

KPMG Peat Marwick

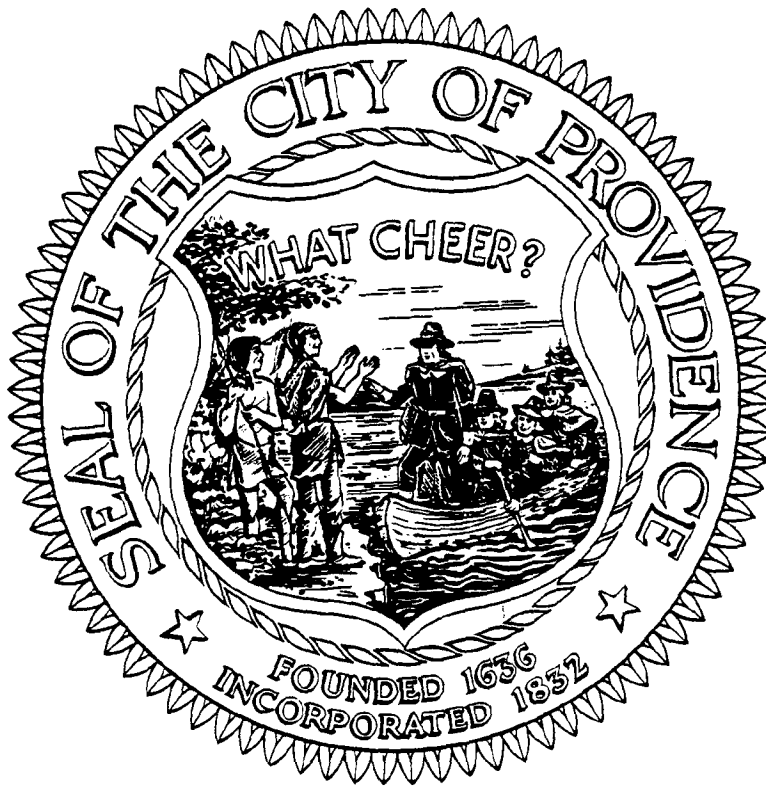
Certified Public Accountants

IN CITY COUNCIL

AUG 6 1987

READ
WHEREUPON IT IS ORDERED THAT
THE SAME BE RECEIVED.

James Mendonça CLERK



City of Providence, Rhode Island

Annual Financial Report
June 30, 1986

CITY OF PROVIDENCE, RHODE ISLAND
General Purpose Financial Statements
and Schedules

June 30, 1986

(With Auditors' Report Thereon)

CITY OF PROVIDENCE, RHODE ISLAND

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Certified Public Accountants

Peat Marwick Main & Co.

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Honorable Mayor and Members
of the City Council
Providence, Rhode Island:

We have examined the general purpose financial statements of the City of Providence, Rhode Island and the individual fund financial statements of the City, as of and for the year ended June 30, 1986 as listed in the accompanying table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described more fully in Note 1, the general purpose financial statements referred to above do not include the financial statements of a general fixed assets account group which should be included to conform with generally accepted accounting principles.

As discussed in Note 12, the City accounts for pension costs in a manner which is not in conformity with generally accepted accounting principles.

The City is defendant in several claims and legal actions as described in Note 15. The final outcome of these matters is not presently determinable and no provision has been made in the financial statements for the effects, if any, of such matters.

In our opinion, except that the omission of the financial statement referred to in the second paragraph results in an incomplete presentation, except for the effects of the matter discussed in the third paragraph, and subject to the effects on the general purpose financial statements of such adjustments, if any, as might have been required had the outcome of the uncertainties discussed in the preceding paragraph been known, the aforementioned general purpose financial statements present fairly the financial position of the City of Providence, Rhode Island at June 30, 1986, and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, after giving retroactive effect to the correction of an error as described in Note 9 to the financial statements.



Member Firm of
Klynveld Peat Marwick Goerdeler

In our opinion, except for the effects of the matter discussed in the third paragraph, the individual fund financial statements present fairly the financial position of the Providence Water Supply Board at June 30, 1986, and the results of its operations and changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, after giving retroactive effect to the correction of an error as described in Note 9 to the financial statements.

In our opinion, the individual fund financial statements present fairly the financial position of the Providence Civic Center Authority at June 30, 1986, and the results of its operations and the changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the general purpose and individual fund financial statements. The combining and individual fund schedules and financial information included in Schedules 1 through 11 are presented for purposes of additional analysis and are not a required part of the general purpose financial statements, and accordingly, our opinion does not relate to the fairness of the financial position and results of operations of such funds. Such information has been subjected to the auditing procedures applied in the examination of the general purpose and individual fund financial statements and, in our opinion, except for the effects on Schedule 2 of the matter discussed in the third paragraph and subject to the effects on Schedule 2, of such adjustments, if any, as might have been required had the outcome of the uncertainties discussed in the fourth paragraph been known, is fairly stated in all material respects in relation to the general purpose and individual fund financial statements taken as a whole.

