unassigned	(172,116)	(898,585)	(4,605,443)	-	(5,676,144)
<b>Fund balances (deficits)</b>	<u>2,398,368</u>	<u>657,887</u>	<u>125,825</u>	<u>2,030,000</u>	<u>5,212,080</u>
<b>Total liabilities and fund balances</b>	<u>\$ 8,990,563</u>	<u>\$ 4,160,376</u>	<u>\$ 6,011,139</u>	<u>\$ 2,030,000</u>	<u>\$ 21,192,078</u>

**CITY OF WARWICK, RHODE ISLAND**  
**Non-Major Governmental Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**For the fiscal year ended June 30, 2015**

	Special Revenue Restricted City	Special Revenue Restricted School	Capital Projects Funds	Debt Service Fund	Total Non-Major Governmental
<b>Revenues</b>					
Intergovernmental revenue	\$ 1,075,199	\$ 9,027,857	\$ 125,710	\$ -	\$ 10,228,766
Charges for services	2,642,442	-	-	-	2,642,442
Investment income	986	-	775	-	1,761
Contributions and private grants	108,267	93,978	-	-	202,245
Other revenue	395,364	625,783	-	-	1,021,147
<b>Total Revenues</b>	<b>4,222,258</b>	<b>9,747,618</b>	<b>126,485</b>	<b>-</b>	<b>14,096,361</b>
<b>Expenditures</b>					
Executive and administration	75,980	-	28,842	-	104,822
Public safety	2,670,002	-	3,796,100	-	6,466,102
Public libraries	87,304	-	-	-	87,304
Recreation	12,264	-	-	-	12,264
Social services	19,623	-	153,089	-	172,712
Planning and economic development	987,988	-	-	-	987,988
Public works	-	-	2,352,230	-	2,352,230
Education	-	9,573,354	1,461,799	-	11,035,153
<i>Debt service:</i>					
Principal	-	-	-	5,962,158	5,962,158
Interest and other costs	-	-	101,678	1,669,694	1,771,372
<b>Total Expenditures</b>	<b>3,853,161</b>	<b>9,573,354</b>	<b>7,893,738</b>	<b>7,631,852</b>	<b>28,952,105</b>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<b>369,097</b>	<b>174,264</b>	<b>(7,767,253)</b>	<b>(7,631,852)</b>	<b>(14,855,744)</b>
<b>Other financing sources (uses)</b>					
Proceeds from bonds capital leases			7,955,278		7,955,278
Transfers from other funds	246,219	-	700,000	8,139,352	9,085,571
Transfers to other funds	(1,043,584)	-	-	-	(1,043,584)
<b>Total other financing sources (uses)</b>	<b>(797,365)</b>	<b>-</b>	<b>8,655,278</b>	<b>8,139,352</b>	<b>15,997,265</b>
<b>Net change in fund balances</b>	<b>(428,268)</b>	<b>174,264</b>	<b>888,025</b>	<b>507,500</b>	<b>1,141,521</b>
<b>FUND BALANCES - July 1, 2014</b>	<b>2,826,636</b>	<b>483,623</b>	<b>(762,200)</b>	<b>1,522,500</b>	<b>4,070,559</b>
<b>FUND BALANCES - June 30, 2015</b>	<b>\$ 2,398,368</b>	<b>\$ 657,887</b>	<b>\$ 125,825</b>	<b>\$ 2,030,000</b>	<b>\$ 5,212,080</b>

**CITY OF WARWICK, RHODE ISLAND**  
**Special Revenue Restricted City**  
**Combining Balance Sheet**  
**June 30, 2015**

	<b>Community Development Block Grant</b>	<b>Home Improvement Loan Escrow Account</b>	<b>Drug Seizure Fund</b>	<b>State Asset Forfeiture Fund</b>	<b>Open Space Land Dedication</b>	<b>Warwick Public Library Restricted Fund</b>
<b>Assets:</b>						
Cash	\$ 356,841	\$ 22,379	\$ 123,672	\$ 14,697	\$ 288,828	\$ 140,282
Accounts receivables	2,943,461	-	-	-	-	-
Due from federal and state governments	794,002	-	-	-	-	-
Due from other funds	400	1,000	-	1,877	-	-
<b>Total assets</b>	<b><u>\$ 4,094,704</u></b>	<b><u>\$ 23,379</u></b>	<b><u>\$ 123,672</u></b>	<b><u>\$ 16,574</u></b>	<b><u>\$ 288,828</u></b>	<b><u>\$ 140,282</u></b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable and accrued expenditures	\$ 87,930	\$ 1,260	\$ 25,204	\$ -	\$ -	\$ 12,033
Due to federal and state governments	785	-	-	-	-	-
Due to other funds	20,773	-	8,854	-	-	9,436
Deferred revenues	3,628,899	-	-	-	-	-
<b>Total liabilities</b>	<b><u>3,738,387</u></b>	<b><u>1,260</u></b>	<b><u>34,058</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>21,469</u></b>
<b>Fund balances (deficits):</b>						
Restricted	356,317	22,119	89,614	16,574	288,828	118,813
<b>Total fund balances (deficits)</b>	<b><u>356,317</u></b>	<b><u>22,119</u></b>	<b><u>89,614</u></b>	<b><u>16,574</u></b>	<b><u>288,828</u></b>	<b><u>118,813</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 4,094,704</u></b>	<b><u>\$ 23,379</u></b>	<b><u>\$ 123,672</u></b>	<b><u>\$ 16,574</u></b>	<b><u>\$ 288,828</u></b>	<b><u>\$ 140,282</u></b>

(continued)

CITY OF WARWICK, RHODE ISLAND  
Special Revenue Restricted City  
Combining Balance Sheet  
June 30, 2015  
(continued)

	Disaster Recovery Program	Sewer Connection Grant	JAG Grant	Excess Hotel Tax Fund	Special Detail Fund	Senior Center Gift Shop
<i>Assets:</i>						
Cash	\$ -	\$ 66,960	\$ -	\$ 131,368	\$ -	\$ 39,129
Accounts receivables	-	-	-	-	751,128	-
Due from federal and state governments	1,817,544	-	9,970	-	-	-
Due from other funds	-	-	-	15,142	-	1,081
<b>Total assets</b>	<b><u>\$ 1,817,544</u></b>	<b><u>\$ 66,960</u></b>	<b><u>\$ 9,970</u></b>	<b><u>\$ 146,510</u></b>	<b><u>\$ 751,128</u></b>	<b><u>\$ 40,210</u></b>
<i>Liabilities and Fund Balances</i>						
<i>Liabilities:</i>						
Accounts payable and accrued expenditures	\$ -	\$ 1,000	\$ 561	\$ -	\$ 55,648	\$ 2,234
Due to other funds	-	13,713	9,409	-	116,469	-
Deferred revenues	1,817,544	-	-	-	751,127	-
<b>Total liabilities</b>	<b><u>1,817,544</u></b>	<b><u>14,713</u></b>	<b><u>9,970</u></b>	<b><u>-</u></b>	<b><u>923,244</u></b>	<b><u>2,234</u></b>
<i>Fund balances (deficits):</i>						
Restricted	-	52,247	-	146,510	(172,116)	37,976
<b>Total fund balances (deficits)</b>	<b><u>-</u></b>	<b><u>52,247</u></b>	<b><u>-</u></b>	<b><u>146,510</u></b>	<b><u>-</u></b>	<b><u>37,976</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 1,817,544</u></b>	<b><u>\$ 66,960</u></b>	<b><u>\$ 9,970</u></b>	<b><u>\$ 146,510</u></b>	<b><u>\$ 923,244</u></b>	<b><u>\$ 40,210</u></b>

(continued)

**CITY OF WARWICK, RHODE ISLAND**  
**Special Revenue Restricted City**  
**Combining Balance Sheet**  
**June 30, 2015**  
**(continued)**

	<u>Mooring Fee Reserve Fund</u>	<u>City Clerk Restricted Fund</u>	<u>Emergency Operations- City</u>	<u>Totals</u>
<i>Assets:</i>				
Cash	\$ 194,708	\$ -	\$ -	\$ 1,378,864
Accounts receivables	-	-	-	3,694,589
Due from federal and state governments	-	-	246,186	2,867,702
Due from other funds	-	962,692	67,216	1,049,408
<i>Total assets</i>	<u>\$ 194,708</u>	<u>\$ 962,692</u>	<u>\$ 313,402</u>	<u>\$ 8,990,563</u>
<i>Liabilities and Fund Balances:</i>				
<i>Liabilities</i>				
Accounts payable and accrued expenditures	\$ -	\$ 15,485	\$ -	\$ 201,355
Due to federal and state governments	-	-	-	785
Due to other funds	13,831	-	-	192,485
Deferred revenues	-	-	-	6,197,570
<i>Total liabilities</i>	<u>13,831</u>	<u>15,485</u>	<u>-</u>	<u>6,592,195</u>
<i>Fund balances (deficits)</i>				
Restricted	180,877	947,207	313,402	2,570,484
<i>Total fund balances (deficits)</i>	<u>180,877</u>	<u>947,207</u>	<u>313,402</u>	<u>2,398,368</u> <u>(172,116)</u>
<i>Total liabilities and fund balances</i>	<u>\$ 194,708</u>	<u>\$ 962,692</u>	<u>\$ 313,402</u>	<u>\$ 8,990,563</u>

(concluded)

**CITY OF WARWICK, RHODE ISLAND**  
**Special Revenue Restricted - City**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the fiscal year ended June 30, 2015**

	<b>Community Development Block Grant</b>	<b>Home Improvement Loan Escrow Account</b>	<b>Drug Seizure Fund</b>	<b>State Asset Forfeiture Fund</b>	<b>Open Space Land Dedication</b>	<b>Warwick Public Library Restricted Fund</b>
<b>Revenues</b>						
Intergovernmental	\$ 715,320	\$ -	\$ 59,363	\$ -	\$ -	\$ 7,868
Charges for services	-	-	-	-	-	-
Investment income	-	-	203	20	288	98
Contributions and private grants	-	-	-	-	-	108,267
Other revenue	282,851	5,000	2,428	1,877	-	-
<b>Total Revenues</b>	<b>998,171</b>	<b>5,000</b>	<b>61,994</b>	<b>1,897</b>	<b>288</b>	<b>116,233</b>
<b>Expenditures</b>						
<i>Current:</i>						
Executive and administration	-	-	-	-	-	-
Public safety	-	-	179,999	10,145	-	-
Public libraries	-	-	-	-	-	87,304
Social services	-	-	-	-	-	-
Planning and economic development	715,320	251,360	-	-	-	-
Public works	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>715,320</b>	<b>251,360</b>	<b>179,999</b>	<b>10,145</b>	<b>-</b>	<b>87,304</b>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<b>282,851</b>	<b>(246,360)</b>	<b>(118,005)</b>	<b>(8,248)</b>	<b>288</b>	<b>28,929</b>
<b>Other financing sources (uses)</b>						
Transfers from other funds	-	216,077	-	-	-	-
Transfers to other funds	(216,077)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(216,077)</b>	<b>216,077</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>66,774</b>	<b>(30,283)</b>	<b>(118,005)</b>	<b>(8,248)</b>	<b>288</b>	<b>28,929</b>
<b>Fund Balances - July 1, 2014</b>	<b>289,543</b>	<b>52,402</b>	<b>207,619</b>	<b>24,822</b>	<b>288,540</b>	<b>89,884</b>
<b>Fund Balances- June 30, 2015</b>	<b>\$ 356,317</b>	<b>\$ 22,119</b>	<b>\$ 89,614</b>	<b>\$ 16,574</b>	<b>\$ 288,828</b>	<b>\$ 118,813</b>

(concluded)

**CITY OF WARWICK, RHODE ISLAND**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the fiscal year ended June 30, 2015**  
**(continued)**

	<b>Disaster Recovery Program</b>	<b>Sewer Connection Grants</b>	<b>JAG Grant</b>	<b>Excess Hotel Tax Fund</b>	<b>Special Detail Fund</b>	<b>Senior Center Gift Shop</b>
<b>Revenues</b>						
Intergovernmental	\$ 308	\$ -	\$ 21,279	\$ -		\$ -
Charges for services	-	-	-	-	2,623,373	19,069
Investment income	-	23	-	131	-	36
Contributions and private grants	-	-	-	-	-	-
Other revenue	-	-	-	-	-	5,687
<b>Total Revenues</b>	<b>308</b>	<b>23</b>	<b>21,279</b>	<b>131</b>	<b>2,623,373</b>	<b>24,792</b>
<b>Expenditures</b>						
<i>Current:</i>						
Executive and administration	-	-	-	-		-
Public safety	-	-	21,279	-	2,357,481	-
Public libraries	-	-	-	-	-	-
Social services	-	-	-	-	-	19,623
Planning and economic development	308	21,000	-	-	-	-
Public works	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>308</b>	<b>21,000</b>	<b>21,279</b>	<b>-</b>	<b>2,357,481</b>	<b>19,623</b>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<b>-</b>	<b>(20,977)</b>	<b>-</b>	<b>131</b>	<b>265,892</b>	<b>5,169</b>
<b>Other financing sources (uses)</b>						
Transfers from other funds	-	15,000	-	15,142	-	-
Transfers to other funds	-	-	-	-	(525,940)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>15,142</b>	<b>(525,940)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(5,977)</b>	<b>-</b>	<b>15,273</b>	<b>(260,048)</b>	<b>5,169</b>
<b>Fund Balances - July 1, 2014</b>	<b>-</b>	<b>58,224</b>	<b>-</b>	<b>131,237</b>	<b>87,932</b>	<b>32,807</b>
<b>Fund Balances - June 30, 2015</b>	<b>\$ -</b>	<b>\$ 52,247</b>	<b>\$ -</b>	<b>\$ 146,510</b>	<b>\$ (172,116)</b>	<b>\$ 37,976</b>

(concluded)

**CITY OF WARWICK, RHODE ISLAND**  
**Special Revenue Restricted - City**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**For the fiscal year ended June 30, 2015**  
**(continued)**

	<b>Mooring Fee Reserve Fund</b>	<b>City Clerk Restricted Fund</b>	<b>Emergency Operations- City</b>	<b>Totals</b>
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 271,061	\$ 1,075,199
Charges for services	-	-	-	2,642,442
Investment income	187	-	-	986
Contributions and private grants	-	-	-	108,267
Other revenue	-	97,521	-	395,364
<b>Total Revenues</b>	<u>187</u>	<u>97,521</u>	<u>271,061</u>	<u>4,222,258</u>
<b>Expenditures</b>				
<i>Current:</i>				
Executive and administration	-	75,980	-	75,980
Public safety	-	-	101,098	2,670,002
Recreation	12,264	-	-	12,264
Public libraries	-	-	-	87,304
Social services	-	-	-	19,623
Planning and economic development	-	-	-	987,988
Public works	-	-	-	-
<b>Total Expenditures</b>	<u>12,264</u>	<u>75,980</u>	<u>101,098</u>	<u>3,853,161</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	(12,077)	21,541	169,963	369,097
<b>Other financing sources (uses)</b>				
Transfers from other funds	-	-	-	246,219
Transfers to other funds	(1,567)	-	(300,000)	(1,043,584)
<b>Total other financing sources (uses)</b>	<u>(1,567)</u>	<u>-</u>	<u>(300,000)</u>	<u>(797,365)</u>
<b>Net change in fund balances</b>	(13,644)	21,541	(130,037)	(428,268)
<b>Fund Balances - July 1, 2014</b>	194,521	925,666	443,439	2,826,636
<b>Fund Balances - June 30, 2015</b>	<u>\$ 180,877</u>	<u>\$ 947,207</u>	<u>\$ 313,402</u>	<u>\$ 2,398,368</u>

(concluded)

**CITY OF WARWICK, RHODE ISLAND**  
**Special Revenue Restricted - School**  
**Combining Balance Sheet**  
**June 30, 2015**

	<u>IDEA</u>	<u>IDEA Preschool</u>	<u>IDEA Pre-School Targeted</u>	<u>Title I</u>	<u>Title II</u>	<u>E2T2 Training Consortium ARRA</u>	<u>Title III</u>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due federal and state governments	996,872	33,150	-	520,072	246,411	-	10,121
Due from other funds	-	-	251	-	-	44	-
Other assets	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 996,872</u>	<u>\$ 33,150</u>	<u>\$ 251</u>	<u>\$ 520,072</u>	<u>\$ 246,411</u>	<u>\$ 44</u>	<u>\$ 10,121</u>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$ 149,675	\$ 10,653	\$ -	\$ 78,576	\$ 57,640	\$ -	\$ 1,339
Due to other funds	847,197	22,497	-	441,496	188,771	-	8,782
<b>Total liabilities</b>	<u>996,872</u>	<u>33,150</u>	<u>-</u>	<u>520,072</u>	<u>246,411</u>	<u>-</u>	<u>10,121</u>
<b>Fund Balances</b>							
Restricted	-	-	251	-	-	44	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>251</u>	<u>-</u>	<u>-</u>	<u>44</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 996,872</u>	<u>\$ 33,150</u>	<u>\$ 251</u>	<u>\$ 520,072</u>	<u>\$ 246,411</u>	<u>\$ 44</u>	<u>\$ 10,121</u>

(concluded)

CITY OF WARWICK, RHODE ISLAND  
Special Revenue Restricted - School  
Combining Balance Sheet  
June 30, 2015  
(continued)

	<u>Perkins Voc (Even year)</u>	<u>Perkins Voc (Odd year)</u>	<u>Homeless (Even year)</u>	<u>Homeless (Odd year)</u>	<u>Fresh Fruit/Veg Program</u>	<u>Skills USA</u>	<u>Big Yellow Bus</u>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	37,694	186,670	-	16,532	9,275	-	-
Due from other funds	38,317	-	1,785	-	-	-	1,970
Other assets	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 76,011</u>	<u>\$ 186,670</u>	<u>\$ 1,785</u>	<u>\$ 16,532</u>	<u>\$ 9,275</u>	<u>\$ -</u>	<u>\$ 1,970</u>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$ 26,823	\$ 40,086	\$ -	\$ 3,838	\$ 1,486	\$ -	\$ -
Due to other funds	10,871	117,310	1,599	11,240	7,789	-	-
<b>Total liabilities</b>	<u>37,694</u>	<u>157,396</u>	<u>1,599</u>	<u>15,078</u>	<u>9,275</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>							
Restricted	38,317	29,274	186	1,454	-	-	1,970
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<u>38,317</u>	<u>29,274</u>	<u>186</u>	<u>1,454</u>	<u>-</u>	<u>-</u>	<u>1,970</u>
<b>Total liabilities and fund balances</b>	<u>\$ 76,011</u>	<u>\$ 186,670</u>	<u>\$ 1,785</u>	<u>\$ 16,532</u>	<u>\$ 9,275</u>	<u>\$ -</u>	<u>\$ 1,970</u>

(concluded)

CITY OF WARWICK, RHODE ISLAND  
Special Revenue Restricted - School  
Combining Balance Sheet  
June 30, 2015  
(continued)

	<u>Scott Tech Donations</u>	<u>Esther Chester Donations</u>	<u>Mary Maini Memorial Fund</u>	<u>City/Town Contribution Sports</u>	<u>Injury Fund</u>	<u>Emergency Repairs - Tech</u>	<u>Full Day Kindergarten</u>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	30,000
Due from other funds	3,785	-	50	4,990	228	967,607	-
Other assets	-	178,300	-	-	-	-	-
<b>Total assets</b>	<u>\$ 3,785</u>	<u>\$ 178,300</u>	<u>\$ 50</u>	<u>\$ 4,990</u>	<u>\$ 228</u>	<u>\$ 967,607</u>	<u>\$ 30,000</u>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 417	\$ -
Due to other funds	514	1,597	-	-	-	9,887	-
<b>Total liabilities</b>	<u>514</u>	<u>1,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,304</u>	<u>-</u>
<b>Fund Balances</b>							
Restricted	3,271	176,703	50	4,990	228	957,303	30,000
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<u>3,271</u>	<u>176,703</u>	<u>50</u>	<u>4,990</u>	<u>228</u>	<u>957,303</u>	<u>30,000</u>
<b>Total liabilities and fund balances</b>	<u>\$ 3,785</u>	<u>\$ 178,300</u>	<u>\$ 50</u>	<u>\$ 4,990</u>	<u>\$ 228</u>	<u>\$ 967,607</u>	<u>\$ 30,000</u>