Peat Marwick Main Co.

December 12, 1986

CITY OF PROVIDENCE, RHODE ISLAND
 Combined Balance Sheet - All Fund Types and Account Group
 June 30, 1986

Assets and other Debits	Governmental Fund Types			Proprietary Fund Types		Fiduciary Fund Types	Account Group General Long-term obligations	Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Enterprise (note 9)	Internal Service	Trust and Agency		
Cash and cash equivalents	\$ 1,200,000	5,043,215	271,652	343,494	54,648	11,713,914	-	18,626,923
Short-term investments, at cost which approximates market	-	4,365,556	16,521,722	-	-	-	-	20,887,278
Due from:								
Other funds (net where applicable of allowances for estimated uncollectible amounts of \$1,934,343) (note 5)	1,522,170	4,029,756	47,940	-	-	4,921,952	-	10,521,818
Other governments (note 3)	2,446,733	1,604,615	-	-	-	-	-	4,051,348
Accounts receivable (net where applicable of allowances for estimated uncollectible amounts of \$34,058,033):								
Taxes	7,884,472	-	-	-	-	-	-	7,884,472
Other	-	447,767	-	4,976,559	-	946,012	-	6,370,338
Investments	-	-	-	-	-	128,920,337	-	128,920,337
Loans receivable, net (note 6)	-	14,034,720	-	-	-	6,119,818	-	20,154,538
Inventory, at cost	-	-	-	867,663	-	-	-	867,663
Prepaid expenses	-	-	-	163,299	-	-	-	163,299
Property, plant and equipment (net of accumulated depreciation) (note 4)	-	-	-	63,421,694	-	-	-	63,421,694
Restricted assets (note 10)	-	-	-	1,065,467	-	-	-	1,065,467
Amount to be provided for retirement of long-term obligations	-	-	-	-	-	-	96,467,354	96,467,354
Other assets	-	98,228	-	33,653	-	139,120	-	271,001
Total assets and other debits	\$ 13,053,375	29,623,857	16,841,314	70,871,829	54,648	152,761,153	96,467,354	379,673,530

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Combined Balance Sheet - All Fund Types and Account Group, Continued

<u>Liabilities</u>	<u>Governmental Fund Types</u>			<u>Proprietary Fund Types</u>		<u>Fiduciary</u>	<u>Account Group</u>	<u>Total</u>
	<u>General</u>	<u>Special</u>	<u>Capital</u>	<u>Enterprise</u>	<u>Internal</u>	<u>Fund Types</u>	<u>General Long-</u>	<u>(Memorandum</u>
		<u>Revenue</u>	<u>Projects</u>	<u>(note 9)</u>	<u>Service</u>	<u>Trust and</u>	<u>term obligations</u>	<u>Only)</u>
						<u>Agency</u>		
Accounts payable	\$ 5,827,562	3,208,812	919,979	686,293	8,596	2,011,315	-	12,662,557
Accrued expenditures	3,144,236	-	-	-	-	-	-	3,144,236
Amounts held for others	-	-	-	-	-	2,331,372	-	2,331,372
Notes payable (note 7)	-	-	-	250,000	-	-	-	250,000
Due to:								
Other funds (note 5)	525,000	6,756,353	402,422	502,032	-	-	4,270,354	12,456,161
Other governments (note 3)	-	266,190	-	-	-	-	-	266,190
Deferred revenues	6,615,000	195,210	211,883	101,041	-	285,165	-	7,408,299
Bonds payable (note 8)	-	-	-	8,665,000	-	-	86,665,000	95,330,000
Other liabilities	-	294,854	-	806,021	-	-	-	1,100,875
Other noncurrent liabilities (note 8)	-	-	-	-	-	-	5,532,000	5,532,000
Total liabilities	16,111,798	10,721,419	1,534,284	11,010,387	8,596	4,627,852	96,467,354	140,481,690
<u>Fund Equity</u>								
Contributed capital	-	-	-	56,414,421	-	-	-	56,414,421
Retained earnings	-	-	-	3,447,021	46,052	-	-	3,493,073
Fund balance (deficit) (note 11):								
Reserved	-	-	-	-	-	144,396,546	-	144,396,546
Unreserved:								
Designated	-	13,043,298	184,836	-	-	1,908,998	-	15,137,132
Undesignated	(3,058,423)	5,859,140	15,122,194	-	-	1,827,757	-	19,750,668
Total fund equity								
(deficit)	(3,058,423)	18,902,438	15,307,030	59,861,442	46,052	148,133,301	-	239,191,840
Commitments and contingent liabilities (notes 12, 13, 14, and 15).								
Total liabilities and fund equity	\$ 13,053,375	29,623,857	16,841,314	70,871,829	54,648	152,761,153	96,467,354	379,673,530

See accompanying notes to financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

Combined Statement of Revenues, Expenditures, and Changes in
Fund Balances - All Governmental Fund Types and Expendable Trust Funds

Year ended June 30, 1986

	Governmental Fund Types			Fiduciary Fund Types Expendable Trusts	Total (Memorandum Only)
	General	Special Revenue	Capital Projects		
Revenues:					
Taxes (note 2)	\$ 105,561,617	-	-	-	105,561,617
Charges for services	6,364,397	826,916	-	-	7,191,313
Shared state taxes	3,544,867	-	-	-	3,544,867
Federal and state grants and reimbursements	14,610,525	55,601,158	2,340,366	196,432	72,748,481
Sale of real estate	-	2,658,881	-	237,199	2,896,080
Licenses	987,633	-	-	14,315	1,001,948
Investment and rental income	4,339,952	669,315	21,827	53,771	5,084,865
Fines and forfeitures	2,298,471	-	-	-	2,298,471
Other	16,000	501,712	44,491	564,240	1,126,443
Total revenues	137,723,462	60,257,982	2,406,684	1,065,957	201,454,085
Other financing sources:					
Proceeds from sale of General Obligation Bonds	-	-	20,040,000	-	20,040,000
Operating transfers:					
From Special Revenue Funds	-	22,438	-	-	22,438
From General Fund	-	35,509,577	-	-	35,509,577
From Capital Project Funds	-	4,244	-	-	4,244
Total other financing sources	-	35,536,259	20,040,000	-	55,576,259
Total revenues and other financing sources	137,723,462	95,794,241	22,446,684	1,065,957	257,030,344
Expenditures:					
Personal services	40,780,959	57,243,654	290,243	189,703	98,504,559
Employee benefits	18,095,383	15,091,332	-	-	33,186,715
Services other than personal	14,370,746	4,083,397	-	268,744	18,722,887
Materials and supplies	3,417,925	1,492,655	-	322,727	5,233,307
Equipment	1,427,600	1,039,266	-	32,277	2,499,143
Program expenditures	-	8,262,543	-	64,703	8,327,246
Capital projects	-	-	6,313,487	-	6,313,487
Debt service	6,104,208	-	-	-	6,104,208
Interest	6,245,771	-	288,153	-	6,533,924
Other	10,383,224	5,057,470	-	27,615	15,468,309
Bad debts	-	52,601	-	-	52,601
Total expenditures	100,825,816	92,322,918	6,891,883	905,769	200,946,386
Other uses - operating transfers:					
To Special Revenue Funds	35,509,577	22,438	4,244	-	35,536,259
Total expenditures and other uses	136,335,393	92,345,356	6,896,127	905,769	236,482,645
Revenues and other financing sources over expenditures and other uses	1,388,069	3,448,885	15,550,557	160,188	20,547,699
Fund balance (deficit) at beginning of year, as restated (note 9)	(4,446,492)	15,453,553	(243,527)	3,576,567	14,340,101
Fund balance (deficit) at end of year	\$ (3,058,423)	18,902,438	15,307,030	3,736,755	34,887,800

See accompanying notes to financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

Combined Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - General and Special Revenue Funds (Note 1e)

Year ended June 30, 1986

	General Fund			Special Revenue Funds			Totals (Memorandum Only)		
	Revised Budget	Actual	Variance - Favorable (Unfavorable)	Revised Budget	Actual	Variance - Favorable (Unfavorable)	Revised Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:									
Taxes (note 2)	\$ 105,323,835	105,561,617	237,782	-	-	-	105,323,835	105,561,617	237,782
Charges for services	5,534,824	6,364,397	829,573	103,450	89,034	(14,416)	5,638,274	6,453,431	815,157
Shared state taxes	2,777,189	3,544,867	767,678	-	-	-	2,777,189	3,544,867	767,678
Federal and state grants and reimbursements	19,264,945	14,610,525	(4,654,420)	40,109,805	40,330,275	220,470	59,374,750	54,940,800	(4,433,950)
Licenses	1,008,385	987,633	(20,752)	-	-	-	1,008,385	987,633	(20,752)
Investment income	3,715,000	4,339,952	624,952	-	-	-	3,715,000	4,339,952	624,952
Fines and forfeitures	2,816,000	2,298,471	(517,529)	-	-	-	2,816,000	2,298,471	(517,529)
Miscellaneous	22,600	16,000	(6,600)	-	-	-	22,600	16,000	(6,600)
Total revenues	140,462,778	137,723,462	(2,739,316)	40,213,255	40,419,309	206,054	180,676,033	178,142,771	(2,533,262)
Other financing sources:									
Transfer from General Fund	-	-	-	35,844,745	35,315,577	(529,168)	35,844,745	35,315,577	(529,168)
Transfer from other Special Revenue Fund	-	-	-	-	22,438	22,438	-	22,438	22,438
Total other financing sources	-	-	-	35,844,745	35,338,015	(506,730)	35,844,745	35,338,015	(506,730)
Total revenues and other financing sources	140,462,778	137,723,462	(2,739,316)	76,058,000	75,757,324	(300,676)	216,520,778	213,480,786	(3,039,992)