(concluded)

CITY OF WARWICK, RHODE ISLAND  
Special Revenue Restricted - School  
Combining Balance Sheet  
June 30, 2015  
(continued)

	<u>Feinstein</u>	<u>Rhode Island Foundation</u>	<u>Smart Arts</u>	<u>Verizon ThinkFinity</u>	<u>Walmart</u>	<u>Dorothy Rich Association</u>
<b>Assets</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-
Due from other funds	125,191	1,959	220	82	67	314
Other assets	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 125,191</u>	<u>\$ 1,959</u>	<u>\$ 220</u>	<u>\$ 82</u>	<u>\$ 67</u>	<u>\$ 314</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable and accrued expenditures	\$ 3,900	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	3,159	-	-	-	-	-
<b>Total liabilities</b>	<u>7,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>						
Restricted	118,132	1,959	220	82	67	314
Unassigned	-	-	-	-	-	-
<b>Total fund balances</b>	<u>118,132</u>	<u>1,959</u>	<u>220</u>	<u>82</u>	<u>67</u>	<u>314</u>
<b>Total liabilities and fund balances</b>	<u>\$ 125,191</u>	<u>\$ 1,959</u>	<u>\$ 220</u>	<u>\$ 82</u>	<u>\$ 67</u>	<u>\$ 314</u>

(concluded)

CITY OF WARWICK, RHODE ISLAND  
Special Revenue Restricted - School  
Combining Balance Sheet  
June 30, 2015  
(continued)

	<u>Reading Excellence</u>	<u>Soc Skills for Life- Vets</u>	<u>Alt Learning Program</u>	<u>City- Town Center</u>	<u>Cedar Hill Library Books</u>	<u>PTO Donations</u>
<b>Assets</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-
Due from other funds	83	113	30	660	42	9,820
Other assets	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 83</u>	<u>\$ 113</u>	<u>\$ 30</u>	<u>\$ 660</u>	<u>\$ 42</u>	<u>\$ 9,820</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,042
Due to other funds	-	-	-	490	-	206
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>490</u>	<u>-</u>	<u>6,248</u>
<b>Fund Balances</b>						
Restricted	83	113	30	170	42	3,572
Unassigned	-	-	-	-	-	-
<b>Total fund balances</b>	<u>83</u>	<u>113</u>	<u>30</u>	<u>170</u>	<u>42</u>	<u>3,572</u>
<b>Total liabilities and fund balances</b>	<u>\$ 83</u>	<u>\$ 113</u>	<u>\$ 30</u>	<u>\$ 660</u>	<u>\$ 42</u>	<u>\$ 9,820</u>

(concluded)

CITY OF WARWICK, RHODE ISLAND  
Special Revenue Restricted - School  
Combining Balance Sheet  
June 30, 2015  
(continued)

	<u>School Lunch Fund</u>	<u>Media Labs at Wickes</u>	<u>The Jason Fund</u>	<u>Champlin Aldrich Groton</u>	<u>Champlin Comp.</u>	<u>Champlin</u>	<u>Target</u>
<i>Assets</i>							
Cash	\$ 1,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	72,093	-	-	-	-	-	-
Due from federal and state governments	-	-	-	3,306	-	-	-
Due from other funds	178,596	1,908	-	-	148	72,114	942
Other assets	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 252,219</u>	<u>\$ 1,908</u>	<u>\$ -</u>	<u>\$ 3,306</u>	<u>\$ 148</u>	<u>\$ 72,114</u>	<u>\$ 942</u>
<i>Liabilities and Fund Balances</i>							
<i>Liabilities</i>							
Accounts payable and accrued expenditures	\$ 252,219	\$ -	\$ -	\$ -	\$ -	\$ 1,363	\$ -
Due to other funds	-	-	178	-	144	56,617	-
<b>Total liabilities</b>	<u>252,219</u>	<u>-</u>	<u>178</u>	<u>-</u>	<u>144</u>	<u>57,980</u>	<u>-</u>
<i>Fund Balances</i>							
Restricted	-	1,908	-	3,306	4	14,134	942
Unassigned	-	-	(178)	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>1,908</u>	<u>(178)</u>	<u>3,306</u>	<u>4</u>	<u>14,134</u>	<u>942</u>
<b>Total liabilities and fund balances</b>	<u>\$ 252,219</u>	<u>\$ 1,908</u>	<u>\$ -</u>	<u>\$ 3,306</u>	<u>\$ 148</u>	<u>\$ 72,114</u>	<u>\$ 942</u>

(concluded)

CITY OF WARWICK, RHODE ISLAND  
Special Revenue Restricted - School  
Combining Balance Sheet  
June 30, 2015  
(continued)

	<u>Art Talks Sherman</u>	<u>C.A.S.I.T Italian Program</u>	<u>Race to the Top</u>	<u>Common Core State Status</u>	<u>United Way</u>	<u>Shapiro Fund For Warwick</u>
<i>Assets</i>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Due from federal and state governments	-	-	53,400	51,857	-	-
Due from other funds	2,858	1,686	-	25	589	500
Other assets	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 2,858</u>	<u>\$ 1,686</u>	<u>\$ 53,400</u>	<u>\$ 51,882</u>	<u>\$ 589</u>	<u>\$ 500</u>
<i>Liabilities and Fund Balances</i>						
<i>Liabilities</i>						
Accounts payable and accrued expenditures	\$ 359	\$ -	\$ 28,175	\$ 25	\$ -	\$ -
Due to other funds	-	-	27,523	51,857	-	-
<b>Total liabilities</b>	<u>359</u>	<u>-</u>	<u>55,698</u>	<u>51,882</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>						
Restricted	2,499	1,686	-	-	589	500
Unassigned	-	-	(2,298)	-	-	-
<b>Total fund balances</b>	<u>2,499</u>	<u>1,686</u>	<u>(2,298)</u>	<u>-</u>	<u>589</u>	<u>500</u>
<b>Total liabilities and fund balances</b>	<u>\$ 2,858</u>	<u>\$ 1,686</u>	<u>\$ 53,400</u>	<u>\$ 51,882</u>	<u>\$ 589</u>	<u>\$ 500</u>

(concluded)

**CITY OF WARWICK, RHODE ISLAND**  
**Special Revenue Restricted - School**  
**Combining Balance Sheet**  
**June 30, 2015**  
**(continued)**

	Wireless Classroom Int.	RIPIN	CTE	Stop & Shop	Carol Gray Memorial Fund	TOTALS
<i>Assets</i>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,530
Accounts receivable	-	-	-	-	-	72,093
Due from federal and state governments	-	-	-	-	-	2,195,360
Due from other funds	-	2,244	292,524	1,328	23	1,713,093
Other assets	-	-	-	-	-	178,300
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 2,244</b>	<b>\$ 292,524</b>	<b>\$ 1,328</b>	<b>\$ 23</b>	<b>\$ 4,160,376</b>
<i>Liabilities and Fund Balances</i>						
<i>Liabilities</i>						
Accounts payable and accrued expenditures	\$ 3,891	\$ -	\$ 51,145	\$ -	\$ -	\$ 717,652
Due to other funds	892,218	2,207	80,686	2	-	2,784,837
<b>Total liabilities</b>	<b>896,109</b>	<b>2,207</b>	<b>131,831</b>	<b>2</b>	<b>-</b>	<b>3,502,489</b>
<i>Fund Balances</i>						
Restricted	-	37	160,693	1,326	23	1,556,472
Unassigned	(896,109)	-	-	-	-	(898,585)
<b>Total fund balances</b>	<b>(896,109)</b>	<b>37</b>	<b>160,693</b>	<b>1,326</b>	<b>23</b>	<b>657,887</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 2,244</b>	<b>\$ 292,524</b>	<b>\$ 1,328</b>	<b>\$ 23</b>	<b>\$ 4,160,376</b>

(concluded)

**CITY OF WARWICK, RHODE ISLAND**  
**Special Revenue Restricted - School**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the fiscal year ended June 30, 2015**

	IDEA	Preschool	IDEA Pre-School Targeted	Title I	Title II	E2T2 Training Consortium ARRA	Title III
<b>Revenues</b>							
Intergovernmental revenues	\$ 2,842,301	\$ 99,070	\$ -	\$ 1,418,478	\$ 599,954	\$ 14,767	\$ 20,776
Contributions and private grants	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>2,842,301</b>	<b>99,070</b>	<b>-</b>	<b>1,418,478</b>	<b>599,954</b>	<b>14,767</b>	<b>20,776</b>
<b>Expenditures</b>							
Salaries	1,942,005	65,160	-	947,952	378,674	13,725	9,916
Employee benefits	850,862	32,278	-	405,517	183,682	1,042	744
Purchased services	-	-	-	6,251	19,815	-	4,740
Other purchased services	-	-	-	2,377	463	-	-
Supplies and materials	-	-	-	15,263	2,515	-	2,288
Capital equipment and property	-	-	-	3,116	-	-	2,392
Indirect costs	49,434	1,632	-	34,777	14,805	-	454
Miscellaneous	-	-	-	3,225	-	-	242
<b>Total expenditures</b>	<b>2,842,301</b>	<b>99,070</b>	<b>-</b>	<b>1,418,478</b>	<b>599,954</b>	<b>14,767</b>	<b>20,776</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Financing Sources</b>							
Transfers from other funds	-	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - July 1, 2014</b>	<b>-</b>	<b>-</b>	<b>251</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>-</b>
<b>Fund Balance - June 30, 2015</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 251</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44</b>	<b>\$ -</b>

(continued)

**CITY OF WARWICK, RHODE ISLAND**  
**Special Revenue Restricted - School**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the fiscal year ended June 30, 2015**

	<b>Perkins Voc (Even Year)</b>	<b>Perkins Voc (Odd year)</b>	<b>Homeless (Even year)</b>	<b>Homeless (Odd year)</b>	<b>Fresh Fruit/Veg Program</b>	<b>Skills USA</b>	<b>Big Yellow Bus</b>
<b>Revenues</b>							
Intergovernmental revenues	\$ -	\$ 313,563	\$ -	\$ 31,693	\$ 34,243	\$ -	\$ 1,620
Contributions and private grants	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>313,563</b>	<b>-</b>	<b>31,693</b>	<b>34,243</b>	<b>-</b>	<b>1,620</b>
<b>Expenditures</b>							
Salaries	-	163,056	1,485	14,245	-	-	-
Employee benefits	-	70,959	114	1,089	-	-	-
Purchased services	-	-	-	11,100	-	-	60
Other purchased services	-	17,444	-	2,099	31,130	-	1,440
Supplies and materials	-	8,836	-	791	-	-	-
Capital equipment and property	-	16,962	-	-	-	-	-
Indirect costs	-	7,032	-	782	3,113	-	-
Miscellaneous	-	-	-	133	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>284,289</b>	<b>1,599</b>	<b>30,239</b>	<b>34,243</b>	<b>-</b>	<b>1,500</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>29,274</b>	<b>(1,599)</b>	<b>1,454</b>	<b>-</b>	<b>-</b>	<b>120</b>
<b>Other Financing Sources</b>							
Transfers from other funds	-	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>29,274</b>	<b>(1,599)</b>	<b>1,454</b>	<b>-</b>	<b>-</b>	<b>120</b>
<b>Fund Balance - July 1, 2014</b>	<b>38,317</b>	<b>-</b>	<b>1,785</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,850</b>
<b>Fund Balance - June 30, 2015</b>	<b>\$ 38,317</b>	<b>\$ 29,274</b>	<b>\$ 186</b>	<b>\$ 1,454</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,970</b>

(continued)

CITY OF WARWICK, RHODE ISLAND  
Special Revenue Restricted - School  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
For the fiscal year ended June 30, 2015  
(continued)

	Scott Tech Donations	Esther Chester Donations	Mary Maini Memorial Fund	City/Town Contribution Sports	Injury Fund	Emergency Repairs - Tech	Full Day Kindergarden
<b>Revenues</b>							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 950,000	\$ 30,000
Contributions and private grants	1,351	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Other revenues	-	-	-	-	3,817	-	-
<b>Total revenues</b>	<u>1,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,817</u>	<u>950,000</u>	<u>30,000</u>
<b>Expenditures</b>							
Salaries	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-
Purchased services	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-	-
Capital equipment and property	-	-	-	-	-	417	-
Indirect costs	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	3,817	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,817</u>	<u>417</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	1,351	-	-	-	-	949,583	30,000
<b>Other Financing Sources</b>							
Transfers from other funds	-	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	1,351	-	-	-	-	949,583	30,000
<b>Fund Balance - July 1, 2014</b>	1,920	176,703	50	4,990	228	7,720	-
<b>Fund Balance - June 30, 2015</b>	<u>\$ 3,271</u>	<u>\$ 176,703</u>	<u>\$ 50</u>	<u>\$ 4,990</u>	<u>\$ 228</u>	<u>\$ 957,303</u>	<u>\$ 30,000</u>

(continued)

**CITY OF WARWICK, RHODE ISLAND**  
**Special Revenue Restricted - School**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the fiscal year ended June 30, 2015**  
(continued)

	<u>Feinstein</u>	<u>Rhode Island Foundation</u>	<u>Smart Arts</u>	<u>Verizon Thinkfinity</u>	<u>Walmart</u>	<u>Dorothy Rich Association</u>
<b>Revenues</b>						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions and private grants	80,336	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
<b>Total revenues</b>	<u>80,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>						
Salaries	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Purchased services	839	-	-	4,918	-	-
Other purchased services	1,335	-	-	-	-	-
Supplies and materials	14,716	-	-	-	-	337
Capital equipment and property	31,939	-	-	-	-	-
Indirect costs	-	-	-	-	-	-
Miscellaneous	375	-	-	-	-	-
<b>Total expenditures</b>	<u>49,204</u>	<u>-</u>	<u>-</u>	<u>4,918</u>	<u>-</u>	<u>337</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	31,132	-	-	(4,918)	-	(337)
<b>Other Financing Sources</b>						
Transfers from other funds	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	31,132	-	-	(4,918)	-	(337)
<b>Fund Balance - July 1, 2014</b>	87,000	1,959	220	5,000	67	651
<b>Fund Balance - June 30, 2015</b>	<u>\$ 118,132</u>	<u>\$ 1,959</u>	<u>\$ 220</u>	<u>\$ 82</u>	<u>\$ 67</u>	<u>\$ 314</u>

(continued)

**CITY OF WARWICK, RHODE ISLAND**  
**Special Revenue Restricted - School**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the fiscal year ended June 30, 2015**  
**(continued)**

	<u>Reading Excellence</u>	<u>Social Skills for Life- Vets</u>	<u>Alt Learn Program</u>	<u>City- Town Center</u>	<u>Cedar Hill Library Books</u>	<u>PTO Donations</u>
<b>Revenues</b>						
Intergovernmental revenues	\$ 51,832	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions and private grants	-	-	-	-	-	1,737
Charges for services	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
<b>Total revenues</b>	<u>51,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,737</u>
<b>Expenditures</b>						
Salaries	10,202	-	-	-	-	-
Employee benefits	749	-	-	-	-	-
Purchased services	38,934	-	-	-	-	-
Other purchased services	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-
Capital equipment and property	-	-	-	-	-	1,737
Indirect costs	1,947	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total expenditures</b>	<u>51,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,737</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	-	-	-	-
<b>Other Financing Sources</b>						
Transfers from other funds	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	-	-	-	-	-	-
<b>Fund Balance - July 1, 2014</b>	83	113	30	170	42	3,572
<b>Fund Balance - June 30, 2015</b>	<u>\$ 83</u>	<u>\$ 113</u>	<u>\$ 30</u>	<u>\$ 170</u>	<u>\$ 42</u>	<u>\$ 3,572</u>

(continued)

**CITY OF WARWICK, RHODE ISLAND**  
**Special Revenue Restricted - School**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the fiscal year ended June 30, 2015**  
**(continued)**

	<u>School Lunch Fund</u>	<u>Media Labs at Wickes</u>	<u>The Jason Fund</u>	<u>Champlin Aldrich/Gorton</u>	<u>Champlin Comp.</u>	<u>Champlin</u>	<u>Target</u>
<b>Revenues</b>							
Intergovernmental revenues	\$ 2,438,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions and private grants	-	-	-	-	-	-	942
Charges for services	-	-	-	-	-	-	-
Other revenues	621,966	-	-	-	-	-	-
<b>Total revenues</b>	<u>3,060,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>942</u>
<b>Expenditures</b>							
Salaries	375,339	-	-	-	-	-	-
Employee benefits	44,660	-	-	-	-	-	-
Purchased services	19,464	-	-	-	-	-	-
Other purchased services	2,617,918	-	-	-	-	-	-
Supplies and materials	2,884	-	-	-	-	-	-
Capital equipment and property	-	-	-	-	-	57,980	-
Indirect costs	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>3,060,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,980</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	-	-	-	-	-	(57,980)	942
<b>Other Financing Sources</b>							
Transfers from other funds	-	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	-	-	-	-	-	(57,980)	942
<b>Fund Balance - July 1, 2014</b>	-	1,908	(178)	3,306	4	72,114	-
<b>Fund Balance - June 30, 2015</b>	<u>\$ -</u>	<u>\$ 1,908</u>	<u>\$ (178)</u>	<u>\$ 3,306</u>	<u>\$ 4</u>	<u>\$ 14,134</u>	<u>\$ 942</u>

(continued)

**CITY OF WARWICK, RHODE ISLAND**  
**Special Revenue Restricted - School**  
**Combining Statement of Revenues, Expenditures**

For the fiscal year ended June 30, 2015  
(continued)

	<u>Art Talks Sherman</u>	<u>C.A.S.I.T. Italian Program</u>	<u>Race to the Top</u>	<u>Common Core State Status</u>	<u>United Way</u>	<u>Shapiro Fund For Warwick</u>
<b>Revenues</b>						
Intergovernmental revenues	\$ -	\$ -	\$ 68,424	\$ -	\$ -	\$ -
Contributions and private grants	2,410	4,800	-	-	-	1,200
Charges for services	-	-	-	-	-	-
Other revenues	-	-	-	-	-	-
<b>Total revenues</b>	<u>2,410</u>	<u>4,800</u>	<u>68,424</u>	<u>-</u>	<u>-</u>	<u>1,200</u>
<b>Expenditures</b>						
Salaries	-	-	40,821	-	-	-
Employee benefits	-	-	3,050	-	-	-
Purchased services	-	148	26,728	-	-	-
Other purchased services	-	1,050	-	-	-	-
Supplies and materials	-	3,151	-	-	-	700
Capital equipment and property	-	-	-	-	-	-
Indirect costs	-	-	-	-	-	-
Miscellaneous	-	731	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>5,080</u>	<u>70,599</u>	<u>-</u>	<u>-</u>	<u>700</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	2,410	(280)	(2,175)	-	-	500
<b>Other Financing Sources</b>						
Transfers from other funds	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	2,410	(280)	(2,175)	-	-	500
<b>Fund Balance - July 1, 2014</b>	89	1,966	(123)	-	589	-
<b>Fund Balance - June 30, 2015</b>	<u>\$ 2,499</u>	<u>\$ 1,686</u>	<u>\$ (2,298)</u>	<u>\$ -</u>	<u>\$ 589</u>	<u>\$ 500</u>

(continued)

CITY OF WARWICK, RHODE ISLAND  
Special Revenue Restricted - School  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
For the fiscal year ended June 30, 2015  
(continued)

	Wireless Classroom Int.	RIPIN	CTE	Stop & Shop	Carol Gray Memorial Fund	TOTALS
<b>Revenues</b>						
Intergovernmental revenues	\$ -	\$ -	\$ 112,837	\$ -	\$ -	\$ 9,027,857
Contributions and private grants	-	-	-	1,202	-	93,978
Charges for services	-	-	-	-	-	-
Other revenues	-	-	-	-	-	625,783
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>112,837</u>	<u>1,202</u>	<u>-</u>	<u>9,747,618</u>
<b>Expenditures</b>						
Salaries	-	-	-	-	-	3,962,580
Employee benefits	-	-	-	-	-	1,594,746
Purchased services	-	-	3,344	-	-	136,341
Other purchased services	-	-	538	-	-	2,675,794
Supplies and materials	-	-	34,942	1,204	-	87,627
Capital equipment and property	812,911	(10)	65,124	-	-	992,568
Indirect costs	-	-	-	-	-	113,976
Miscellaneous	-	-	1,199	-	-	9,722
<b>Total expenditures</b>	<u>812,911</u>	<u>(10)</u>	<u>105,147</u>	<u>1,204</u>	<u>-</u>	<u>9,573,354</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(812,911)	10	7,690	(2)	-	174,264
<b>Other Financing Sources</b>						
Transfers from other funds	-	-	-	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	(812,911)	10	7,690	(2)	-	174,264
<b>Fund Balance - July 1, 2014</b>	(83,198)	27	153,003	1,328	23	483,623
<b>Fund Balance - June 30, 2015</b>	<u>\$ (896,109)</u>	<u>\$ 37</u>	<u>\$ 160,693</u>	<u>\$ 1,326</u>	<u>\$ 23</u>	<u>\$ 657,887</u>

(continued)

# **CAPITAL PROJECT FUNDS**

CITY OF WARWICK, RHODE ISLAND

NON-MAJOR GOVERNMENTAL FUNDS

---

(CONCLUDED)

**CAPITAL PROJECT FUNDS:**

The Capital Project Funds account for all resources used for the acquisition and/or construction of capital facilities by the City, except those financed by the Enterprise Funds.

**2000 Open Space Bond Fund** – to acquire and preserve open space within the City.

**2006 Fire Station Bond Fund** – to account for capital improvements related to the fire station.

**2006 School Bond Fund** – to account for capital improvements related to schools.

**2002 Drainage Bond Fund** – to account for various improvements to the drainage system of the City.

**2006 City Buildings Bond Fund** – to account for capital improvements related to municipal facilities.

**Capital Leases Fund** – to account for expenditures relating to the City's lease purchase program for the acquisition of capital equipment and vehicles.

**Road Bridge Fund** – to account for expenditures relating to road and bridge work.

**CITY OF WARWICK, RHODE ISLAND**  
**Capital Project Funds**  
**Combining Balance Sheet**  
**June 30, 2015**

	<b>2000 Open Space Bond Fund</b>	<b>2006 Fire Station Bond Fund</b>	<b>2006 School Bond Fund</b>	<b>2002 Drainage Bond Fund</b>	<b>2002 Public Safety Bond Fund</b>
<i>Assets</i>					
Cash and cash equivalent	\$ 362,181	\$ -	\$ 3,580,058	\$ -	\$ -
Due from federal and state governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Other receivable	-	-	-	7,000	-
<b>Total assets</b>	<b>\$ 362,181</b>	<b>\$ -</b>	<b>\$ 3,580,058</b>	<b>\$ 7,000</b>	<b>\$ -</b>
<i>Liabilities and Fund Balances</i>					
<i>Liabilities:</i>					
Accounts payable and accrued expenditures	\$ -	\$ 288,594	\$ 3,623	\$ -	\$ -
Due to other funds	121	958,875	-	7,000	-
<b>Total liabilities</b>	<b>121</b>	<b>1,247,469</b>	<b>3,623</b>	<b>7,000</b>	<b>-</b>
<i>Fund balances (deficits)</i>					
Restricted	362,060	-	3,576,435	-	-
Unassigned	-	(1,247,469)	-	-	-
<b>Total fund balances (deficits)</b>	<b>362,060</b>	<b>(1,247,469)</b>	<b>3,576,435</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 362,181</b>	<b>\$ -</b>	<b>\$ 3,580,058</b>	<b>\$ 7,000</b>	<b>\$ -</b>

(continued)

CITY OF WARWICK, RHODE ISLAND  
 Capital Project Funds  
 Combining Balance Sheet  
 June 30, 2015  
 (continued)

	2006 City Buildings Bond Fund	Capital Leases	Road and Bridge Fund	Totals
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 727,345	\$ -	\$ 4,669,584
Due from federal and state governments	-	-	1,334,555	1,334,555
Due from other funds	-	-	-	-
Other receivable	-	-	-	7,000
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 727,345</u>	<u>\$ 1,334,555</u>	<u>\$ 6,011,139</u>
 <i>Liabilities and Fund Balances</i>				
<i>Liabilities :</i>				
Accounts payable and accrued expenditures	\$ 336,678	\$ 516,293	\$ 431,227	\$ 1,576,415
Due to other funds	1,032,632	2,199,716	110,555	4,308,899
<b>Total liabilities</b>	<u>1,369,310</u>	<u>2,716,009</u>	<u>541,782</u>	<u>5,885,314</u>
 <i>Fund balances (deficits)</i>				
Restricted	-	-	792,773	4,731,268
Unassigned	(1,369,310)	(1,988,664)	-	(4,605,443)
<b>Total fund balances (deficits)</b>	<u>(1,369,310)</u>	<u>(1,988,664)</u>	<u>792,773</u>	<u>125,825</u>
 <b>Total liabilities and fund balances</b>	 <u>\$ -</u>	 <u>\$ 727,345</u>	 <u>\$ 1,334,555</u>	 <u>\$ 6,011,139</u>

(concluded)

**CITY OF WARWICK, RHODE ISLAND**  
**Non-major Governmental Funds - Capital Project Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**For the fiscal year ended June 30, 2015**

	<u>2000</u> <u>Open Space</u> <u>Bond Fund</u>	<u>2006</u> <u>Fire Station</u> <u>Bond Fund</u>	<u>2006</u> <u>School</u> <u>Bond Fund</u>	<u>2002</u> <u>Drainage</u> <u>Bond Fund</u>	<u>2002</u> <u>Public Safety</u> <u>Bond Fund</u>
<i>Revenues</i>					
Intergovernmental	\$ -		\$ -	\$ -	\$ -
Other revenue	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Expenditures</i>					
Executive and administration	-	-	-	-	-
Public safety	-	1,684,810	-	-	-
Recreation	-	-	-	-	-
Social services	-	-	-	-	-
Public works	-	-	-	-	-
Education	-	-	1,461,799	-	-
Debt service	-	-	-	-	-
Debt issuance costs	-	-	80,678	-	-
<b>Total expenditures</b>	<b>-</b>	<b>1,684,810</b>	<b>1,542,477</b>	<b>-</b>	<b>-</b>
<i>Excess of revenues over expenditures before other financing sources</i>	<b>-</b>	<b>(1,684,810)</b>	<b>(1,542,477)</b>	<b>-</b>	<b>-</b>
<i>Other financing sources</i>					
Proceeds from bonds capital leases			3,455,278		
Transfers In	-	700,000	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>700,000</b>	<b>3,455,278</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>(984,810)</b>	<b>1,912,801</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - beginning of year</b>	<b>362,060</b>	<b>(262,659)</b>	<b>1,663,634</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - end of year</b>	<b>\$ 362,060</b>	<b>\$ (1,247,469)</b>	<b>\$ 3,576,435</b>	<b>\$ -</b>	<b>\$ -</b>

(continued)

**CITY OF WARWICK, RHODE ISLAND**  
**Non-major Governmental Funds - Capital Project Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**(continued)**

	2006 City Buildings Bond Fund	Capital Leases	Road and Bridge Fund	Totals
<i>Revenues</i>				
Intergovernmental	\$ 125,710	\$ -	\$ -	\$ 125,710
Investment income	-	775		775
Other revenue	-	-		-
<b>Total revenues</b>	<u>125,710</u>	<u>775</u>	<u>-</u>	<u>126,485</u>
<i>Expenditures</i>				
Executive and administration	-	28,842	-	28,842
Public safety		2,111,290	-	3,796,100
Recreation	-	-	-	-
Social services	-	153,089	-	153,089
Public works	961,284	604,719	786,227	2,352,230
Education	-	-	-	1,461,799
Debt service	-	-	21,000	101,678
<b>Total expenditures</b>	<u>961,284</u>	<u>2,897,940</u>	<u>807,227</u>	<u>7,893,738</u>
<i>Deficiency of revenues under expenditures before other financing uses</i>	<u>(835,574)</u>	<u>(2,897,165)</u>	<u>(807,227)</u>	<u>(7,767,253)</u>
<i>Other financing sources</i>				
Proceeds from bonds capital leases		2,900,000	1,600,000	7,955,278
Transfers In	-			700,000
<b>Total other financing sources</b>	<u>-</u>	<u>2,900,000</u>	<u>1,600,000</u>	<u>8,655,278</u>
<i>Net change in fund balances</i>	<u>(835,574)</u>	<u>2,835</u>	<u>792,773</u>	<u>888,025</u>
<i>Fund Balance - beginning of year</i>	(533,736)	(1,991,499)	-	(762,200)
<b>Fund Balance - end of year</b>	<u>\$ (1,369,310)</u>	<u>\$ (1,988,664)</u>	<u>\$ 792,773</u>	<u>\$ 125,825</u>

(concluded)

## **NON-MAJOR ENTERPRISE FUNDS**

CITY OF WARWICK, RHODE ISLAND

**NON-MAJOR ENTERPRISE FUNDS**

---

**Non-Major Enterprise Funds:**

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprise or where the City has decided that periodic determination of net income is appropriate for capital maintenance, management control, accountability, public policy or other purposes.

The following is a list of Non-Major enterprise funds in this section:

**Emergency Operations Enterprise Fund** – Accounts for the revenue and expenditures associated with the 2010 flood.

**On-Site Revolving Loan Fund** – Established to account for the receipt and disbursement of funds relating to a loan/grant program for residents who need to replace their existing septic systems.

**Sewer Infrastructure Replacement Fund** – Established to provide a funding source for scheduled sewer infrastructure repairs or expansion.

**Sewer Renewal & Replacement Fund** – Established to provide a funding source for the replacement of sewer equipment and vehicles.

**Water Renewal & Replacement Fund** – Established to provide a funding source for the replacement of water equipment and vehicles.

**Water Restricted Emergency Fund** – Established to provide a funding source for emergency water infrastructure repairs.

**Water Infrastructure Replacement Fund** – Established to provide a funding source for scheduled water infrastructure repairs or expansion.

**CITY OF WARWICK, RHODE ISLAND**  
**Non-major Proprietary Funds**  
**Combining Statement of Net Position**  
**June 30, 2015**

	<b>Emergency Operations Enterprise Fund</b>	<b>On-Site Revolving Loan Fund</b>	<b>Sewer Infrastructure Replacement Fund</b>	<b>Sewer Renewal &amp; Replacement Fund</b>	<b>Water Renewal &amp; Replacement Fund</b>	<b>Water Restricted Emergency Fund</b>	<b>Water Infrastructure Replacement Fund</b>	<b>Total All Non-major Enterprise Funds</b>
<b>Assets</b>								
<i>Current assets:</i>								
Cash and cash equivalents	\$ -	\$ -	\$ 92,032	\$ 739,695	\$ 41,053	\$ 45,176	\$ 161,127	\$ 1,079,083
Accounts receivable, net	-	6,455	-	-	-	-	-	6,455
Other receivables	-	-	-	-	-	-	-	-
Due from federal and state government	988,790	-	-	-	-	-	-	988,790
Due from other funds	-	6,142	513	2,133,047	750,000	250,000	2,000,000	5,139,702
<b>Total current assets</b>	<u>988,790</u>	<u>12,597</u>	<u>92,545</u>	<u>2,872,742</u>	<u>791,053</u>	<u>295,176</u>	<u>2,161,127</u>	<u>7,214,030</u>
<i>Non-current assets:</i>								
Construction in process	1,097,178	-	-	41,250	-	-	-	1,138,428
<b>Total noncurrent assets</b>	<u>1,097,178</u>	<u>-</u>	<u>-</u>	<u>41,250</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,138,428</u>
<b>Total assets</b>	<u>\$ 2,085,968</u>	<u>\$ 12,597</u>	<u>\$ 92,545</u>	<u>\$ 2,913,992</u>	<u>\$ 791,053</u>	<u>\$ 295,176</u>	<u>\$ 2,161,127</u>	<u>\$ 8,352,458</u>
<b>Liabilities</b>								
<i>Current liabilities:</i>								
Accounts payable and accrued expenses	\$ 70,200	\$ -	\$ -	\$ 9,755	\$ -	\$ -	\$ 68,984	\$ 148,939
Due to other funds	866,621	-	-	29,710	41,000	45,000	59,836	1,042,167
<b>Total current liabilities</b>	<u>936,821</u>	<u>-</u>	<u>-</u>	<u>39,465</u>	<u>41,000</u>	<u>45,000</u>	<u>128,820</u>	<u>1,191,106</u>
<i>Non-current liabilities:</i>								
Accrued compensated absences	-	-	-	-	-	-	-	-
Net other post-employment benefit obligation	-	-	-	-	-	-	-	-
<b>Total noncurrent liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	936,821	-	-	39,465	41,000	45,000	128,820	1,191,106
<b>Net position</b>								
Unrestricted	1,149,147	12,597	92,545	2,874,527	750,053	250,176	2,032,307	7,161,352
<b>Total net position</b>	<u>\$ 1,149,147</u>	<u>\$ 12,597</u>	<u>\$ 92,545</u>	<u>\$ 2,874,527</u>	<u>\$ 750,053</u>	<u>\$ 250,176</u>	<u>\$ 2,032,307</u>	<u>\$ 7,161,352</u>

**CITY OF WARWICK, RHODE ISLAND**  
**Non-major Proprietary Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2015**

	Emergency Operations Enterprise Fund	On-site Revolving Loan Fund	Sewer Infrastructure Replacement Fund	Sewer Renewal & Replacement Fund	Water Renewal & Replacement Fund	Water Restricted Emergency Fund	Water Infrastructure Replacement Fund	Total All Non-major Enterprise Funds
<b>Operating revenues:</b>								
Assessments and user fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenue	950,830	-	-	-	-	-	-	950,830
Other revenue	108,387	-	7,236	104,880	-	-	-	220,503
<b>Total operating revenues</b>	<u>1,059,217</u>	<u>-</u>	<u>7,236</u>	<u>104,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,171,333</u>
<b>Operating expenses:</b>								
Salaries and benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	2,177	18,561	-	-	195,191	215,929
Depreciation and amortization	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<u>-</u>	<u>-</u>	<u>2,177</u>	<u>18,561</u>	<u>-</u>	<u>-</u>	<u>195,191</u>	<u>215,929</u>
<b>Operating income (loss)</b>	1,059,217	-	5,059	86,319	-	-	(195,191)	955,404
<b>Non-operating revenues:</b>								
Interest income	-	-	90	710	41	45	425	1,311
<b>Total non-operating revenues</b>	<u>-</u>	<u>-</u>	<u>90</u>	<u>710</u>	<u>41</u>	<u>45</u>	<u>425</u>	<u>1,311</u>
<b>Income (loss) before transfers</b>	1,059,217	-	5,149	87,029	41	45	(194,766)	956,715
<b>Transfers:</b>								
Operating transfers in	-	-	-	10,000	-	-	-	10,000
Operating transfers out	-	-	-	-	(41,000)	(45,000)	(332,639)	(418,639)
<b>Total transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>(41,000)</u>	<u>(45,000)</u>	<u>(332,639)</u>	<u>(408,639)</u>
<b>Change in Net Position</b>	1,059,217	-	5,149	97,029	(40,959)	(44,955)	(527,405)	548,076
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>89,930</u>	<u>12,597</u>	<u>87,396</u>	<u>2,777,498</u>	<u>791,012</u>	<u>295,131</u>	<u>2,559,712</u>	<u>6,613,276</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,149,147</u>	<u>\$ 12,597</u>	<u>\$ 92,545</u>	<u>\$ 2,874,527</u>	<u>\$ 750,053</u>	<u>\$ 250,176</u>	<u>\$ 2,032,307</u>	<u>\$ 7,161,352</u>

(continued)

**CITY OF WARWICK, RHODE ISLAND**  
**Non-major Proprietary Funds**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Emergency Operations Enterprise Fund</b>	<b>On-site Revolving Loan Fund</b>	<b>Sewer Infrastructure Replacement Fund</b>	<b>Sewer Renewal &amp; Replacement Fund</b>	<b>Water Renewal &amp; Replacement Fund</b>	<b>Water Restricted Emergency Fund</b>	<b>Water Infrastructure Replacement Fund</b>	<b>Total All Non-major Enterprise Funds</b>
<i>Cash flows from operating activities:</i>								
Cash received from customers		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash payments to suppliers for goods and services	70,200	-	(4,250)	(53,194)	-	-	(126,207)	(113,451)
Cash payments to employees for services	-	-	-	-	-	-	-	-
Other operating revenues	108,387	-	7,236	104,880	-	-	-	220,503
Other operating payments	-	-	-	-	-	-	-	-
<i>Net cash provided by (used for) operating activities</i>	<u>178,587</u>	<u>-</u>	<u>2,986</u>	<u>51,686</u>	<u>-</u>	<u>-</u>	<u>(126,207)</u>	<u>107,052</u>
<i>Cash flows from non-capital financing activities:</i>								
Interfund loans	867,977	-	1,107	38,279	41,000	45,000	52,430	1,045,793
Operating transfers from other funds	-	-	-	10,000	-	-	-	10,000
Operating transfers to other funds	-	-	-	-	(41,000)	(45,000)	(332,639)	(418,639)
<i>Net cash provided by (used for) non-capital financing activities</i>	<u>867,977</u>	<u>-</u>	<u>1,107</u>	<u>48,279</u>	<u>-</u>	<u>-</u>	<u>(280,209)</u>	<u>637,154</u>
<i>Cash flows from capital and related financing activities:</i>								
Additions to capital assets	(1,046,564)	-	-	(41,250)	-	-	-	(1,087,814)
<i>Net cash provided (used for) capital and related financing activities</i>	<u>(1,046,564)</u>	<u>-</u>	<u>-</u>	<u>(41,250)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,087,814)</u>
<i>Cash flows from investing activities:</i>								
Interest and dividends on investment	-	-	90	710	41	45	425	1,311
<i>Net cash provided by (used for) investing activities</i>	<u>-</u>	<u>-</u>	<u>90</u>	<u>710</u>	<u>41</u>	<u>45</u>	<u>425</u>	<u>1,311</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	<u>-</u>	<u>-</u>	<u>4,183</u>	<u>59,425</u>	<u>41</u>	<u>45</u>	<u>(405,991)</u>	<u>(342,297)</u>
<i>Cash and cash equivalents at beginning of year</i>	<u>-</u>	<u>-</u>	<u>87,849</u>	<u>680,270</u>	<u>41,012</u>	<u>45,131</u>	<u>567,118</u>	<u>1,421,380</u>
<i>Cash and cash equivalents at end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,032</u>	<u>\$ 739,695</u>	<u>\$ 41,053</u>	<u>\$ 45,176</u>	<u>\$ 161,127</u>	<u>\$ 1,079,083</u>

CITY OF WARWICK, RHODE ISLAND  
 Non-major Proprietary Funds  
 Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2015

	Emergency Operations Enterprise Fund	On-site Revolving Loan Fund	Sewer Infrastructure Replacement Fund	Sewer Renewal & Replacement Fund	Water Renewal & Replacement Fund	Water Restricted Emergency Fund	Water Infrastructure Replacement Fund	Total All Non-major Enterprise Funds
<i>Reconciliation of operating income to net cash provided by operating activities</i>								
<i>Operating income (Loss)</i>	\$ 1,059,217	\$ -	\$ 5,059	\$ 86,319	\$ -	\$ -	\$ (195,191)	955,404
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>								
Depreciation and amortization	-	-	-	-	-	-	-	-
<i>Changes in assets and liabilities:</i>								
(Increase) decrease in accounts receivable	(950,830)	-	-	-	-	-	-	(950,830)
(Increase) decrease in other receivable	-	-	-	-	-	-	-	-
(Increase) decrease in accrued interest receivable	-	-	-	-	-	-	-	-
Increase (decrease) in accounts payable and accrued expense	70,200	-	(2,073)	(34,633)	-	-	68,984	102,478
Increase (decrease) in compensated absences	-	-	-	-	-	-	-	-
Increase (decrease) in net other post-employment benefits	-	-	-	-	-	-	-	-
<i>Total adjustments</i>	<u>(880,630)</u>	<u>-</u>	<u>(2,073)</u>	<u>(34,633)</u>	<u>-</u>	<u>-</u>	<u>68,984</u>	<u>(848,352)</u>
<i>Net cash provided by operating activities</i>	<u>\$ 178,587</u>	<u>\$ -</u>	<u>\$ 2,986</u>	<u>\$ 51,686</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (126,207)</u>	<u>\$ 107,052</u>

(continued)

**PENSION TRUST FUNDS  
AND  
PRIVATE PURPOSE TRUST FUNDS**

CITY OF WARWICK, RHODE ISLAND

TRUST FUNDS

---

**PENSION TRUST FUNDS:**

Four trust funds held for the City employees and one school department fund held for the school employees

**PRIVATE PURPOSE TRUST FUNDS:**

Private Purpose Trust Funds are all trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The following is a list of Private Purpose Trust Funds:

*Employee Benefit Trust Fund* – To account for money held for various municipal union employee benefits.