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Combined Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual - General and Special Revenue Funds (Note 1e), Continued

	General Fund			Special Revenue Funds			Totals (Memorandum Only)		
	Revised Budget	Actual	Variance - Favorable (Unfavorable)	Revised Budget	Actual	Variance - Favorable (Unfavorable)	Revised Budget	Actual	Variance - Favorable (Unfavorable)
Expenditures:									
Personal services	\$ 39,322,056	40,780,959	(1,458,903)	52,972,370	52,654,740	317,630	92,294,426	93,435,699	(1,141,273)
Employee benefits	18,492,020	18,095,383	396,637	13,294,868	13,582,568	(287,700)	31,786,888	31,677,951	108,937
Services other than personal	17,794,166	14,370,746	3,423,420	3,333,020	3,119,311	213,709	21,127,186	17,490,057	3,637,129
Materials and supplies	4,230,392	3,417,925	812,467	1,129,527	1,040,506	89,021	5,359,919	4,458,431	901,488
Equipment	1,603,409	1,427,600	175,809	1,051,188	703,031	348,157	2,654,597	2,130,631	523,966
Debt service	6,149,208	6,104,208	45,000	-	-	-	6,149,208	6,104,208	45,000
Interest	6,947,790	6,245,771	702,019	-	-	-	6,947,790	6,245,771	702,019
Other	10,072,358	10,383,224	(310,866)	4,277,027	4,657,168	(380,141)	14,349,385	15,040,392	(691,007)
Total expenditures	104,611,399	100,825,816	3,785,583	76,058,000	75,757,324	300,676	180,669,399	176,583,140	4,086,259
Other uses:									
Transfers to Special Revenues Funds	35,844,745	35,509,577	335,168	-	-	-	35,844,745	35,509,577	335,168
Total other uses	35,844,745	35,509,577	335,168	-	-	-	35,844,745	35,509,577	335,168
Total expenditures and other uses	140,456,144	136,335,393	4,120,751	76,058,000	75,757,324	300,676	216,514,144	212,092,717	4,421,427
Revenues and other sources over expenditures and other uses	\$ 6,634	1,388,069	1,381,435	-	-	-	6,634	1,388,069	1,381,435

See accompanying notes to financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

Combined Statement of Revenues, Expenses, and Changes in
Retained Earnings/Fund Balances - Proprietary Fund Types and Similar Trust Funds

Year ended June 30, 1986

	Proprietary Fund Types		Fiduciary Fund Types		Total
	Enterprise (note 9)	Internal Service	Retirement System (note 12)	Nonexpendable Trusts	(Memorandum only)
Operating revenues:					
Employee contributions	\$ -	-	4,047,910	-	4,047,910
Employer contributions	-	-	11,502,579	-	11,502,579
Investment income	-	-	13,126,251	385,988	13,512,239
Interest on member loans	-	-	363,210	-	363,210
Revenue from other funds	-	53,351	-	-	53,351
Arena rent and concession income	2,128,178	-	-	-	2,128,178
Water sales	10,706,053	-	-	-	10,706,053
Maintenance and other charges	550,746	-	-	-	550,746
Total operating revenues	13,384,977	53,351	29,039,950	385,988	42,864,266
Operating expenses:					
Wages and benefits	6,777,375	-	-	-	6,777,375
Operations	1,716,496	24,066	-	-	1,740,562
Charges by other City departments (note 10)	1,133,163	-	-	-	1,133,163
Retiree benefits	-	-	16,929,977	-	16,929,977
Administrative and general	1,929,681	-	-	-	1,929,681
Bad debts	121,711	-	-	-	121,711
Reimbursements by promoters	(1,275,088)	-	-	-	(1,275,088)
Other	-	-	481,300	212,433	693,733
Property taxes - other local governments	2,079,987	-	-	-	2,079,987
Depreciation	1,405,192	-	-	-	1,405,192
Total operating expenses	13,888,517	24,066	17,411,277	212,433	31,536,293
Operating income (loss)	(503,540)	29,285	11,628,673	173,555	11,327,973
Nonoperating revenues (expenses):					
Interest income	50,989	-	-	-	50,989
Interest expense	(529,269)	-	-	-	(529,269)
Total nonoperating revenues (expenses)	(478,280)	-	-	-	(478,280)
Net income (loss)	(981,820)	29,285	11,628,673	173,555	10,849,693
Depreciation on certain property, plant and equipment acquired through contributed capital	539,573	-	-	-	539,573
Increase (decrease) in retained earnings/ fund balance	(442,247)	29,285	11,628,673	173,555	11,389,266
Retained earnings/fund balance at beginning of year, as restated (note 9)	3,889,268	16,767	127,349,539	5,244,779	136,500,353
Retained earnings/fund balance at end of year	\$ 3,447,021	46,052	138,978,212	5,418,334	147,889,619

See accompanying notes to financial statements.