*Neighbors Helping Neighbors* – To account for charitable donations and expenses related to local community programs.

*Jeanette Cram Scholarship Fund* – Established to assist student majoring in various fields.

**CITY OF WARWICK, RHODE ISLAND**  
**Combining Statement of Net Position**  
**Pension Trust Funds**  
**June 30, 2015**

	<b>Police Pension I and Fire Pension</b>	<b>Police Pension II</b>	<b>Fire Pension II</b>	<b>City Employees Pension</b>	<b>Other School Department Employees</b>	<b>Totals</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 528,974	\$ 94,683	\$ 2,384,341	\$ 502,330	\$ 11	\$ 3,510,339
Investments, at fair value:						
Equity pool	7,868,907	20,727,804	5,237,028	13,280,402	-	47,114,141
Equity small cap funds	9,524,066	25,895,187	6,440,606	16,377,525	-	58,237,384
Fixed income pool	18,211,479	46,264,273	12,344,774	30,502,098	-	107,322,624
Index funds	12,930,605	34,529,307	8,872,795	22,320,494	-	78,653,201
Multi Asset Manager Fund	17,168,893	43,301,612	12,139,235	27,848,188	-	100,457,928
International equity funds	2,983,920	7,768,345	2,161,440	5,103,516	-	18,017,221
Immediate participation guarantee contracts	-	-	-	-	4,899,621	4,899,621
Stable value fund	-	-	-	-	6,853,792	6,853,792
Mutual funds	-	-	-	-	27,488,069	27,488,069
<b>Total investments</b>	<b>68,687,870</b>	<b>178,486,528</b>	<b>47,195,878</b>	<b>115,432,223</b>	<b>39,241,482</b>	<b>449,043,981</b>
Interest receivable	37	15	110	39	-	201
Other receivable	394,570	-	-	-	1,443,649	1,838,219
<b>Total receivables</b>	<b>394,607</b>	<b>15</b>	<b>110</b>	<b>39</b>	<b>1,443,649</b>	<b>1,838,420</b>
<b>Total Assets</b>	<b>69,611,451</b>	<b>178,581,226</b>	<b>49,580,329</b>	<b>115,934,592</b>	<b>40,685,142</b>	<b>454,392,740</b>
<b>LIABILITIES</b>						
Accounts payable and accrued expenses	67,413	166,089	43,789	109,874	-	387,165
<b>Total liabilities</b>	<b>67,413</b>	<b>166,089</b>	<b>43,789</b>	<b>109,874</b>	<b>-</b>	<b>387,165</b>
<b>NET POSITION</b>						
Held in trust for pension benefits	\$ 69,544,038	\$ 178,415,137	\$ 49,536,540	\$ 115,824,718	\$ 40,685,142	\$ 454,005,575

**CITY OF WARWICK, RHODE ISLAND**  
**Combining Statement of Changes in Net Position**  
**Pension Trust Funds**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Police Pension I Pension</u>	<u>Police Pension II</u>	<u>Fire Pension II</u>	<u>City Pension</u>	<u>Other School Employees</u>	<u>Totals</u>
<b>ADDITIONS</b>						
<b>Contributions</b>						
Employer	\$ 16,039,998	\$ 3,828,534	\$ 2,943,088	\$ 5,640,498	\$ 1,752,679	\$ 30,204,797
Plan members	<u>284,810</u>	<u>1,914,267</u>	<u>1,471,544</u>	<u>1,579,755</u>	<u>766,137</u>	<u>6,016,513</u>
<b>Total contributions</b>	<u>16,324,808</u>	<u>5,742,801</u>	<u>4,414,632</u>	<u>7,220,253</u>	<u>2,518,816</u>	<u>36,221,310</u>
<b>Investment income</b>						
Gain on sale of investments	5,042,131	9,436,526	1,035,993	6,544,345	1,948	22,060,943
Net appreciation (depreciation) in fair value of investments	(3,421,928)	(4,746,585)	(93,673)	(3,451,391)	(42,420)	(11,755,997)
Interest and dividends	308	247	583	280	1,527,994	1,529,412
Less: investment expense	<u>(240,310)</u>	<u>(615,086)</u>	<u>(160,114)</u>	<u>(398,153)</u>	<u>-</u>	<u>(1,413,663)</u>
Net investment income	<u>1,380,201</u>	<u>4,075,102</u>	<u>782,789</u>	<u>2,695,081</u>	<u>1,487,522</u>	<u>10,420,695</u>
<b>Total additions</b>	<u>17,705,009</u>	<u>9,817,903</u>	<u>5,197,421</u>	<u>9,915,334</u>	<u>4,006,338</u>	<u>46,642,005</u>
<b>DEDUCTIONS</b>						
Benefits paid	19,753,739	7,768,947	397,441	8,367,787	1,122,881	37,410,795
Administrative and other expense	<u>29,576</u>	<u>39,395</u>	<u>8,697</u>	<u>34,244</u>	<u>95,056</u>	<u>206,968</u>
<b>Total deductions</b>	<u>19,783,315</u>	<u>7,808,342</u>	<u>406,138</u>	<u>8,402,031</u>	<u>1,217,937</u>	<u>37,617,763</u>
<b>Change in Net Position</b>	(2,078,306)	2,009,561	4,791,283	1,513,303	2,788,401	9,024,242
<b>Net position - beginning of year</b>	<u>71,622,344</u>	<u>176,405,576</u>	<u>44,745,257</u>	<u>114,311,415</u>	<u>37,896,741</u>	<u>444,981,333</u>
<b>Net position - end of year</b>	<u>\$ 69,544,038</u>	<u>\$ 178,415,137</u>	<u>\$ 49,536,540</u>	<u>\$ 115,824,718</u>	<u>\$ 40,685,142</u>	<u>\$ 454,005,575</u>

**CITY OF WARWICK, RHODE ISLAND**  
**Private Purpose Trust Funds**  
**Combining Statement of Net Position**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Employee Benefit Trust Fund</u>	<u>Neighbors Helping Neighbors</u>	<u>Jeanette Cram Scholarship Fund</u>	<u>Totals</u>
<i>Assets:</i>				
Cash and cash equivalents	\$ 91,540	\$ 11,284	\$ 25,494	\$ 128,318
Accounts receivable	-	-	-	-
Investments	-	-	-	-
Due from other funds	3,068	6,548	983	10,599
<b>Total assets</b>	<u>94,608</u>	<u>17,832</u>	<u>26,477</u>	<u>138,917</u>
 <i>Liabilities:</i>				
Due to other funds	-	-	983	983
Account Payable	35	-	-	35
<b>Total liabilities</b>	<u>35</u>	<u>-</u>	<u>983</u>	<u>1,018</u>
 <i>Net Position:</i>				
Held in trust for benefits and other purposes	<u>\$ 94,573</u>	<u>\$ 17,832</u>	<u>\$ 25,494</u>	<u>\$ 137,899</u>

**CITY OF WARWICK, RHODE ISLAND**  
**Private Purpose Trust Funds**  
**Combining Statement of Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2014**

	<b>Employee Benefit Trust Fund</b>	<b>Neighbors Helping Neighbors</b>	<b>Jeanette Cram Scholarship Fund</b>	<b>Totals</b>
<i>Additions:</i>				
Payroll deductions	\$ 16,951	\$ 6,333	\$ -	\$ 23,284
Investment income	87	8	-	95
Other income	5,496	13,724	27	19,247
<b>Total additions</b>	<u>22,534</u>	<u>20,065</u>	<u>27</u>	<u>42,626</u>
<i>Deductions</i>	<u>19,242</u>	<u>21,185</u>	<u>1,000</u>	<u>41,427</u>
<b>Other Financing Sources (uses)</b>	3,292	(1,120)	(973)	1,199
<i>Net position - beginning of year</i>	<u>91,281</u>	<u>18,952</u>	<u>26,467</u>	<u>136,700</u>
<i>Net position - end of year</i>	<u>\$ 94,573</u>	<u>\$ 17,832</u>	<u>\$ 25,494</u>	<u>\$ 137,899</u>

# **AGENCY FUNDS**

CITY OF WARWICK, RHODE ISLAND

**AGENCY FUNDS**

---

**AGENCY FUNDS:**

Agency Funds were established to function as clearing mechanisms for cash resources which are collected and disbursed to authorized recipients. The following is a list of Agency Funds included in this section:

**Treasurers Agent** – Established to account for money held in trust for various parties.

**Funds in Registry of Probate Court** – Established to account for funds held for various estates.

**Sewer Line Agency** – Established to account for monies held for private parties in connection with various sewer construction projects.

**Realty Tax Fund** – Established to account for tax revenues generated from sale of realty.

**Student Activity Funds** - To account for monies received and expended for various student activities and groups.

**CITY OF WARWICK, RHODE ISLAND**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b><u>Treasurer's Agent</u></b>				
<i>Assets:</i>				
Cash and cash equivalent	\$ 254,656	\$ 47,132	\$ 20,116	\$ 281,672
Due from others	3,310	1,258	-	4,568
<i>Total assets</i>	<u>\$ 257,966</u>	<u>\$ 48,390</u>	<u>\$ 20,116</u>	<u>\$ 286,240</u>
<i>Liabilities:</i>				
Accounts payable and accrued expenditures	\$ 9,453	\$ 129,201	\$ 134,887	\$ 3,767
Deposits held in custody for others	248,513	247,823	213,863	282,473
<i>Total liabilities</i>	<u>\$ 257,966</u>	<u>\$ 377,024</u>	<u>\$ 348,750</u>	<u>\$ 286,240</u>
<b><u>Funds in Registry of Probate Court</u></b>				
<i>Assets:</i>				
Cash and cash equivalents	\$ 41,199	\$ 31,257	\$ 23,120	\$ 49,336
<i>Total assets</i>	<u>\$ 41,199</u>	<u>\$ 31,257</u>	<u>\$ 23,120</u>	<u>\$ 49,336</u>
<i>Liabilities:</i>				
Deposits held in custody for others	\$ 41,199	\$ 31,257	\$ 23,120	\$ 49,336
<i>Total liabilities</i>	<u>\$ 41,199</u>	<u>\$ 31,257</u>	<u>\$ 23,120</u>	<u>\$ 49,336</u>
<b><u>Sewer Line Agency</u></b>				
<i>Assets:</i>				
Cash and cash equivalents	\$ 236,212	\$ 226	\$ 20,471	\$ 215,967
Due from others	-	15,087	-	15,087
<i>Total assets</i>	<u>\$ 236,212</u>	<u>\$ 15,313</u>	<u>\$ 20,471</u>	<u>\$ 231,054</u>
<i>Liabilities:</i>				
Accounts payable and accrued expenditures	\$ 1,751	\$ 63,379	\$ 63,199	\$ 1,931
Deposits held in custody for others	234,461	121,298	126,636	229,123
<i>Total liabilities</i>	<u>\$ 236,212</u>	<u>\$ 184,677</u>	<u>\$ 189,835</u>	<u>\$ 231,054</u>
<b><u>Realty Tax Fund</u></b>				
<i>Assets:</i>				
Cash and cash equivalents	\$ 127,052	\$ 1,956,395	\$ 1,779,602	\$ 303,845
<i>Total assets</i>	<u>\$ 127,052</u>	<u>\$ 1,956,395</u>	<u>\$ 1,779,602</u>	<u>\$ 303,845</u>
<i>Liabilities:</i>				
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -
Due to federal and state governments	127,052	1,956,606	1,779,813	303,845
<i>Total liabilities</i>	<u>\$ 127,052</u>	<u>\$ 1,956,606</u>	<u>\$ 1,779,813</u>	<u>\$ 303,845</u>

(continued)

**CITY OF WARWICK, RHODE ISLAND**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b><u>Winman Student Activity Fund</u></b>				
<i>Assets:</i>				
Cash and cash equivalents	\$ 22,386	\$ 62,430	\$ 61,291	\$ 23,525
<i>Total assets</i>	<u>\$ 22,386</u>	<u>\$ 62,430</u>	<u>\$ 61,291</u>	<u>\$ 23,525</u>
<i>Liabilities:</i>				
Deposits held in custody for others	22,386	62,430	61,291	23,525
<i>Total liabilities</i>	<u>\$ 22,386</u>	<u>\$ 62,430</u>	<u>\$ 61,291</u>	<u>\$ 23,525</u>
<b><u>Career Center Student Activity</u></b>				
<i>Assets:</i>				
Cash and cash equivalents	\$ 58,585	\$ 107,876	\$ 107,148	\$ 59,313
<i>Total assets</i>	<u>\$ 58,585</u>	<u>\$ 107,876</u>	<u>\$ 107,148</u>	<u>\$ 59,313</u>
<i>Liabilities:</i>				
Deposit held in custody for others	\$ 58,585	\$ 107,876	\$ 107,148	\$ 59,313
<i>Total liabilities</i>	<u>\$ 58,585</u>	<u>\$ 107,876</u>	<u>\$ 107,148</u>	<u>\$ 59,313</u>
<b><u>Pilgrim Student Activity</u></b>				
<i>Assets:</i>				
Cash and cash equivalents	\$ 111,067	\$ 221,602	\$ 232,322	\$ 100,347
Accounts receivable	-	-	-	-
<i>Total assets</i>	<u>\$ 111,067</u>	<u>\$ 221,602</u>	<u>\$ 232,322</u>	<u>\$ 100,347</u>
<i>Liabilities:</i>				
Deposits held in custody for others	\$ 111,067	\$ 221,602	\$ 232,322	\$ 100,347
<i>Total liabilities</i>	<u>\$ 111,067</u>	<u>\$ 221,602</u>	<u>\$ 232,322</u>	<u>\$ 100,347</u>
<b><u>Gorton Student Activity</u></b>				
<i>Assets:</i>				
Cash and cash equivalents	\$ 33,489	\$ 84,356	\$ 89,438	\$ 28,407
<i>Total assets</i>	<u>\$ 33,489</u>	<u>\$ 84,356</u>	<u>\$ 89,438</u>	<u>\$ 28,407</u>
<i>Liabilities:</i>				
Deposits held in custody for others	\$ 33,489	\$ 84,356	\$ 89,438	\$ 28,407
<i>Total liabilities</i>	<u>\$ 33,489</u>	<u>\$ 84,356</u>	<u>\$ 89,438</u>	<u>\$ 28,407</u>

(continued)

**CITY OF WARWICK, RHODE ISLAND**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2015**

	<b>Balance July 1, 2014</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2015</b>
<b><u>Toll Gate Student Activity</u></b>				
<i>Assets:</i>				
Cash and cash equivalents	\$ 94,486	\$ 139,555	\$ 129,815	\$ 104,226
<b>Total assets</b>	<b>\$ 94,486</b>	<b>\$ 139,555</b>	<b>\$ 129,815</b>	<b>\$ 104,226</b>
<i>Liabilities:</i>				
Deposits held in custody for others	\$ 94,486	\$ 139,555	\$ 129,815	\$ 104,226
<b>Total liabilities</b>	<b>\$ 94,486</b>	<b>\$ 139,555</b>	<b>\$ 129,815</b>	<b>\$ 104,226</b>
 <b><u>Aldrich Student Activity</u></b>				
<i>Assets:</i>				
Cash and cash equivalents	\$ 31,700	\$ 80,740	\$ 78,054	\$ 34,386
<b>Total assets</b>	<b>\$ 31,700</b>	<b>\$ 80,740</b>	<b>\$ 78,054</b>	<b>\$ 34,386</b>
<i>Liabilities:</i>				
Deposits held in custody for others	\$ 31,700	\$ 80,740	\$ 78,054	\$ 34,386
<b>Total liabilities</b>	<b>\$ 31,700</b>	<b>\$ 80,740</b>	<b>\$ 78,054</b>	<b>\$ 34,386</b>
 <b><u>Warwick Veterans Student Activity</u></b>				
<i>Assets:</i>				
Cash and cash equivalents	\$ 103,440	\$ 175,862	\$ 183,039	\$ 96,263
<b>Total assets</b>	<b>\$ 103,440</b>	<b>\$ 175,862</b>	<b>\$ 183,039</b>	<b>\$ 96,263</b>
<i>Liabilities:</i>				
Deposits held in custody for others	\$ 103,440	\$ 175,862	\$ 183,039	\$ 96,263
<b>Total liabilities</b>	<b>\$ 103,440</b>	<b>\$ 175,862</b>	<b>\$ 183,039</b>	<b>\$ 96,263</b>
 <b><u>Total Agency Funds</u></b>				
<i>Assets:</i>				
Cash and cash equivalents	\$ 1,114,272	\$ 2,907,431	\$ 2,724,416	\$ 1,297,287
Due from others	3,310	16,345	-	19,655
<b>Total assets</b>	<b>\$ 1,117,582</b>	<b>\$ 2,923,776</b>	<b>\$ 2,724,416</b>	<b>\$ 1,316,942</b>
<i>Liabilities:</i>				
Accounts payable and accrued expenditures	\$ 11,204	\$ 192,580	\$ 198,086	\$ 5,698
Due to federal and state governments	127,052	1,956,606	1,779,813	303,845
Deposits held in custody for others	979,326	1,272,799	1,244,726	1,007,399
<b>Total liabilities</b>	<b>\$ 1,117,582</b>	<b>\$ 3,421,985</b>	<b>\$ 3,222,625</b>	<b>\$ 1,316,942</b>

(concluded)

# **COMBINING SCHEDULES**

**CITY OF WARWICK, RHODE ISLAND**  
**Combining Balance Sheet**  
**Funds Which Comprise the City's General Fund**  
**June 30, 2015**

	<b>General Fund</b>	<b>Rescue Service Fees Fund</b>	<b>Total General Fund</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 16,359,631	\$ 1,025,488	\$ 17,385,119
Accounts Receivable			
Real estate and personal property taxes receivable (net)	9,034,741	-	9,034,741
Due from federal and state governments	4,781,124	-	4,781,124
Other receivables	220,940	1,814,113	2,035,053
Due from other funds	11,001,436	-	11,001,436
Prepays	210,507	-	210,507
Other assets	4,622,517	-	4,622,517
<b>Total Assets</b>	<b>46,230,896</b>	<b>2,839,601</b>	<b>49,070,497</b>
<b>Liabilities:</b>			
Accounts payable and accrued expenditures	3,335,246	8,496	3,343,742
Due to federal and state governments	192,396	-	192,396
Due to other funds	10,525,334	1,276,442	11,801,776
Unearned revenue:			
Taxes collected in advance	3,041,617	-	3,041,617
Other	-	-	-
Other liabilities	4,734,018	-	4,734,018
<b>Total liabilities</b>	<b>21,828,611</b>	<b>1,284,938</b>	<b>23,113,549</b>
<b>Deferred Inflow of Resources:</b>			
Unearned tax revenue	8,701,049	1,554,663	10,255,712
<b>Fund Balance:</b>			
Non-Spendable	210,507	-	210,507
Restricted	3,000,000	-	3,000,000
Committed for education	3,183,726	-	3,183,726
Committed for other	1,155,486	-	1,155,486
Unassigned	8,151,517	-	8,151,517
<b>Total fund balances</b>	<b>15,701,236</b>	<b>-</b>	<b>15,701,236</b>
<b>Total liabilities, deferred inflow of resources, and fund balances</b>	<b>\$ 46,230,896</b>	<b>\$ 2,839,601</b>	<b>\$ 49,070,497</b>

The Funds listed above are maintained separately by the City. However, these funds are all considered to be part of the City's General Fund in accordance with GASB Statement No. 54. As such, the information is presented as the General Fund (a Major Fund) in the City's audited financial statements.

*See auditor's report and accompanying notes to these financial statements*

**CITY OF WARWICK, RHODE ISLAND**  
**Combining Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Funds Which Comprise the City's General Fund**  
**For the Fiscal Year Ended June 30, 2015**

	<u>General Fund</u>	<u>Rescue Service Fees Fund</u>	<u>Total General Fund</u>
<b>Revenues:</b>			
General property taxes	\$213,689,646	\$ -	\$213,689,646
Interest on taxes	2,221,716	-	2,221,716
Intergovernmental revenue	7,895,159	-	7,895,159
Charges for service	4,655,194	3,425,213	8,080,407
Investment income	2,887	536	3,423
Other revenues	11,280,797	70	11,280,867
<b>Total Revenue</b>	<u>239,745,399</u>	<u>3,425,819</u>	<u>243,171,218</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Executive and administrative	5,151,442		5,151,442
Public safety	40,887,654	1,090,044	41,977,698
Recreation	1,596,761	-	1,596,761
Public libraries	2,561,907	-	2,561,907
Social services	1,132,054	-	1,132,054
Planning and economic development	1,044,801	-	1,044,801
Public works	11,989,956	-	11,989,956
Employee benefits, fixed costs and capital	54,065,009	-	54,065,009
<b>Total expenditures</b>	<u>118,429,584</u>	<u>1,090,044</u>	<u>119,519,628</u>
<b>Excess of revenue over (under) expenditures before other financing sources (uses)</b>	<u>121,315,815</u>	<u>2,335,775</u>	<u>123,651,590</u>
<b>Other financing sources (uses)</b>			
Transfer in	2,863,282	(2,335,775)	527,507
Transfer out	(127,653,882)	-	(127,653,882)
<b>Net other financing sources (uses)</b>	<u>(124,790,600)</u>	<u>(2,335,775)</u>	<u>(127,126,375)</u>
<b>Net change in fund balance</b>	(3,474,785)	-	(3,474,785)
<b>Fund Balance - Beginning of the Year</b>	<u>19,176,021</u>	<u>-</u>	<u>19,176,021</u>
<b>Fund Balance - End of the Year</b>	<u>\$ 15,701,236</u>	<u>\$ -</u>	<u>\$ 15,701,236</u>

The Funds listed above are maintained separately by the City. However, these funds are all considered to be part of the City's General Fund in accordance with GASB Statement No. 54. As such, the information is presented as the General Fund (a Major Fund) in the City's audited financial statements.

*See auditor's report and accompanying notes to these financial statements*

**CITY OF WARWICK, RHODE ISLAND**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**June 30, 2015**

**INTERNAL SERVICE FUNDS**

	<b>Worker's Compensation Fund</b>	<b>Healthcare Management School Department</b>	<b>Healthcare Management City</b>	<b>Totals</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 750,228	\$ -	\$ -	\$ 750,228
Accounts receivable	30,000	4,023,443	-	4,053,443
Due from other funds	-	-	619,620	619,620
Deposit with agent	-	1,434,300	-	1,434,300
<b>Total assets</b>	<b>780,228</b>	<b>5,457,743</b>	<b>619,620</b>	<b>6,857,591</b>
<b>Liabilities:</b>				
Accounts payable and accrued expenses	-	-	-	-
Accrued claims - IBNR	94,018	1,049,114	-	1,143,132
Due to general fund	111,691	-	-	111,691
<b>Total liabilities</b>	<b>205,709</b>	<b>1,049,114</b>	<b>-</b>	<b>1,254,823</b>
<b>Net Position:</b>				
Unrestricted	\$ 574,519	\$ 4,408,629	\$ 619,620	\$ 5,602,768

**CITY OF WARWICK, RHODE ISLAND**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2015**

**INTERNAL SERVICE FUNDS**

	<u>Worker's Compensation Fund</u>	<u>Healthcare Management School Department</u>	<u>Healthcare Management City</u>	<u>Totals</u>
<b>OPERATING REVENUES:</b>				
Revenues				
Proceeds from reinsurance	\$ -	\$ 21,616,349	\$ 2,200,746	\$ 23,817,095
Worker's compensation	413,292	-	-	413,292
Healthcare insurance premiums	-	-	18,017,158	18,017,158
Dental insurance premiums	-	-	-	-
<b>Total revenues</b>	<u>413,292</u>	<u>21,616,349</u>	<u>20,217,904</u>	<u>42,247,545</u>
<b>EXPENDITURES:</b>				
Claims - Healthcare	\$ -	\$ 19,019,449	\$ 20,217,904	\$ 39,237,353
Claims - Dental	-	1,023,487	-	1,023,487
Stop loss insurance coverage	-	-	-	-
Administrative fees	-	508,123	-	508,123
Worker's compensation claims	381,556	-	-	381,556
<b>Total expenditures</b>	<u>381,556</u>	<u>20,551,059</u>	<u>20,217,904</u>	<u>41,150,519</u>
<b>Operating Income (Loss)</b>	31,736	1,065,290	-	1,097,026
<b>NON-OPERATING REVENUES (EXPENSE)</b>				
Interest Income	739	-	-	739
<b>Total non-operating revenue (expense)</b>	<u>739</u>	<u>-</u>	<u>-</u>	<u>739</u>
<b>CHANGE IN NET POSITION:</b>	32,475	1,065,290	-	1,097,765
<b>Net position - beginning of year</b>	<u>542,044</u>	<u>3,343,339</u>	<u>619,620</u>	<u>4,505,003</u>
<b>Net position - end of year</b>	<u>\$ 574,519</u>	<u>\$ 4,408,629</u>	<u>\$ 619,620</u>	<u>\$ 5,602,768</u>

**CITY OF WARWICK, RHODE ISLAND**  
**Proprietary Funds - Sewer**  
**Combining Statement of Net Position**  
**June 30, 2015**

	<b>SEWER FUNDS</b>			
	<b>Sewer Revenue Fund</b>	<b>1994 Sewer Bond Fund</b>	<b>Sewer SRF Bond Fund</b>	<b>Total</b>
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 6,040,850	\$ 1,383,732	\$ -	\$ 7,424,582
Restricted cash and cash equivalents	-	-	3,910,099	3,910,099
Accounts receivable, net:				
Sewer use fees	6,066,122	-	-	6,066,122
Accrued interest	-	-	14	14
Due from federal & state government	-	-	1,082,903	1,082,903
Other receivables	-	-	-	-
Due from other funds	12,672,025	-	843,827	13,515,852
<b>Total current assets</b>	<b>24,778,997</b>	<b>1,383,732</b>	<b>5,836,843</b>	<b>31,999,572</b>
<b>Non-current assets:</b>				
Construction in progress	-	-	9,926,255	9,926,255
Depreciable capital assets, net	30,677,492	8,464,818	126,234,930	165,377,240
<b>Total noncurrent assets</b>	<b>30,677,492</b>	<b>8,464,818</b>	<b>136,161,185</b>	<b>175,303,495</b>
<b>Total assets</b>	<b>55,456,489</b>	<b>9,848,550</b>	<b>141,998,028</b>	<b>207,303,067</b>
<b>Deferred Outflows of Resources:</b>				
Deferred charge on refunding	27,097	-	-	27,097
Deferred outflows - net pension liability amortizations	397,805	-	-	397,805
<b>Total deferred outflows</b>	<b>424,902</b>	<b>-</b>	<b>-</b>	<b>424,902</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued expenses	461,874	50,674	846,632	1,359,180
Accrued interest payable	935,678	-	-	935,678
Accrued compensated absences	53,529	-	-	53,529
Due to other funds	17,552,408	117,768	-	17,670,176
Unearned revenue	-	-	134,204	134,204
Current portion of long term debt	549,294	813,200	9,076,167	10,438,661
<b>Total current liabilities</b>	<b>19,552,783</b>	<b>981,642</b>	<b>10,057,003</b>	<b>30,591,428</b>
<b>Non-current liabilities:</b>				
Other liabilities	82	-	-	82
Accrued compensated absences	95,917	-	-	95,917
Bonds and loans payable	2,072,142	10,247,041	76,228,092	88,547,275
Net other post-employment benefits obligation	1,856,738	-	-	1,856,738
Net pension liability	2,397,661	-	-	2,397,661
<b>Total noncurrent liabilities</b>	<b>6,422,540</b>	<b>10,247,041</b>	<b>76,228,092</b>	<b>92,897,673</b>
<b>Total liabilities</b>	<b>25,975,323</b>	<b>11,228,683</b>	<b>86,285,095</b>	<b>123,489,101</b>
<b>Net position:</b>				
Net investment in capital assets	28,083,153	(1,380,133)	51,937,102	78,640,122
Restricted for debt service payments	-	-	3,910,099	3,910,099
Unrestricted	1,822,915	-	(134,268)	1,688,647
<b>Total net position</b>	<b>\$ 29,906,068</b>	<b>\$ (1,380,133)</b>	<b>\$ 55,712,933</b>	<b>\$ 84,238,868</b>

See auditor's report and accompanying notes to these financial statements

**CITY OF WARWICK, RHODE ISLAND**  
**Proprietary Funds - Sewer**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Fiscal Year Ended June 30, 2015**

<b>SEWER FUNDS</b>				
	<b>Sewer Revenue Fund</b>	<b>1994 Sewer Bond Fund</b>	<b>Sewer SRF Bond Fund</b>	<b>Total</b>
<b>Operating revenues</b>				
Assessments and user fees	\$ 15,982,755	\$ 9,087	\$ -	\$ 15,991,842
Other revenues	731,521	-	-	731,521
<b>Total operating revenues</b>	<b>16,714,276</b>	<b>9,087</b>	<b>-</b>	<b>16,723,363</b>
<b>Operating expenses</b>				
Contract services	239,261	245,948	-	485,209
Salaries and benefits	2,861,567	-	-	2,861,567
Materials and supplies	623,772	-	-	623,772
Depreciation and amortization	1,521,216	293,355	3,799,241	5,613,812
Operations	2,405,016	-	222,068	2,627,084
<b>Total operating expenses</b>	<b>7,650,832</b>	<b>539,303</b>	<b>4,021,309</b>	<b>12,211,444</b>
<b>Operating income (loss)</b>	<b>9,063,444</b>	<b>(530,216)</b>	<b>(4,021,309)</b>	<b>4,511,919</b>
<b>Non-operating revenues (expenses)</b>				
Interest income	1,532	2,200	222	3,954
Interest expense	(2,617,779)	-	-	(2,617,779)
Capital contributions	-	-	8,879	8,879
Loss on disposal of assets	(1,483)	-	(35,399)	(36,882)
<b>Total non-operating revenues (expenses)</b>	<b>(2,617,730)</b>	<b>2,200</b>	<b>(26,298)</b>	<b>(2,641,828)</b>
<b>Income (loss) before transfers</b>	<b>6,445,714</b>	<b>(528,016)</b>	<b>(4,047,607)</b>	<b>1,870,091</b>
<b>Transfers:</b>				
Transfers in	4,546,698	778,400	8,621,898	13,946,996
Transfers out	(9,425,298)	-	(115)	(9,425,413)
<b>Total transfers</b>	<b>(4,878,600)</b>	<b>778,400</b>	<b>8,621,783</b>	<b>4,521,583</b>
<b>Change in Net Position</b>	<b>1,567,114</b>	<b>250,384</b>	<b>4,574,176</b>	<b>6,391,674</b>
<b>Total Net Position - beginning of year, restated</b>	<b>28,338,954</b>	<b>(1,630,517)</b>	<b>51,138,757</b>	<b>77,847,194</b>
<b>Total Net Position - end of year</b>	<b>\$ 29,906,068</b>	<b>\$ (1,380,133)</b>	<b>\$ 55,712,933</b>	<b>\$ 84,238,868</b>

*See auditor's report and accompanying notes to these financial statements*

**CITY OF WARWICK, RHODE ISLAND**  
**Proprietary Funds -Water**  
**Combining Statement of Net Position**  
**June 30, 2015**

	<b>WATER FUNDS</b>			
	<u>Water Revenue Fund</u>	<u>1994 Water Bond Fund</u>	<u>2000 Water Bond Fund</u>	<u>Total</u>
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 2,741,059	\$ -	\$ 917,093	\$ 3,658,152
Accounts receivable, net:				
Water use fees	3,465,733	-	-	3,465,733
Due from federal & state government	326	-	-	326
Due from other funds	195,677	-	-	195,677
Inventory	85,527	-	-	85,527
<b>Total current assets</b>	<u>6,488,322</u>	<u>-</u>	<u>917,093</u>	<u>7,405,415</u>
<b>Non-current assets:</b>				
Depreciable capital assets, net	9,614,206	1,123,912	1,112,226	11,850,344
<b>Total noncurrent assets</b>	<u>9,614,206</u>	<u>1,123,912</u>	<u>1,112,226</u>	<u>11,850,344</u>
<b>Total assets</b>	<u>16,102,528</u>	<u>1,123,912</u>	<u>2,029,319</u>	<u>19,255,759</u>
<b>Deferred Outflows of Resources:</b>				
Deferred charge on refunding	-	438	5,416	5,854
Deferred outflows - net pension liability amortizations	476,271	-	-	476,271
<b>Total deferred outflows of resources</b>	<u>476,271</u>	<u>438</u>	<u>5,416</u>	<u>482,125</u>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued expenses	1,170,538	-	-	1,170,538
Accrued interest payable	6,688	-	-	6,688
Accrued compensated absences	23,932	-	-	23,932
Due to other funds	4,693,071	-	-	4,693,071
Current portion of long term debt	-	-	118,255	118,255
<b>Total current liabilities</b>	<u>5,894,229</u>	<u>-</u>	<u>118,255</u>	<u>6,012,484</u>
<b>Non-current liabilities:</b>				
Accrued compensated absences	190,228	-	-	190,228
Bonds and loans payable	-	10,132	931,343	941,475
Net other post-employment benefits obligation	2,055,674	-	-	2,055,674
Net pension liability	2,870,588	-	-	2,870,588
<b>Total noncurrent liabilities</b>	<u>5,116,490</u>	<u>10,132</u>	<u>931,343</u>	<u>6,057,965</u>
<b>Total liabilities</b>	<u>11,010,719</u>	<u>10,132</u>	<u>1,049,598</u>	<u>12,070,449</u>
<b>Net position:</b>				
Net investment in capital assets	9,614,206	1,114,218	985,137	11,713,561
Unrestricted	(4,046,126)	-	-	(4,046,126)
<b>Total net position</b>	<u>\$ 5,568,080</u>	<u>\$ 1,114,218</u>	<u>\$ 985,137</u>	<u>\$ 7,667,435</u>

*See auditor's report and accompanying notes to these financial statements*

**CITY OF WARWICK, RHODE ISLAND**  
**Proprietary Funds - Water**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Fiscal Year Ended June 30, 2015**

	<b>WATER FUNDS</b>			
	<u>Water Revenue Fund</u>	<u>1994 Water Bond Fund</u>	<u>2000 Water Bond Fund</u>	<u>Total</u>
<b>Operating revenues</b>				
Assessments and user fees	\$ 10,187,345	\$ -	\$ -	\$ 10,187,345
Other revenues	554,457	160	4,659	559,276
<b>Total operating revenues</b>	<u>10,741,802</u>	<u>160</u>	<u>4,659</u>	<u>10,746,621</u>
<b>Operating expenses</b>				
Contract services	259,113	-	15,614	274,727
Salaries and benefits	3,036,209	-	-	3,036,209
Materials and supplies	105,865	-	-	105,865
Depreciation and amortization	598,970	20,063	120,237	739,270
Operations	6,703,158	-	-	6,703,158
<b>Total operating expenses</b>	<u>10,703,315</u>	<u>20,063</u>	<u>135,851</u>	<u>10,859,229</u>
<b>Operating income (loss)</b>	<u>38,487</u>	<u>(19,903)</u>	<u>(131,192)</u>	<u>(112,608)</u>
<b>Non-operating revenues (expenses)</b>				
Interest income	1,199	-	-	1,199
Interest expense	(46,479)	-	-	(46,479)
Capital contributions	-	-	-	-
Loss on disposal of assets	-	-	-	-
<b>Total non-operating revenues (expenses)</b>	<u>(45,280)</u>	<u>-</u>	<u>-</u>	<u>(45,280)</u>
<b>Income (loss) before transfers</b>	<u>(6,793)</u>	<u>(19,903)</u>	<u>(131,192)</u>	<u>(157,888)</u>
<b>Transfers:</b>				
Transfers in	418,639	55,661	107,947	582,247
Transfers out	(163,608)	-	-	(163,608)
<b>Total transfers</b>	<u>255,031</u>	<u>55,661</u>	<u>107,947</u>	<u>418,639</u>
<b>Change in Net Position</b>	<u>248,238</u>	<u>35,758</u>	<u>(23,245)</u>	<u>260,751</u>
<b>Total Net Position - beginning of year, restated</b>	<u>5,319,842</u>	<u>1,078,460</u>	<u>1,008,382</u>	<u>7,406,684</u>
<b>Total Net Position - end of year</b>	<u>\$ 5,568,080</u>	<u>\$ 1,114,218</u>	<u>\$ 985,137</u>	<u>\$ 7,667,435</u>