CITY OF PROVIDENCE, RHODE ISLAND
Combined Statement of Changes in Financial Position -
Proprietary Fund Types and Similar Trust Funds

Year ended June 30, 1986

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>		<u>Total</u>
	<u>Enterprise</u>	<u>Internal</u>	<u>Retirement</u>	<u>Nonexpendable</u>	<u>(Memorandum</u>
	<u>(note 9)</u>	<u>Service</u>	<u>System</u>	<u>Trusts</u>	<u>Only)</u>
Sources of funds:					
Net income (loss)	\$ (981,820)	29,285	11,628,673	173,555	10,849,693
Add depreciation expense	1,405,192	-	-	-	1,405,192
Less:					
Discount accretion which does not provide cash	-	-	(131,218)	-	(131,218)
Other noncash expenses	(17,493)	-	-	-	(17,493)
Funds provided by operations	405,879	29,285	11,497,455	173,555	12,106,174
Decrease in accounts receivable	561,434	-	24,901	-	586,335
Contributed capital	801,541	-	-	-	801,541
Proceeds from loan repayments	-	-	2,248,305	-	2,248,305
Decrease in amounts due from other funds	-	-	9,334,848	-	9,334,848
Proceeds from borrowings	250,000	-	-	-	250,000
Increase in accounts payable, accrued expenses and other liabilities	471,321	5,529	793,883	-	1,270,733
Total sources of funds	2,490,175	34,814	23,899,392	173,555	26,597,936
Uses of funds:					
Increase in amounts due from other funds	-	-	-	300,000	300,000
Increase in accounts receivable	-	-	-	15,251	15,251
Increase in fixed assets	1,278,915	-	-	-	1,278,915
Decrease in bonds and notes payable	606,000	-	-	-	606,000
Loans to members	-	-	2,974,613	-	2,974,613
Increase in restricted assets	194,956	-	-	-	194,956
Increase in investments	-	-	15,014,749	64,761	15,079,510
Decrease in deferred revenue	137,604	-	-	-	137,604
Other, net	107,786	-	-	-	107,786
Decrease in due to other funds	292,225	-	-	-	292,225
Total uses of funds	2,617,486	-	17,989,362	380,012	20,986,860
Net increase (decrease) in cash	(127,311)	34,814	5,910,030	(206,457)	5,611,076
Cash balance at beginning of year	470,805	19,834	865,888	434,711	1,791,238
Cash balance at end of year	\$ 343,494	54,648	6,775,918	228,254	7,402,314

See accompanying notes to financial statements.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements

June 30, 1986

(1) Summary of Significant Accounting Policies

The City of Providence, which operates under a Mayor-Council form of government, adopted a Home Rule Charter in November 1980, which became fully effective on January 1, 1983. The Mayor is elected by the voters of the City for a four-year term. Most department heads and other City officials are appointed by the Mayor. City Council members are also elected for four-year terms, concurrent with that of the Mayor.

The accounting policies of the City of Providence, Rhode Island conform to generally accepted accounting principles as applicable to governmental units except that provisions for retirement benefits for most governmental fund and Providence Water Supply Board employees are not based on normal costs and the general purpose financial statements do not include a general fixed assets account group which should be included to conform with generally accepted accounting principles.

In determining those agencies, departments and other types of entities to be included in the City of Providence financial statements, the basic criterion utilized is the exercise of oversight responsibility by the City or its elected officials. Criteria utilized in determining oversight responsibility included financial independency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

The following is a summary of the more significant policies:

(a) Basis of Presentation - Fund Accounting

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues, and expenditures/expenses. The various funds are summarized by type in the combined financial statements. The following fund types and account group are used by the City.

Governmental Fund Types

Governmental Funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental fund types.

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Under the Charter of the City, the School Fund is set up as a separate special revenue fund accountable for appropriations disbursed to it by the General Fund and revenue receipts specifically pertaining to school activities. Under this system any excess of revenues over expenditures reverts to the City's General Fund, and any excess of expenditures over revenues is a liability of the City's General Fund. Therefore, the School Fund has no fund balance.

Capital Project Funds - Capital Project Funds are used to account for expenditures for the acquisition or construction of major capital facilities.

Proprietary Fund Types

Proprietary Funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income. The following are the City's proprietary fund types:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprise - where the intent of the City is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the City has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Fiduciary Funds include expendable, nonexpendable, agency and Retirement System trust funds. Expendable trust and agency funds are accounted for and reported as governmental funds. Nonexpendable and retirement trust funds are accounted for separately since capital maintenance is critical.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

Account Group: General Long-term Obligations

This group of accounts is established to account for all long-term obligations of the City, including bonds, previously appropriated pension contributions which have been deferred to future years (Note 8), and compensated absences.