*See auditor's report and accompanying notes to these financial statements*

**CITY OF WARWICK, RHODE ISLAND**  
**Schedule of Tax Collections**  
**For the Fiscal Year Ended June 30, 2015**

Assessment of	Balance Uncollected July 1, 2014	Current Year Assessment	Additions & Adjustments	Tax Titles	Authorized Abatements	Amount to Be Collected	Current Year Collections	Balance Uncollected June 30, 2015
2014	\$ -	\$ 222,498,782	\$ 263,429	\$ (243,196)	\$ (2,782,071)	\$ 219,736,944	\$ 212,969,152	\$ 6,767,792
2013	6,311,488		15,155	(4,706)	(228,662)	6,093,275	2,894,812	3,198,463
2012	2,019,029		(18,732)	(700)	(740,120)	1,259,477	216,555	1,042,922
2011	984,902		94,980	-	(661,753)	418,129	(366,859)	784,988
2010	362,673		44,772		(781,962)	(374,517)	(500,234)	125,717
2009	187,983		2,579		(278,876)	(88,314)	(307,569)	219,255
2008	214,217		472		(81,776)	132,913	(56,363)	189,276
2007	348,913		268		(53,941)	295,240	(62,636)	357,876
2006	330,656		472		-	331,128	(13,733)	344,861
2005	334,958		410		-	335,368	5,455	329,913
2004	329,871		4		-	329,875	4,648	325,227
2003	264,669				-	264,669	2,921	261,748
2002	258,769		(16)		-	258,753	1,797	256,956
2001	288,885				(62)	288,823	1,542	287,281
2000	369,599		565		(14)	370,150	405	369,745
1999	1,388,737					1,388,737		1,388,737
1998	1,395,179		(100)			1,395,079		1,395,079
1997	395,948					395,948		395,948
1996	433,608					433,608		433,608
<b>TOTALS</b>	<b>\$ 16,220,084</b>	<b>\$ 222,498,782</b>	<b>\$ 404,258</b>	<b>\$ (248,602)</b>	<b>\$ (5,609,237)</b>	<b>\$ 233,265,285</b>	<b>\$ 214,789,893</b>	<b>18,475,392</b>

Less allowances (9,440,652)  
Tax receivables, net \$ 9,034,740

*Schedule of most recent property net assessed property value by category as of December 31, 2013*

	Valuations	Levy
Real property	\$ 7,933,115,459	\$ 178,068,479
Motor vehicles (excise)	862,802,922	23,019,747
Other personal property	533,705,181	21,412,252
<b>Total real and personal property</b>	<u>9,329,623,562</u>	<u>222,500,478</u>
Less:		
Hold harmless, state exemptions, state phase-out, and adjustments	375,354,921	1,696
<b>Net assessed value</b>	<u>\$ 8,954,268,641</u>	<u>\$ 222,498,782</u>

**Reconciliation of current year property tax revenue:**

Current year collections	\$ 214,789,893
Adjustments / refunds in transit	767,232
Revenue received 60 days subsequent to fiscal year ended June 30, 2015	<u>333,692</u>
	<u>215,890,817</u>
Prior year revenue 60 days subsequent to prior year ended June 30, 2014	(2,201,171)
<b>Current year property tax revenue</b>	<u><u>\$ 213,689,646</u></u>

**CITY OF WARWICK, RHODE ISLAND**  
**Analysis of Prior Years Tax Collections**  
**For the Fiscal Year Ended June 30, 2015**

<b>Tax Years</b>	<b>Collections (refunds netted)</b>	<b>Less Prior Year 60 Day Collections</b>	<b>Less Adjustments For Refunds and Redemptions in Transit</b>	<b>Less Reclass Between Years - Logs</b>	<b>Plus Current Year 60 Day Collections</b>	<b>Net Total</b>	
2014	212,969,152	-	(102,917)	(71,119)	1,684,234	214,479,350	
2013	2,894,812	(1,877,716)	861,175	(3,536)	(63,918)	1,810,817	} \$ (789,704) Prior Year Collections
2012	216,555	(520,165)	7,891	(25,013)	(458,709)	(779,441)	
2011	(366,859)	149,983	3,292	66,275	(397,790)	(545,099)	
2010	(500,234)	9,730	(390)	30,734	(384,477)	(844,637)	
2009	(307,569)	15,368	(339)	2,098	1,237	(289,205)	
2008	(56,363)	13,917	(347)	125	(50,450)	(93,118)	
2007	(62,636)	13,325	(268)	-	1,083	(48,496)	
2006	(13,733)	(1,616)	(420)	17	900	(14,852)	
2005	5,455	(1,534)	(441)	(30)	1,448	4,898	
2004	4,648	(1,346)	(4)	-	-	3,298	
2003	2,921	(574)	-	(16)	-	2,331	
2002	1,797	(634)	-	-	-	1,163	
2001	1,542	91	-	565	36	2,234	
2000	405	-	-	(100)	98	403	
	<b>\$ 214,789,893</b>	<b>\$ (2,201,171)</b>	<b>\$ 767,232</b>	<b>\$ -</b>	<b>\$ 333,692</b>	<b>\$ 213,689,646</b>	

# **STATISTICAL SECTION**

**CITY OF WARWICK, RHODE ISLAND**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**(Unaudited)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$71,961,458	\$66,647,101	\$67,828,026	\$64,184,519	\$64,258,323	\$62,802,492	\$61,079,076	\$61,133,149	\$65,104,705	\$69,871,522
Restricted	3,333,193	3,550,462	3,201,119	1,947,766	1,433,298	1,331,626	2,159,153	2,736,581	3,382,875	4,120,308
Unrestricted	369,491	(6,573,588)	(28,569,229)	(45,907,021)	(62,378,508)	(82,266,981)	(96,854,156)	(110,905,795)	(133,284,704)	(475,399,557)
<b>Total Governmental Activities Net Assets</b>	<b>75,664,142</b>	<b>63,623,975</b>	<b>42,459,916</b>	<b>20,225,264</b>	<b>3,313,113</b>	<b>(18,132,863)</b>	<b>(33,615,927)</b>	<b>(47,036,065)</b>	<b>(64,797,124)</b>	<b>(401,407,727)</b>
<b>Business-type Activities</b>										
Invested in capital assets, net of related debt	52,998,122	56,492,614	55,465,549	63,148,905	67,391,392	72,213,574	79,287,133	81,963,905	85,294,240	90,353,683
Restricted	1,593,899	2,142,194	2,987,060	3,010,672	3,094,095	3,094,452	3,194,281	3,194,302	3,672,082	3,910,099
Unrestricted	10,410,660	7,337,197	9,025,008	4,542,008	5,450,484	4,268,908	4,415,400	8,790,829	10,773,438	8,880,173
<b>Total Business-type Activities Net Assets</b>	<b>65,002,681</b>	<b>65,972,005</b>	<b>67,477,617</b>	<b>70,701,585</b>	<b>75,935,971</b>	<b>79,576,934</b>	<b>86,896,814</b>	<b>93,949,036</b>	<b>99,739,760</b>	<b>103,143,955</b>
<b>Primary Government</b>										
Invested in capital assets, net of related debt	124,959,580	123,139,715	123,293,575	127,333,424	131,649,715	135,016,066	140,366,209	143,097,054	150,398,945	160,225,205
Restricted	4,927,092	5,692,656	6,188,179	4,958,438	4,527,393	4,426,078	5,353,434	5,930,883	7,054,957	8,030,407
Unrestricted	10,780,151	763,609	(19,544,221)	(41,365,013)	(56,928,024)	(77,998,073)	(92,438,756)	(102,114,966)	(122,511,266)	(466,519,384)
<b>Total Primary Government Net Assets</b>	<b>\$140,666,823</b>	<b>\$129,595,980</b>	<b>\$109,937,533</b>	<b>\$90,926,849</b>	<b>\$79,249,084</b>	<b>\$61,444,071</b>	<b>\$53,280,887</b>	<b>\$46,912,971</b>	<b>\$34,942,636</b>	<b>(298,263,772)</b>

Source: City of Warwick Comprehensive Annual Financial Report

**CITY OF WARWICK, RHODE ISLAND**  
**CHANGE IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**(Unaudited)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
Executive & Administration	\$7,378,518	\$8,703,429	\$7,542,904	\$8,069,697	\$9,031,312	\$8,068,528	\$7,189,863	\$8,163,964	\$7,898,442	\$8,389,533
Public Safety	65,817,448	77,889,776	89,302,039	89,041,058	89,614,158	94,727,477	96,094,909	99,913,493	104,020,192	101,268,696
Recreation	3,168,229	3,338,239	3,358,547	3,330,999	3,353,999	3,593,994	3,627,775	3,185,691	2,549,088	3,044,788
Public Libraries	3,833,107	4,095,289	4,443,880	4,420,849	4,333,950	4,906,998	4,958,759	4,843,416	5,116,596	4,829,752
Social Services	2,860,603	2,719,927	2,973,994	2,875,875	2,658,015	2,290,428	2,254,293	2,103,904	2,160,896	2,021,311
Planning & E/D	3,563,021	3,221,363	3,314,008	3,405,639	3,856,439	2,790,778	2,777,531	3,139,802	3,114,804	2,880,454
Public Works	21,271,907	21,757,520	22,574,947	21,994,345	21,609,069	20,766,889	22,147,778	21,788,643	21,842,422	21,946,560
Education	163,926,829	168,839,482	175,918,003	174,286,188	171,897,294	175,633,555	170,207,856	170,690,028	173,500,902	173,887,234
Cafeteria Operations	2,916,762	2,841,531	2,908,848	3,005,016	2,647,559	-	-	-	-	-
Interest on Long Term Debt	3,672,548	3,009,586	2,902,909	2,360,516	2,347,813	1,906,529	2,296,097	1,800,222	1,586,055	1,706,620
<b>Total Governmental Activities Expenses:</b>	<b>278,408,972</b>	<b>296,416,142</b>	<b>315,240,079</b>	<b>312,790,182</b>	<b>311,349,608</b>	<b>314,685,176</b>	<b>311,554,861</b>	<b>315,629,163</b>	<b>321,789,397</b>	<b>319,974,948</b>
<b>Business-type activities:</b>										
Sewer	13,240,766	13,484,307	14,231,646	15,215,618	15,759,558	24,390,931	14,704,964	14,824,243	14,807,198	15,082,034
Water	7,669,925	8,252,959	9,681,133	9,646,628	9,427,381	10,522,632	10,118,651	10,153,770	10,096,249	10,905,708
<b>Total Business-type Activities Expenses:</b>	<b>20,910,691</b>	<b>21,737,266</b>	<b>23,912,779</b>	<b>24,862,246</b>	<b>25,186,939</b>	<b>34,913,563</b>	<b>24,823,615</b>	<b>24,978,013</b>	<b>24,903,447</b>	<b>25,987,742</b>
<b>Total Primary Government Expenses:</b>	<b>\$299,319,663</b>	<b>\$318,153,408</b>	<b>\$339,152,858</b>	<b>\$337,652,428</b>	<b>\$336,536,547</b>	<b>\$349,598,739</b>	<b>\$336,378,476</b>	<b>\$340,607,176</b>	<b>\$346,692,844</b>	<b>\$345,962,690</b>

**CITY OF WARWICK, RHODE ISLAND**  
**CHANGE IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**(Unaudited)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
Charges for Services:										
Executive & Administration	\$3,939,444	\$3,442,464	\$2,858,476	\$2,209,444	\$2,246,025	\$2,123,034	\$2,110,147	\$2,316,005	\$2,221,129	\$2,309,876
Public Safety	6,696,573	7,016,618	7,467,293	6,970,909	7,371,438	6,906,078	7,122,121	6,482,419	7,193,150	7,676,780
Recreation	806,442	792,374	828,017	900,225	894,380	957,604	962,086	932,052	960,133	979,791
Public Libraries	68,389	36,325	47,159	40,736	37,070	32,495	33,369	33,597	30,420	39,297
Social Services	80,482	79,007	100,956	126,658	139,649	135,116	137,727	113,106	117,136	105,514
Planning & E/D	2,503,643	1,798,343	1,599,877	1,681,609	2,081,026	1,573,526	1,995,266	1,727,813	1,918,114	1,837,993
Public Works	335,980	350,139	299,049	332,001	364,942	356,417	325,721	211,458	223,442	252,276
Education	3,397,605	3,006,444	2,778,367	3,497,123	3,776,975	4,522,161	1,970,205	1,860,301	1,186,216	2,093,869
Cafeteria Operations	1,774,566	1,751,231	1,542,363	1,368,341	1,045,893	-	-	-	-	-
Operating Grants/Contributions	51,182,760	54,912,922	55,130,733	51,258,003	53,474,747	51,863,051	53,699,759	55,546,646	59,427,759	57,836,909
Capital Grants/Contributions	700,043	1,442,541	3,600,000	-	-	1,066,557	152,292	1,409,223	524,461	125,710
<b>Total Governmental Activities Program Revenues:</b>	<b>71,485,927</b>	<b>74,628,408</b>	<b>76,252,290</b>	<b>68,385,049</b>	<b>71,432,145</b>	<b>69,536,039</b>	<b>68,508,693</b>	<b>70,632,620</b>	<b>73,801,960</b>	<b>73,258,015</b>
<b>Business-type Activities:</b>										
Charges for Services:										
Sewer	8,406,658	8,539,892	10,396,217	12,352,153	16,494,263	14,058,609	13,320,223	16,314,418	16,099,887	17,903,575
Sewer Assessment	5,834,912	6,072,270	6,078,049	5,646,954	5,414,375	5,193,582	5,962,350	6,660,728	5,222,858	5,316,633
Water	7,679,742	7,274,848	8,008,749	8,767,956	7,918,224	10,482,771	9,771,177	10,138,836	9,067,023	10,746,621
Operating Grants/Contributions	9,511	121,916	39,153	-	-	-	-	42,183	-	-
Capital Grants/Contributions	-	-	326,620	1,238,170	541,403	2,694,761	3,073,848	349,939	-	-
<b>Total Business-type Activities Program Revenues:</b>	<b>21,930,823</b>	<b>22,008,926</b>	<b>24,848,788</b>	<b>28,005,233</b>	<b>30,368,265</b>	<b>32,429,723</b>	<b>32,127,598</b>	<b>33,506,104</b>	<b>30,389,768</b>	<b>33,966,829</b>
<b>Total Primary Government Program Revenues:</b>	<b>\$93,416,750</b>	<b>\$96,637,334</b>	<b>\$101,101,078</b>	<b>\$96,390,282</b>	<b>\$101,800,410</b>	<b>\$101,965,762</b>	<b>\$100,636,291</b>	<b>\$104,138,724</b>	<b>\$104,191,728</b>	<b>\$107,224,844</b>
<b>Net (Expense) Revenue</b>										
<b>Governmental Activities</b>	<b>(\$206,923,045)</b>	<b>(\$221,787,734)</b>	<b>(\$238,987,789)</b>	<b>(\$244,405,133)</b>	<b>(\$239,917,463)</b>	<b>(\$245,149,137)</b>	<b>(\$243,046,168)</b>	<b>(\$244,996,543)</b>	<b>(\$247,987,437)</b>	<b>(\$246,716,933)</b>
<b>Business-type Activities</b>	<b>1,020,132</b>	<b>271,660</b>	<b>936,009</b>	<b>3,142,987</b>	<b>5,181,326</b>	<b>(2,483,840)</b>	<b>7,303,983</b>	<b>8,528,091</b>	<b>5,486,321</b>	<b>7,979,087</b>
<b>Total Primary Government Net Expense</b>	<b>(\$205,902,913)</b>	<b>(\$221,516,074)</b>	<b>(\$238,051,780)</b>	<b>(\$241,262,146)</b>	<b>(\$234,736,137)</b>	<b>(\$247,632,977)</b>	<b>(\$235,742,185)</b>	<b>(\$236,468,452)</b>	<b>(\$242,501,116)</b>	<b>(\$238,737,846)</b>

**CITY OF WARWICK, RHODE ISLAND**  
**CHANGE IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual Basis of Accounting)**  
**(Unaudited)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental Activities</b>										
Property Taxes	\$169,988,651	\$177,362,772	\$185,975,551	\$195,204,676	\$201,516,576	\$205,826,048	\$213,334,334	\$216,802,269	\$214,125,691	\$217,134,855
Interest on Property Taxes	1,502,221	1,484,500	1,591,941	1,728,716	(1,273,017)	1,571,198	1,737,961	1,562,589	2,146,222	2,206,502
State Aid & In Lieu of Tax	22,172,675	24,398,225	23,579,703	21,121,217	17,352,666	6,817,475	6,896,729	7,120,046	7,861,860	7,693,925
Investment Earnings	1,196,230	1,456,165	950,750	156,876	59,581	2,319	(21,741)	(32,851)	5,652	5,925
Tax Titles	61,804	7,823	33,212	20,334	155,168	97,308	78,373	258,929	217,160	55,085
Insurance Proceeds						496,997	39,914	96,463	133,052	427,898
Miscellaneous	2,811,911	4,710,191	5,650,040	4,470,760	5,194,338	5,016,367	5,479,807	6,449,112	6,034,137	7,098,886
Transfers		150,000	50,000	100,000	-	-	17,727	(42,522)	(297,396)	15,000
<b>Total Governmental Activities:</b>	<b>197,733,492</b>	<b>209,569,676</b>	<b>217,831,197</b>	<b>222,802,579</b>	<b>223,005,312</b>	<b>219,827,712</b>	<b>227,563,104</b>	<b>232,214,035</b>	<b>230,226,378</b>	<b>234,638,076</b>
<b>Business-type Activities</b>										
Investment Earnings	871,061	847,664	619,603	180,981	34,442	20,424	8,917	19,175	7,007	6,547
Insurance Proceeds						6,104,379	24,707	26,072	-	-
Transfers		(150,000)	(50,000)	(100,000)		-	(17,727)	42,522	297,396	(15,000)
<b>Total Business-type Activities:</b>	<b>871,061</b>	<b>697,664</b>	<b>569,603</b>	<b>80,981</b>	<b>34,442</b>	<b>6,124,803</b>	<b>15,897</b>	<b>87,769</b>	<b>304,403</b>	<b>(8,453)</b>
<b>Total Primary Government:</b>	<b>\$198,604,553</b>	<b>\$210,267,340</b>	<b>\$218,400,800</b>	<b>\$222,883,560</b>	<b>\$223,039,754</b>	<b>\$225,952,515</b>	<b>\$227,579,001</b>	<b>\$232,301,804</b>	<b>\$230,530,781</b>	<b>\$234,629,623</b>
<b>Change in Net Assets</b>										
<b>Governmental Activities</b>	<b>(\$9,189,553)</b>	<b>(\$12,218,058)</b>	<b>(\$21,156,592)</b>	<b>(\$21,602,554)</b>	<b>(\$16,912,151)</b>	<b>(\$25,321,425)</b>	<b>(\$15,483,064)</b>	<b>(\$12,782,508)</b>	<b>(\$17,761,059)</b>	<b>(\$12,078,857)</b>
<b>Business-type Activities</b>	<b>1,891,193</b>	<b>969,324</b>	<b>1,505,612</b>	<b>3,223,968</b>	<b>5,215,768</b>	<b>3,640,963</b>	<b>7,319,880</b>	<b>8,615,860</b>	<b>5,790,724</b>	<b>7,970,634</b>
<b>Total Primary Government:</b>	<b>(\$7,298,360)</b>	<b>(\$11,248,734)</b>	<b>(\$19,650,980)</b>	<b>(\$18,378,586)</b>	<b>(\$11,696,383)</b>	<b>(\$21,680,462)</b>	<b>(\$8,163,184)</b>	<b>(\$4,166,648)</b>	<b>(\$11,970,335)</b>	<b>(\$4,108,223)</b>

Source: City of Warwick Comprehensive Annual Financial Report

- (1) In Fiscal 2006 Non-Major Enterprise Funds were combined within Sewer and Water.
- (2) In Fiscal 2011 Cafeteria Operations were combined with Education

**CITY OF WARWICK, RHODE ISLAND**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**  
**(Unaudited)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Reserved	\$4,882,583	\$1,717,250	\$3,961,677	\$3,225,420	\$7,945,894	-	-	-	-	-
Non-Spendable	-	-	-	-	-	\$216,869	\$217,244	\$214,650	\$211,476	\$210,507
Restricted	-	-	-	-	-	-	-	-	\$3,600,000	\$3,000,000
Committed	-	-	-	-	-	\$2,401,774	\$3,322,613	\$4,689,278	\$4,560,680	\$4,339,212
Assigned	-	-	-	-	-	-	-	-	-	-
Unreserved/Unassigned:	13,396,581	12,739,745	7,899,627	5,916,723	6,862,566	5,981,718	8,253,978	11,852,791	10,803,865	8,151,517
<b>Total General Fund</b>	<b>\$18,279,164</b>	<b>\$14,456,995</b>	<b>\$11,861,304</b>	<b>\$9,142,143</b>	<b>\$14,808,460</b>	<b>\$8,600,361</b>	<b>\$11,793,835</b>	<b>\$16,756,719</b>	<b>\$19,176,021</b>	<b>\$15,701,236</b>
<b>All Other Governmental Funds</b>										
Reserved	\$5,862,678	\$2,107,178	\$1,107,800	\$1,749,289	\$1,471,318	-	-	-	-	-
Restricted	-	-	-	-	-	\$9,587,064	\$7,754,049	\$8,803,655	\$6,858,453	\$10,888,224
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	\$46,950	\$40,656	\$35,685	-	-
Unassigned/Unassigned in:	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	2,129,260	1,529,175	(585,186)	653,589	2,565,535	(13)	-	-	-	-
Capital Project Funds	(2,664,466)	1,984,818	1,344,428	383,425	2,420,408	(888,044)	(628,477)	(1,425,201)	(2,787,894)	(5,676,144)
<b>Total All Other Governmental Funds</b>	<b>\$5,327,472</b>	<b>\$5,621,171</b>	<b>\$1,867,042</b>	<b>\$2,786,303</b>	<b>\$6,457,261</b>	<b>\$8,745,957</b>	<b>\$7,166,228</b>	<b>\$7,414,139</b>	<b>\$4,070,559</b>	<b>\$5,212,080</b>
<b>Total All Other Governmental Funds</b>	<b>23,606,636</b>	<b>20,078,166</b>	<b>13,728,346</b>	<b>11,928,446</b>	<b>21,265,721</b>	<b>17,346,318</b>	<b>18,960,063</b>	<b>24,170,858</b>	<b>23,246,580</b>	<b>20,913,316</b>

Source: City of Warwick Comprehensive Annual Financial Report

Note: GASB54 was implemented in 2011. Fund balance classifications were adjusted accordingly.

**CITY OF WARWICK, RHODE ISLAND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
General Property Taxes	169,763,615	177,052,585	185,121,502	194,214,398	202,494,106	204,577,041	212,007,763	216,054,096	214,148,180	213,689,646
Interest On Taxes	1,202,023	1,209,003	1,200,872	1,376,875	1,228,767	1,357,578	1,392,844	1,682,473	2,494,254	2,221,716
Intergovernmental Revenue	67,275,837	72,167,517	72,909,688	63,643,865	62,224,022	53,821,511	52,037,242	54,946,587	57,042,872	55,935,932
State Contribution to Pension Plan	4,460,664	5,848,558	7,045,104	6,319,011	5,928,125	5,747,000	6,251,800	6,223,212	6,342,485	6,968,124
Charges for Services	16,308,269	15,798,638	15,494,679	12,531,573	12,844,595	11,657,310	11,606,395	11,709,095	12,560,899	11,751,428
Investment Income	1,178,496	1,435,007	934,228	152,401	58,314	2,093	1,474	(35,582)	4,962	5,184
Contributions and Private Grants	166,177	532,283	181,631	187,375	139,515	106,860	164,652	522,410	306,079	202,245
Other Revenue	7,831,481	9,228,876	9,785,620	11,126,985	11,581,585	9,909,777	10,309,384	11,045,445	12,074,905	12,415,989
<i>Total Revenues</i>	<i>268,186,562</i>	<i>283,272,467</i>	<i>292,673,324</i>	<i>289,552,483</i>	<i>296,499,029</i>	<i>287,179,170</i>	<i>293,771,554</i>	<i>302,147,736</i>	<i>304,974,636</i>	<i>303,190,264</i>
<b>Expenditures</b>										
Executive and Administration	5,028,234	6,185,376	4,734,433	4,872,291	5,816,066	4,957,805	4,519,720	4,508,874	4,645,528	5,256,264
Public Safety	40,717,156	44,501,008	42,122,827	41,233,284	40,755,519	42,308,559	43,062,869	44,127,815	45,078,068	48,443,800
Recreation	2,265,365	2,598,519	6,262,255	1,812,641	1,780,946	1,895,427	1,576,349	1,516,612	1,491,348	1,609,025
Public Libraries	2,647,206	2,764,806	2,888,316	2,588,469	2,571,020	2,631,152	2,580,684	2,627,093	2,664,349	2,649,211
Social Services	2,180,058	2,059,600	2,189,436	2,079,240	1,854,240	1,393,507	1,262,235	1,197,505	1,188,989	1,304,766
Planning and Economic Development	3,321,767	2,940,637	2,793,048	2,716,404	3,242,502	2,578,289	2,169,881	2,593,625	2,461,805	2,032,789
Public Works	14,938,720	12,708,971	12,021,107	11,687,121	12,491,980	14,237,550	12,423,819	13,694,798	14,474,028	14,342,186
Employee Benefits, Fixed Costs, & Capital	34,811,318	39,097,834	38,889,504	40,692,687	41,079,075	43,757,666	46,057,032	50,772,566	51,176,951	54,065,009
Education	151,894,602	161,925,679	166,893,833	165,475,272	163,419,363	169,004,878	165,316,678	167,622,445	169,221,031	169,089,102
Cafeteria Operations*	2,916,762	2,841,531	2,908,848	3,005,016	2,647,559	-	-	-	-	-
State Contribution to Pension Plan	4,460,664	5,848,558	7,045,104	6,319,011	5,928,125	5,747,000	6,251,800	6,223,212	6,342,485	6,968,124
Other	-	-	-	-	-	-	-	-	-	-
Capital Outlay										
Debt Service-Principal	6,328,283	6,255,060	7,165,403	6,444,241	6,920,994	5,965,182	5,226,115	4,570,722	5,082,483	5,962,158
Debt Service-Interest	3,151,446	3,045,599	3,080,272	2,313,451	2,300,365	2,169,590	1,726,854	1,761,508	1,749,891	1,668,544
Bond Issuance Costs/Paying Agent Fees						200,420	1,500	30,659	24,561	102,828
<i>Total Expenditures</i>	<i>274,661,581</i>	<i>292,773,178</i>	<i>298,994,386</i>	<i>291,239,128</i>	<i>290,807,754</i>	<i>296,847,025</i>	<i>292,175,536</i>	<i>301,247,434</i>	<i>305,601,517</i>	<i>313,493,806</i>
<b>Excess of Revenues Over (Under) Expenditures</b>										
Before Other Financing Sources (Uses)	(6,475,019)	(9,500,711)	(6,321,062)	(1,686,645)	5,691,275	(9,667,855)	1,596,018	900,302	(626,881)	(10,303,542)

**CITY OF WARWICK, RHODE ISLAND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified Accrual Basis of Accounting)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Other Financing Sources (Uses)</b>										
Transfers From Other Funds	116,360,126	125,495,249	131,403,144	136,243,765	133,734,780	129,552,412	127,682,960	126,600,068	127,325,885	129,885,749
Transfers To Other Funds	(116,731,115)	(125,726,008)	(131,626,361)	(136,357,020)	(133,996,780)	(129,552,412)	(127,665,233)	(126,642,590)	(127,623,281)	(129,870,749)
Proceeds From Bonds	2,500,000		201,926	-	3,908,000	6,047,524		4,353,015		5,055,278
Proceeds From Capital Lease		6,203,000	-	-	-	-				2,900,000
<i>Total Other Financing Sources (Uses)</i>	<i>2,129,011</i>	<i>5,972,241</i>	<i>(21,291)</i>	<i>(113,255)</i>	<i>3,646,000</i>	<i>6,047,524</i>	<i>17,727</i>	<i>4,310,493</i>	<i>(297,396)</i>	<i>7,970,278</i>
<b>Net Change in Fund Balances</b>	<b>(4,346,008)</b>	<b>(3,528,470)</b>	<b>(6,342,353)</b>	<b>(1,799,900)</b>	<b>9,337,275</b>	<b>(3,620,331)</b>	<b>1,613,745</b>	<b>5,210,795</b>	<b>(924,277)</b>	<b>(2,333,264)</b>
<b>Debt Service As A Percentage of Noncapital Expenditures</b>	<b>3.59%</b>	<b>3.27%</b>	<b>3.49%</b>	<b>3.01%</b>	<b>3.20%</b>	<b>2.79%</b>	<b>2.42%</b>	<b>2.16%</b>	<b>2.31%</b>	<b>2.54%</b>

\* During fiscal 2011, Cafeteria Operations were combined with Education.

Source: City of Warwick Comprehensive Annual Financial Report

**CITY OF WARWICK, RHODE ISLAND**  
**ASSESSED VALUE & ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

<b>Real Property</b>						
Fiscal Year	Residential	Commercial	Less Tax-Exempt Property	Total Taxable Assessed Value	Estimated Actual Value	Tax Rate Res/Comm
2006	6,241,260,800	2,098,104,400	69,168,000	8,270,197,200	8,270,197,200	\$15.46/ \$23.18
2007	6,281,527,400	2,129,669,100	67,760,000	8,343,436,500	9,481,177,841	\$15.95/ \$23.93
2008	8,079,072,500	3,212,249,600	66,586,000	11,224,736,100	14,682,454,022	\$12.75/ \$19.13
2009	8,082,766,300	3,188,308,100	94,720,900	11,176,353,500	11,176,353,500	\$13.41/ \$20.12
2010	8,097,688,900	3,203,401,900	64,803,000	11,236,287,800	9,135,193,333	\$14.14/ \$21.21
2011	6,286,650,600	2,808,766,770	64,485,000	9,030,932,370	9,030,932,370	\$17.48/ \$26.22
2012	6,261,960,200	2,641,178,770	53,032,287	8,850,106,683	8,850,106,683	\$17.69/ \$26.53
2013	6,265,223,524	2,553,709,270	149,903,604	8,669,029,190	8,669,029,190	\$18.14/ \$27.21
2014	5,774,315,608	2,308,836,275	113,410,569	7,969,741,314	7,969,741,314	\$19.79/ \$29.68
2015	5,690,034,009	2,243,081,450	177,862,624	7,755,252,835	7,755,252,835	\$20.06/ \$30.09

<b>Personal Property</b>						
<b>Tangible</b>						
Fiscal Year	Tangible Personal Property	Less Tax-Exempt Property	Total Tangible Taxable Assessed Value	Estimated Actual Value	Tax Rate Tangible/ Inventory	
2006	626,759,280	12,000	626,747,280	626,747,280	\$30.91/ \$9.55	
2007	678,223,300	19,830	678,203,470	678,203,470	\$31.90/ \$6.37	
2008	672,374,200	12,000	672,362,200	672,362,200	\$25.50/ \$3.18	
2009	464,491,800	12,000	464,479,800	464,479,800	\$26.82/ \$0.00	
2010	468,844,000	2,000	468,842,000	468,842,000	\$28.28/ \$0.00	
2011	449,384,970	12,000	449,372,970	449,372,970	\$34.96/ \$0.00	
2012	462,434,140	-	462,434,140	462,434,140	\$35.38/ \$0.00	
2013	503,931,303	-	503,931,303	503,931,303	\$36.28/ \$0.00	
2014	525,385,537	-	525,385,537	525,385,537	\$39.58/ \$0.00	
2015	533,705,181	-	533,705,181	533,705,181	\$40.12/ \$0.00	

Notes:

(1) Fiscal 2008 reflects the results of a full revaluation and fiscal 2014 reflects the most recent statistical revaluation

Source: Tax Assessor's Official Tax Certification List

**CITY OF WARWICK, RHODE ISLAND**  
**ASSESSED VALUE & ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year	Personal Property					Estimated Actual Value	Tax Rate Motor Vehicles
	Motor Vehicles	Less Tax-Exempt Property	Less M/V Phaseout	Total Motor Vehicle Taxable Assessed Value	Motor Vehicle		
2006	705,512,480	16,780,014	276,222,602	412,509,864	412,509,864	\$34.60	
2007	760,806,808	16,121,945	347,776,394	396,908,469	396,908,469	\$34.60	
2008	762,431,180	15,453,410	354,906,174	392,071,596	392,071,596	\$34.60	
2009	777,437,990	14,629,711	357,954,774	404,853,505	404,853,505	\$34.60	
2010	706,836,093	13,698,497	357,188,715	335,948,881	335,948,881	\$34.60	
2011	742,645,169	12,867,015	363,655,976	366,122,178	366,122,178	\$34.60	
2012	680,792,673	12,652,167	13,342,221	654,798,285	654,798,285	\$34.60	
2013	839,853,603	11,918,651	178,494,733	649,440,219	649,440,219	\$34.60	
2014	854,260,308	14,343,446	180,950,469	658,966,393	658,966,393	\$34.60	
2015	862,802,922	16,384,579	181,107,718	665,310,625	665,310,625	\$34.60	

Fiscal Year	Total All		Ratio
	Assessed Value	Estimated Actual Value	
2006	9,309,454,344	9,309,454,344	100.00%
2007	9,418,548,439	10,556,289,780	89.22%
2008	12,289,169,896	15,746,887,818	78.04%
2009	12,045,686,805	12,045,686,805	100.00%
2010	12,041,078,681	9,939,984,214	121.14%
2011	9,846,427,518	9,846,427,518	100.00%
2012	9,967,339,108	9,967,339,108	100.00%
2013	9,822,400,712	9,822,400,712	100.00%
2014	9,154,093,244	9,154,093,244	100.00%
2015	8,954,268,641	8,954,268,641	100.00%

Notes:

- (1) Fiscal 2008 reflects the results of a full revaluation and fiscal 2014 reflects the most recent statistical revaluation
- (2) Inventory Tax was phased out after fiscal 2008

Source: City of Warwick Tax Assessor - Official Tax Certification List

**CITY OF WARWICK, RHODE ISLAND  
PROPERTY TAX RATES  
(PER \$1000 OF ASSESSED VALUE)  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Fiscal Year</u>	<u>General Fund</u>
2006	Real Estate Residential 15.46	2011	Real Estate Residential 17.48
	Real Estate Commercial 23.18		Real Estate Commercial 26.22
	Tangible Personal Property 30.91		Tangible Personal Property 34.96
	Manufacturers' Machinery 9.55		Manufacturers' Machinery -
	Motor Vehicles 34.60		Motor Vehicles 34.60
2007	Real Estate Residential 15.95	2012	Real Estate Residential 17.69
	Real Estate Commercial 23.93		Real Estate Commercial 26.53
	Tangible Personal Property 31.90		Tangible Personal Property 35.38
	Manufacturers' Machinery 6.37		Manufacturers' Machinery -
	Motor Vehicles 34.60		Motor Vehicles 34.60
2008	Real Estate Residential 12.75	2013	Real Estate Residential 18.14
	Real Estate Commercial 19.13		Real Estate Commercial 27.21
	Tangible Personal Property 25.50		Tangible Personal Property 36.28
	Manufacturers' Machinery 3.18		Manufacturers' Machinery -
	Motor Vehicles 34.60		Motor Vehicles 34.60
2009	Real Estate Residential 13.41	2014	Real Estate Residential 19.79
	Real Estate Commercial 20.12		Real Estate Commercial 29.68
	Tangible Personal Property 26.82		Tangible Personal Property 39.58
	Manufacturers' Machinery -		Manufacturers' Machinery -
	Motor Vehicles 34.60		Motor Vehicles 34.60
2010	Real Estate Residential 14.14	2015	Real Estate Residential 20.06
	Real Estate Commercial 21.21		Real Estate Commercial 30.09
	Tangible Personal Property 28.28		Tangible Personal Property 40.12
	Manufacturers' Machinery -		Manufacturers' Machinery -
	Motor Vehicles 34.60		Motor Vehicles 34.60

Source: City of Warwick Tax Assessor - Official Tax Certification List

**CITY OF WARWICK, RHODE ISLAND**  
**PRINCIPAL TAXPAYERS**  
**June 30, 2015**  
**(Unaudited)**

<b>Taxpayer</b>	<b>Taxable Assessed Value*</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Narragansett Electric Co.	170,220,821	1	1.90%
CAR WAR LLC	41,476,700	2	0.46%
Warwick Mall LLC	39,807,800	3	0.44%
Metropolitan Life Insurance Co	37,408,500	4	0.42%
AIMCO Warwick LLC	30,993,100	5	0.35%
Cowesett Hills Apartments LLC	27,502,300	6	0.31%
Warwick Associates	27,116,200	7	0.30%
RI Mall	24,513,700	8	0.27%
Target Corporation	23,278,600	9	0.26%
Sears, Roebuck & Co	20,143,100	10	0.22%
	442,460,821		4.94%
 Total Assessed Value FY15*	 8,954,268,641		

**Source: City of Warwick Tax Assessor**

Information from 2004 was unavailable

\* Based Upon Assessed Values From December 31, 2013

**CITY OF WARWICK, RHODE ISLAND  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended	Original Tax Levy	Cumulative Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Cumulative Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2006	171,526,009	(1,434,331)	170,091,678	168,617,003	98.3%	1,072,023	169,689,026	99.8%
2007	178,109,831	(640,093)	177,469,738	175,814,548	98.7%	1,340,232	177,154,780	99.8%
2008	187,228,328	(2,255,813)	184,972,515	183,684,242	98.1%	964,869	184,649,111	99.8%
2009	195,989,706	(1,551,432)	194,438,274	192,642,378	98.3%	1,584,378	194,226,756	99.9%
2010	204,173,334	(2,597,273)	201,576,061	200,662,928	98.3%	1,107,839	201,770,767	100.1%
2011	208,897,991	(4,843,709)	204,054,282	203,384,663	97.4%	558,638	203,943,301	99.9%
2012	216,867,072	(3,398,474)	213,468,598	210,300,217	97.0%	1,968,316	212,268,533	99.4%
2013	220,812,354	(3,302,809)	217,509,545	213,648,450	96.8%	1,397,798	215,046,248	98.9%
2014	223,763,444	(7,012,616)	216,750,828	212,455,468	94.9%	1,810,817	214,266,285	98.9%
2015	222,498,782	(2,693,606)	219,805,176	214,479,351	96.4%	-	214,479,351	97.6%

**Note: This table has been revised to include information pertaining to 60 day collections and cumulative adjustments.**

**Source: City of Warwick Finance Department - Comprehensive Annual Financial Reports**

**CITY OF WARWICK, RHODE ISLAND**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year	Governmental Activities		Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	General Obligation Bonds	RICWFA Loans	Sewer BAN	Capital Leases			
2006	70,174,747	3,634,725	28,225,254	120,055,206	-	-	222,089,932	11.04%	\$2,584.70
2007	65,316,412	8,662,725	26,238,588	123,389,963	-	-	223,607,688	11.12%	\$2,602.36
2008	60,851,033	6,306,818	24,963,967	127,795,468	-	-	219,917,286	10.93%	\$2,559.41
2009	56,854,016	3,736,393	23,725,984	120,531,506	-	-	204,847,899	10.18%	\$2,384.03
2010	55,841,597	1,844,974	22,316,403	113,952,310	-	-	193,955,284	7.47%	\$2,288.29
2011	54,910,724	2,622,487	20,209,276	106,003,585	-	-	183,746,072	7.42%	\$2,222.59
2012	50,934,288 *	1,372,808	18,860,712	100,302,275	-	-	171,470,083	6.82%	\$2,074.10
2013	50,992,040 *	1,039,333	17,477,960	92,046,340	-	-	161,555,673	6.07%	\$1,953.56
2014	46,249,434 *	699,456	16,015,566	90,426,155	-	-	153,390,611	5.81%	\$1,871.28
2015	46,286,654 *	2,570,079	14,512,346	85,304,257	-	-	148,673,336	5.35%	\$1,813.91

\* Excludes cumulative RIHEBC Bond principal repayments in the amount of \$2,030,000 which were paid to US Bank Sinking Fund Account.