(b) Basis of Accounting

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (see Note 2 for property tax accrual policy). Expenditures, other than interest on long-term debt, are recorded when the liability is incurred.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Revenues and expenses of fiduciary and proprietary fund types are primarily recognized on the accrual basis.

(c) 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 the governmental funds. Open encumbrances are reported as reservations of fund balances since the commitments will be honored through subsequent years' budget appropriations. Encumbrances do not constitute expenditures or liabilities.

(d) Investments

Debt securities of the Retirement Fund are stated at cost (adjusted for amortization of premium and accretion of discount). Equity securities of the Retirement Fund are stated at the lower of aggregate cost or market value. Investments of other funds are stated at cost which approximates market.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

(e) Budgetary Data

The City employs the following procedures in establishing the General Fund and Federal Revenue Sharing Fund budgetary data reflected in general purpose financial statements (Exhibit C):

- (i) At least sixty days prior to July 1, the Mayor submits to the City Council a proposed operating budget for the upcoming fiscal year. The operating budget includes proposed expenditures and the means of financing them.

The Council may alter the proposed expenditures but may not cause an excess of appropriations over expected revenues submitted by the Mayor.

- (ii) The final budget is legally enacted through passage of an ordinance.

- (iii) The Mayor is authorized to make minor transfers of budgeted amounts between departments. Significant budget revisions or transfers must be approved by the City Council.

The actual amounts included in Exhibit C are presented in accordance with generally accepted accounting principles which is the method employed in preparation of the budget. The Special Revenue Fund amounts presented in Exhibit C include those of the Federal Revenue Sharing Fund, the Unrestricted School Fund and certain Restricted School Funds. Other Special Revenue Funds do not have legally adopted budgets.

The budget of the Unrestricted School Fund is prepared annually and approved by the Providence School Committee. The amount of the annual transfer from the General Fund is ultimately determined through the adoption of the General Fund budget.

(f) Vacations, Sick Leave and Workers' Compensation

Under the terms of various contracts and policies, City employees are granted vacation and sick leave in varying amounts based on length of service. The City's policy is to recognize the cost of vacation and sick leave in governmental funds when paid and on the accrual basis in proprietary funds. The amount of earned but unpaid accumulated vacation time relating to governmental fund employees is recognized as a noncurrent obligation in the general long-term obligations group of accounts.

The City is self-insured for Workers' Compensation claims of most governmental fund employees. The City's policy is to recognize the cost of self-insured Workers' Compensation claims when paid. The estimated liability relating to such claims is recognized as a noncurrent obligation in the general long-term obligations group of accounts.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

(g) Litigation and Related Matters

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 (payable within one year). Remaining claims against governmental funds which can be estimated but are not expected to be liquidated with expendable available resources are recorded in the general long-term obligations group of accounts. Liabilities for such matters are recorded on the accrual basis in proprietary fund types.

(h) Amounts to be Provided

Amounts to be provided represent monies to be raised from future tax levies as well as future reimbursements from other governments to retire general long-term obligations.

(i) Inventory and Supplies

Inventory in the proprietary funds is stated at the lower of cost or market. Inventory consists primarily of materials and supplies. Inventory and supplies in governmental funds are recorded as an expenditure at the time of purchase.

(j) Property, Plant and Equipment - Enterprise Funds

Property, plant and equipment owned by the enterprise funds is stated at cost. Depreciation has been provided over the estimated useful lives using the straight-line method. Assets acquired by the Providence Water Supply Board through contributions are recorded at contributor's reported cost. Depreciation on Providence Civic Center assets acquired with contributed capital is recognized as an operating expense and then charged against contributed capital.

The estimated useful lives are as follows:

	Civic Center <u>Authority</u>	Water Supply <u>Board</u>
Buildings, source of supply structures and improvements	10 - 30 years	50 - 150 years
Improvements, other than buildings	-	75 - 100 years
Equipment	3 - 20 years	3 - 10 years

(k) Combined Total Data

The total data are the aggregate of the fund types and account group. No consolidating entries or other eliminations were made in arriving at the totals; thus they do not present consolidated information.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

(2) Property Taxes and Other Charges for Services(a) Property Taxes

The City's property tax is levied each year on the assessed valued listed as of the prior December 31 for all real property, tangible property, equipment, and motor vehicles located in the City. Assessed values of real property were established by the City Assessor's office at 85% of appraised market value based on the 1975 valuation. Assessed values of tangible property and equipment are determined annually at 85% of market value while the assessed value of motor vehicles is determined annually at 95% of market value.

The taxable assessments, tax rate and gross levy of the 1984 tax levy are as follows (in thousands):

	<u>Taxable assessment</u>	<u>Exemptions</u>	<u>Net taxable assessment</u>	<u>Rate per \$1,000</u>	<u>Gross levy</u>
Real property	\$ 1,064,760	26,216	1,038,544	72.49	75,284
Tangible property	268,083	48	268,035	72.49	19,430
Motor vehicles	<u>197,837</u>	<u>2,867</u>	<u>194,970</u>	<u>72.49</u>	<u>14,133</u>
	\$ <u>1,530,680</u>	<u>29,131</u>	<u>1,501,549</u>		<u>108,847</u>

Taxes on the gross levy were due in equal quarterly installments in July and October 1985 and January and April 1986.

The City recognizes property tax revenues in accordance with Interpretation 3 of Statement 1 of Governmental Accounting and Financial Reporting Principles. Under Interpretation 3, only those property tax payments due as of the end of the fiscal year and received within 60 days thereafter are recognized as revenue. All unpaid property taxes as of the end of the fiscal year are recorded as receivables. Those not collected within 60 days are recorded as deferred revenue if the eventual collection appears likely or are reserved by an allowance for doubtful accounts if the eventual collection appears unlikely.

(b) Sewer Use Fee

In 1982, the City transferred its Sewerage Treatment Facility to the Narragansett Bay Water Quality Management District Commission (Narragansett Bay Commission) (a component unit of the State of Rhode Island). Pursuant to the transfer agreement, the Bay Commission operates the plant and annually charges the City and other participating communities for their share of its operating costs. Through June 30, 1985, the City was responsible for levying and collecting a sewer use fee against all property owners, sufficient to meet the charge from the Narragansett Bay Commission. The City's sewer use fee and Narragansett Bay Commission charges are recorded in the special revenue Sewer Fund.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

Effective July 1, 1985, the Bay Commission is directly responsible for levying and collecting a sewer use fee. Under a tentative agreement between the City and Bay Commission, the Bay Commission will bill and collect amounts due from City property owners based upon usage through June 30, 1985 which had not been billed by the City as of that date. Such amounts collected will then be remitted to the City. As of June 30, 1986, the Bay Commission has not yet remitted any amounts collected through June 30, 1986 to the City.

Sewer use fees are recorded as receivables when earned (including both amounts billed as of the end of the fiscal year as well as amounts to be billed after the fiscal year end), net of estimated uncollectibles. Net receivables which are not considered to be available to meet current obligations are reflected as deferred revenues.

(c) Water Fees

Revenues from charges for services of the Providence Water Supply Board are recognized on the accrual basis, net of estimated uncollectibles. Most metered water sale customers are billed semi-annually on a staggered basis throughout the fiscal year. Large commercial customers and other local water suppliers are billed more frequently.

(3) Intergovernmental Accounts

Due to and from other governments consists of the following amounts at June 30, 1986:

	<u>Due from</u>	<u>Due to</u>
General Fund:		
State of Rhode Island	\$ 2,446,733	-
Special Revenue Funds:		
Federal Government	1,385,547	234,333
State of Rhode Island	<u>219,068</u>	<u>31,857</u>
Total Special Revenue Funds	<u>1,604,615</u>	<u>266,190</u>
Total all funds	\$ <u>4,051,348</u>	<u>266,190</u>

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

(4) Property, Plant and Equipment

The following is a summary of the property, plant and equipment of the City's enterprise funds at June 30, 1986:

	Providence Civic Center <u>Authority</u>	Providence Water Supply <u>Board</u>	<u>Total</u>
Land	\$ -	7,533,050	7,533,050
Improvements other than buildings	-	59,487,968	59,487,968
Buildings and improvements	14,082,793	6,291,747	20,374,540
Furnishings and equipment	<u>1,115,582</u>	<u>5,638,493</u>	<u>6,754,075</u>
Total	15,198,375	78,951,258	94,149,633
Less accumulated depreciation	<u>6,946,192</u>	<u>23,781,747</u>	<u>30,727,939</u>
Net property, plant and equipment	\$ <u>8,252,183</u>	<u>55,169,511</u>	<u>63,421,694</u>

(5) Interfund Accounts

At June 30, 1986, amounts due to and from other funds resulting from various interfund activities were as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund:		
Proprietary Fund Types	\$ 502,032	-
Special Revenue Funds (due from net of allowance for estimated uncollectible amount of \$482,668)	1,020,138	225,000
Fiduciary Fund Types	<u>-</u>	<u>300,000</u>
Total General Fund, net	<u>1,522,170</u>	<u>525,000</u>
Capital Project Funds:		
Fiduciary Fund Types	-	210,403
Special Revenue Funds	<u>47,940</u>	<u>192,019</u>
Total Capital Project Funds	<u>47,940</u>	<u>402,422</u>
Long-term Obligation Group of Accounts:		
Fiduciary Funds - Retirement System (Note 8)	<u>-</u>	<u>4,270,354</u>