Source: City of Warwick Finance Department - Comprehensive Annual Financial Reports  
Long Term Debt Amortization Schedules

**CITY OF WARWICK, RHODE ISLAND**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year	General Obligation Bonds	Less; Amounts Reimbursed By State	Net Bonded Debt	Percentage of Estimated Actual Taxable Value Of Property	Per Capita
2006	70,174,747	1,563,909	68,610,838	0.66%	\$798.50
2007	65,316,412	1,542,099	63,774,313	0.53%	\$742.21
2008	60,851,033	1,505,114	59,345,919	0.48%	\$690.67
2009	56,854,016	1,472,550	55,381,466	0.56%	\$644.53
2010	55,841,597	1,377,090	54,464,507	0.45%	\$642.57
2011	54,910,724	1,387,236	53,523,488	0.54%	\$647.42
2012	50,934,288 *	1,337,132	49,597,156	0.50%	\$599.93
2013	50,992,040 *	1,241,910	49,750,130	0.51%	\$601.59
2014	46,249,434 *	1,652,037	44,597,397	0.49%	\$544.06
2015	46,286,654 *	1,515,590	44,771,064	0.50%	\$546.24

\* Excludes cumulative RIHEBC Bond principal repayments in the amount of \$2,030,000 which were paid to US Bank Sinking Fund Account.

**Source: City of Warwick Finance Department and Tax Assessor's Office**

**CITY OF WARWICK, RHODE ISLAND  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	279,283,630	282,556,453	368,675,097	361,370,604	361,232,360	295,392,826	299,020,173	294,672,021	274,622,797	268,628,059
Total Net Debt Applicable To Limit	70,174,747	65,316,412	60,851,033	56,854,016	55,841,597	54,910,724	50,934,288	50,992,040	46,249,434	46,286,654
Legal Debt Margin	209,108,883	217,240,041	307,824,064	304,516,588	305,390,763	240,482,102	248,085,885	243,679,981	228,373,363	222,341,405
Total Net Debt Applicable To The Limit As A Percentage of Debt Limit	25.13%	23.12%	16.51%	15.73%	15.46%	18.59%	17.03%	17.30%	16.84%	17.23%

<b>Legal Debt Margin Calculation for Fiscal Year 2015</b>	
Assessed Value:	8,954,268,641
Debt Limit (3% of total assessed value)	268,628,059
Debt Applicable to limit:	
General Obligation Bonds-Governmental	46,286,654
Legal Debt Margin	222,341,405

Source: City of Warwick Finance Department

**THE CITY OF WARWICK  
PLEGDED-REVENUE COVERAGE  
LAST NINE FISCAL YEARS**

**Sewer Revenue Bonds**

Fiscal Year	Sewer Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service-Revenue Bonds		Coverage
				Principal	Interest	
2006	15,082,662	4,765,154	10,317,508	0	189,952	5431.63%
2007	14,341,775	4,460,088	9,881,687	853,000	408,242	783.49%
2008	16,482,480	5,303,709	11,178,771	1,113,000	498,354	693.75%
2009	18,045,494	5,701,591	12,343,903	1,725,000	792,526	490.32%
2010	18,040,847	5,437,372	12,603,475	2,089,000	855,929	427.97%
2011	19,651,826	5,670,495	13,981,331	2,166,120	861,179	461.84%
2012	19,635,273	5,786,957	13,848,316	2,190,120	834,082	457.92%
2013	21,243,604	6,188,026	15,055,578	2,211,120	839,709	493.49%
2014	21,128,772	6,284,738	14,844,034	2,438,121	827,201	454.60%
2015	21,274,015	6,622,632	14,651,383	2,473,120	918,667	431.97%

The Warwick Sewer Authority has Issued the following revenue bonds:

December 31, 2004	\$20,000,000
December 15, 2005	\$5,000,000
December 21, 2006	\$9,500,000
December 12, 2007	\$6,942,000
April 30, 2008	\$4,000,000
October 6, 2009	\$1,169,026 *
June 26, 2012	\$2,400,000
March 6, 2014	\$7,000,000
March 31, 2015	\$3,500,000

Debt Service only includes Principal and Interest related to Sewer Revenue Bonds.

Principal Payments on Revenue Bonds began in fiscal 2007

Debt Payments relating to Sewer General Obligation Debt has not been included.

Sewer Charges and Other includes Interest Income and Transfer from Sewer Assessment.

Sewer Charges and Other does not include capital asset transfer from Emergency Operations

Operating Expenses do not include Depreciation, Debt Principal/Interest Expense, or Loss on Disposal of Assets.

\* SRF/Stimulus Loan-Shown Net of \$178,601.10 Principal Forgiveness

Source: City of Warwick Finance Department

**THE CITY OF WARWICK  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year	Population	Personal Income	Median Family Income	Per Capita Personal Income	School Enrollment	Unemployment Rate
2006	85,925	2,011,504,250	\$56,225	\$23,410	11,385	5.50%
2007	85,925	2,011,504,250	\$56,225	\$23,410	10,944	4.85%
2008	85,925	2,011,504,250	\$58,087	\$23,410	10,818	5.60%
2009	85,925	2,011,504,250	\$59,445	\$23,410	10,525	9.18%
2010	84,760	2,597,724,480	\$75,029	\$30,648	10,507	11.50%
2011	82,672	2,477,762,512	\$72,337	\$29,971	10,277	10.30%
2012	82,672	2,515,047,584	\$73,504	\$30,422	9,977	10.12%
2013	82,698	2,662,958,298	\$76,695	\$32,201	9,675	8.80%
2014	81,971	2,639,548,171	\$76,695	\$32,201	9,409	8.00%
2015	81,963	2,777,644,107	\$78,263	\$33,889	9,277	5.86%

**Sources:** US Census Bureau, Population Finder and FactFinder  
 US Census Bureau, 2010-2014 American Community Survey (5 Year Estimates)  
 RI Department of Labor and Training

**THE CITY OF WARWICK  
PRINCIPAL PRIVATE EMPLOYERS  
June 30, 2015  
(Unaudited)**

Employer	Number of Employees	Rank	Percentage of Total City Employment
Met Life	3200	1	6.93%
Kent Hospital / Acute Rehab	2301	2	4.98%
J Arthur Trudeau Memorial	1839	3	3.98%
Community College of RI	700	4	1.52%
Bentley Providence	600	5	1.30%
Infiniti of Warwick	600	6	1.30%
Kenney Manufacturing	550	7	1.19%
Interstate Electrical	500	8	1.08%
Trudeau Memorial Center	500	9	1.08%
Sears	430	10	0.93%

**Source: Employ RI**

**R.I. Department of Labor and Training-Total Employment Statistics**

(Historical data for nine years prior was unavailable)

**CITY OF WARWICK**  
**FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

<b>Function</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Municipal Administration</b>	90	88	87	86	86	87	91	95	95	95
<b>Public Safety</b>										
<b>Police Civilians</b>	78	78	77	75	75	77	77	74	79	79
<b>Officers</b>	172	167	163	164	163	163	163	180	178	178
<b>Fire Civilians</b>	12	12	12	11	11	11	12	12	12	12
<b>Firefighters/Officers</b>	220	221	220	209	209	209	217	218	218	218
<b>Municipal</b>	16	15	16	16	16	17	17	18	18	17
<b>Social Services</b>	22	22	22	22	22	22	23	27	25	29
<b>Library/Recreation</b>	65	67	67	67	67	66	67	72	72	73
<b>Developmental Resources</b>	16	16	16	16	16	17	19	20	21	20
<b>Public Works</b>										
<b>Administration</b>	3	3	3	3	3	3	4	4	5	5
<b>Maintenance/Automotive</b>	40	39	38	39	39	39	42	46	46	42
<b>Engineering</b>	4	4	4	4	4	4	4	7	7	7
<b>Sanitation/Recycling</b>	23	23	23	23	24	24	24	25	25	27
<b>Highway</b>	61	61	61	62	61	61	62	64	65	64
<b>Water</b>	33	34	35	35	35	35	35	37	37	37
<b>Sewer</b>	29	30	31	32	32	32	33	36	35	33

Source : City of Warwick Finance Department - Personnel Supplements

**THE CITY OF WARWICK  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS  
(Unaudited)**

<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Legislative and Executive</b>										
Number of Resolutions	194	212	201	222	214	158	122	134	124	139
Number of Ordinances	72	62	37	47	38	32	21	22	30	19
Number of Meetings	22	22	22	22	22	22	29	27	27	30
<b>Board of Elections</b>										
Number of Registered Voters	52,017	56,555	58,122	59,928	61,133	60,239	60,315	62,059	59,470	60,189
<b>Purchasing</b>										
Number of bid contracts	323	378	312	301	317	329	301	327	364	323
Number of purchase orders issued	5,086	4,818	3,855	3,152	3,374	3,549	3,665	3,673	3,950	4,027
<b>Building Department</b>										
Number of permits issued	5,774	5,388	5,468	4,152	5,210	4,709	4,521	4,553	4,797	4,959
Permit Value	98,359,758	83,667,292	115,293,674	47,712,906	53,664,975	59,519,775	63,980,377	52,690,863	54,478,286	57,740,168
<b>Public Safety</b>										
Calls for Service	79,026	96,124	89,145	78,136	90,509	93,796	84,669	90,469	90,490	109,587
Arrests	3,061	1,993	3,970	3,559	3,290	3,284	3,325	3,325	3,431	3,057
Accidents	5,510	5,217	4,838	4,929	4,653	4,607	4,374	4,374	5,180	4,795
Parking Violations	13,933	14,853	15,520	12,455	10,973	12,477	12,085	12,085	215	6,304
EMS Responses	10,314	9,554	10,785	10,411	9,953	10,932	9,637	11,084	11,833	11,774
<b>Highway and Sanitation</b>										
Miles of Streets-Local Paved	395	395	400	398	398	398	400	400	396	396
Miles of Streets-State Paved	69	69	70	68	68	68	70	70	69	69
Miles of Streets-Private Paved	19	19	20	19	19	19	20	20	20	20
Refuse Collected (Annual Tonnage)	30,700	29,607	29,622	25,897	27,050	24,747	23,797	25,305	24,855	24,520
Recyclables Collected (Annual Tonnage)	11,252	11,146	10,981	9,372	8,939	8,801	8,940	10,476	10,074	9,863
<b>Public Skating Admissions-Thayer Arena</b>										
McDermott Pool Monthly Passes	6,660	4,568	7,651	6,193	6,137	6,578	6,940	6,313	7,233	6,322
	844	1,070	1,068	953	1,082	1,225	1,119	944	6,217	6,136
									488	626
<b>Library</b>										
Registered Borrowers	45,045	42,623	40,921	40,169	45,451	40,827	39,336	38,121	36,813	35,120
Print Materials	217,429	218,009	211,267	194,376	185,293	180,516	166,323	176,576	148,106	143,787
Non-Print	10,083	13,329	14,731	15,861	11,920	22,827	13,168	14,751	15,384	16,683
Ebooks and AV Materials										46,024
Circulation	426,635	372,530	367,197	386,078	445,656	494,773	521,543	523,382	558,313	603,897
Programs	877	877	863	894	864	841	574	709	743	1,302
Program Attendance	12,202	17,017	14,883	13,061	15,013	14,942	11,119	11,826	12,342	13,952
<b>Water</b>										
Total Connections	27,100	26,993	27,102	27,109	27,132	26,657	26,827	26,967	26,903	26,959
New Connections	250	56	42	34	25	14	42	188	36	146
Water Main Breaks	134	117	31	29	28	47	21	21	26	34
Average Daily Consumption (Gallons)	6.74M	7.768M	7.51M	6.314M	5.554M	5.513M	6.248M	4.87	4.395M	5.477M
<b>Wastewater</b>										
Average Daily Sewer Treatment (Gallons)	5.326M	5.315M	4.76M	5.13M	4.82M	5.41M	4.71M	4.8M	4.8M	4.6M
Accounts Billed	16,844	18,007	18,696	19,769	20,133	20,532	20,999	21,544	21,728	21,966

Source: Various City Departments

**THE CITY OF WARWICK  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>Function</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>General Government</b>										
City Hall	2	2	2	2	2	2	2	2	2	2
Human Services	8	8	8	8	8	8	8	8	8	8
Public Works	2	2	2	2	2	2	2	2	2	2
<b>Public Safety</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	9	9	9	9	9	9	9	9	9	10
<b>Highway</b>										
Streets (miles)	483	483	490	490	490	490	490	490	490	490
Streetlights	8,834	8,834	8,834	8,834	8,834	8,834	8,834	8,834	8,834	8,834
Traffic Lights (City)	27	27	27	27	27	27	27	27	27	27
<b>Library</b>										
Main	1	1	1	1	1	1	1	1	1	1
Branches	3	3	3	3	3	3	3	3	3	3
<b>Recreation</b>										
Parks	9	9	9	9	9	9	9	9	9	9
Bathing Beaches	6	6	6	6	6	6	6	6	6	6
Ice Arenas	2	2	2	2	2	2	2	2	2	2
Pools	2	2	2	2	2	2	2	2	2	2
<b>Water/Wastewater</b>										
Fire Hydrants	1,769	1,769	1,769	1,769	1,772	1,772	1,772	1,772	1,772	1,772
Max Daily Capacity (Gallons)-Water	13.3M									
Max Daily Capacity (Gallons)-Sewer	7.7M									
<b>Education</b>										
Elementary Schools	20	20	20	17	17	17	17	17	17	17
Middle Schools	3	3	3	3	3	3	3	3	3	3
High Schools	3	3	3	3	3	3	3	3	3	3
Career/Technical	1	1	1	1	1	1	1	1	1	1

**Source: Various City Departments**  
(Historical data for ten years prior was unavailable)

***CITY OF WARWICK,  
RHODE ISLAND***

***SINGLE AUDIT SECTION***

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

The Honorable Mayor and Members of the City Council  
City of Warwick  
Warwick, Rhode Island

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warwick (City), as of and for the year fiscal ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 1, 2016.

**Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

We noted certain other matters that we reported to management of the City in a separate letter dated April 1, 2016.

## **Purpose of this Report**

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

*Parmelee Poirier & Associates LLP*

Parmelee, Poirier & Associates, LLP  
April 1, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM, INTERNAL CONTROL OVER COMPLIANCE, AND THE SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED  
BY OMB CIRCULAR A-133**

The Honorable Mayor and Members of the City Council  
City of Warwick  
Warwick, Rhode Island

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

We have audited the compliance of the City of Warwick (City), with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## **Opinion on Each Major Federal Programs**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

## **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated April 1, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Parmelee Poirier & Associates, LLP*

Parmelee, Poirier & Associates, LLP  
April 1, 2016

**CITY OF WARWICK, RHODE ISLAND**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2015**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<b>U.S. Department of Agriculture</b>			
<i>Passed through State of Rhode Island Department of Education</i>			
National School Lunch Program	10.555	N/A	\$ 3,060,265
School Breakfast Program	10.553	N/A	-
Fresh Fruit and Vegetable Program	10.582	2725-17602-030	34,243
<b>Total U.S. Department of Agriculture</b>			<u>\$ 3,094,508</u>
<b>U.S. Department of Housing and Urban Development</b>			
<i>Direct Program</i>			
Community Development Block Grant/Entitlements Grant	14.218	Various	\$ 743,430
<b>Total U.S. Department of Housing and Urban Development</b>			<u>\$ 743,430</u>
<b>U.S. Department of Justice</b>			
<i>Direct Programs</i>			
National Asset Seizure and Forfeiture Act	16.000	N/A	\$ 179,999
DEA Reimbursement	16.000	N/A	14,161
DEA/ICE Grant	16.000	N/A	8,943
Public Safety Partnership and Community Policing Grants	16.710	2012-UX-WX0159	316,846
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Various	21,860
Bulletproof Vest Partnership Program	16.607	N/A	13,356
<b>Total U.S. Department of Justice</b>			<u>\$ 555,165</u>
<b>U.S. Environmental Protection Agency</b>			
<i>Direct Program</i>			
Climate Showcase Communities Grant Program	66.041	N/A	\$ 125,709
<b>Total U.S. Environmental Protection Agency</b>			<u>\$ 125,709</u>
<b>U.S. Department of Education</b>			
<i>Passed through State of Rhode Island Department of Education</i>			
Special Education - Grants to States	84.027	2725-13202-501	\$ 2,842,978
Special Education - Preschool Grants	84.173	2725-13502-501	99,070
Title I Grants to Local Education Agencies	84.010	2725-11702-501	1,416,009
Career and Technical Education - Basic Grants to States	84.048	Various	317,972
Education for Homeless Children & Youth	84.196	Various	29,770
English Language State Grants	84.365	2725-16502-501	20,772
Improving Teacher Quality State Grants	84.367	2725-16402-501	615,901
ARRA - State Fiscal Stabilization Fund - Race to the Top Incentive Grants	84.395	Various	70,964
<b>Total U.S. Department of Education</b>			<u>\$ 5,413,436</u>
<b>U.S. Department of Transportation</b>			
<i>Passed through State of RI Department of Transportation</i>			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	N/A	83,265
<b>Total U.S. National Archives and Records Administration</b>			<u>\$ 83,265</u>
<b>U.S. Department of Homeland Security</b>			
<i>Passed through State of RI Emergency Management Agency</i>			
State Domestic Preparedness Equipment Support Program	97.004	Various	\$ 21,928
<i>Direct Programs</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	246,186
Emergency Preparedness	97.042	35-242 FY12 EMW	23,278
Assistance to Firefighters	97.044	Various	46,340
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2011-FH-00384	1,192,586
Interoperable Communications and Training Project	97.124	38-05 HMEP	55,476
<b>Total U.S. Department of Homeland Security</b>			<u>\$ 1,585,794</u>
<b>U.S. Department of Commerce Economic Development Administration</b>			
Economic Adjustment Assistance	11.307	N/A	\$ 678
<b>Total U.S. Department of Commerce Economic Development Administration</b>			<u>\$ 678</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 11,601,985</u>

(concluded)

**CITY OF WARWICK, RHODE ISLAND**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2015**

1. **General** - The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of the City of Warwick, Rhode Island. All federal awards received from federal agencies are included on the Schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.
2. **Basis of Accounting** - The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting.
3. **Determination of Type A, Type B and Major Programs** - The determination of Type A and Type B federal programs was based upon the expenditures for all federal programs for the City of Warwick. As such, the threshold for determining Type A vs. Type B programs is determined at the entity level. For the fiscal year-ended June 30, 2015, grants with expenditures exceeding \$300,000 were determined to be Type A programs and all other grants were considered Type B programs.
4. **Subrecipients** - Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, there were no subrecipients of Federal Awards.

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

Material weakness (es) identified?  yes  no

Significant deficiency (ies) identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major programs:

Material weakness (es) identified?  yes  no

Significant deficiency (ies) identified that are not considered to be material weakness (es)?  yes  none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB circular A-133?  yes  no

**Identification of major programs:**

**CFDA Number(s)      Name of Federal Program or Cluster**

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Qualified as low risk auditee:  yes  no

**SECTION II - FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT**

**Current Year Findings:**

None noted

**CITY OF WARWICK, RHODE ISLAND**  
**Schedule of Findings and Questioned Costs**  
**For The Fiscal Year Ended June 30, 2015**

**Prior Year Findings:**

None noted

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

**Current Year Findings:**

None noted

**Prior Year Findings:**

None noted