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

	<u>Due from other funds</u>	<u>Due to other funds</u>
Fiduciary Fund Types:		
Special Revenue Funds (net of allowance for estimated uncollectible amount of \$1,451,675)	\$ 141,195	-
Capital Project Funds	210,403	-
Long-term Obligations Group of Accounts (Note 8)	4,270,354	-
General Fund	<u>300,000</u>	<u>-</u>
Total Fiduciary Fund Types, net	<u>4,921,952</u>	<u>-</u>
Special Revenue Funds:		
General Fund	225,000	1,502,806
Other Special Revenue Funds	3,612,737	3,612,737
Fiduciary Funds	-	1,592,870
Capital Project Funds	<u>192,019</u>	<u>47,940</u>
Total Special Revenue Funds	<u>4,029,756</u>	<u>6,756,353</u>
Proprietary Funds:		
General Fund	-	502,032
Fiduciary Fund Types	<u>-</u>	<u>-</u>
Total Proprietary Funds	<u>-</u>	<u>502,032</u>
Total all funds, net	<u>\$ 10,521,818</u>	<u>12,456,161</u>

Due to the fund deficit in the Special Revenue Sewer Fund, allowances for uncollectible receivable amounts of \$482,668 and \$1,451,675 have been recorded in the General Fund and the Restricted Sales Proceed Fund (an expendable fiduciary fund), respectively, against amounts due from the Sewer Fund.

(6) Loans Receivable

Included in Special Revenue Funds are loans receivable under Urban Development Action Grants representing amounts advanced to developers for certain urban development projects within the City. Such loans have been granted under the following terms:

Fleet Center and Garage:

- Loan balance as of June 30, 1986 - \$7,000,000
- Interest rate increasing from 0% at commencement to 8% by year six
- Repayment over thirty years

Richmond Square:

- Loan balance as of June 30, 1986 - \$900,000
- 5% interest rate, commencing in year four
- Repayment over twenty-five years, commencing in year four

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

Under the terms of these Federal UDAG agreements, future proceeds from repayment of principal and interest must be spent by the City on eligible community development projects.

The Providence Local Development Corporation has a note receivable from a local developer amounting to \$3,030,000 at June 30, 1986. The note bears interest at the rate of 5% and is payable upon demand. The note is secured by letters of credit.

The Providence Local Development Corporation also has a revolving loan program whereby loans are made to local businesses. Loan receivable, net of estimated allowance for uncollectible loans amounted to \$1,595,181 at June 30, 1986.

The Community Development Block Grant Program has the following loans receivable at June 30, 1986:

Fox Point Neighborhood Housing Corporation	\$ 250,000
• 10 year no interest loan, payment commences the first day of the second month after closing of mortgage on the project	
Home Improvement Loans, net of estimated allowance for uncollectibles	\$ 184,461

The Providence Industrial Development Corporation receives federal funds from the Economic Development Administration and loans the funds to qualifying businesses. At June 30, 1986, loans receivable net of estimated uncollectible amounts was \$1,075,078.

(7) Notes Payable - Proprietary Funds

Notes payable to bank amounting to \$250,000 are due on December 26, 1986 with interest at the rate of 6.00%.

(8) Long-term Obligations

(a) Bonds Payable

The following is a summary of bond transactions of the City for the year ended June 30, 1986 (in thousands):

	General Obligation	Proprietary Fund - Providence Water Supply Board	Total
Bonds payable at June 30, 1985	\$ 73,165	9,110	82,275
Debt issued	20,040	-	20,040
Debt retired	(6,540)	(445)	(6,985)
Bonds payable at June 30, 1986	\$ <u>86,665</u>	<u>8,665</u>	<u>95,330</u>

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

The Providence Water Supply Board (WSB) long-term debt is actually general obligation debt of the City, however, because it is the intent of the City to have the WSB meet the debt service requirements of this debt, such amounts are recorded in the WSB financial statements.

The annual requirements to amortize long-term bonds payable as of June 30, 1986 are as follows (in thousands):

Year Ending June 30	<u>General Obligation</u>			<u>Proprietary Fund</u>			<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>All Funds</u>
1987	\$ 26,620	5,537	32,157	460	488	948	33,105
1988	6,620	4,613	11,233	490	464	954	12,187
1989	5,985	4,158	10,143	510	439	949	11,092
1990	5,930	3,717	9,647	540	413	953	10,600
1991	5,800	3,262	9,062	560	384	944	10,006
1992	5,535	2,809	8,344	600	355	955	9,299
1993	5,160	2,346	7,506	625	324	949	8,455
1994	5,470	1,893	7,363	495	293	788	8,151
1995	5,395	1,402	6,797	525	263	788	7,585
1996	2,150	1,075	3,225	555	232	787	4,012
1997	2,150	907	3,057	590	198	788	3,845
1998	2,150	737	2,887	620	163	783	3,670
1999	2,150	565	2,715	655	126	781	3,496
2000	2,150	397	2,547	695	86	781	3,328
2001	1,400	253	1,653	745	45	790	2,443
2002	500	168	668	-	-	-	668
2003	500	124	624	-	-	-	624
2004	500	80	580	-	-	-	580
2005	500	40	540	-	-	-	540
Total	\$ 86,665	34,083	120,748	8,665	4,273	12,938	133,686

Included in the long-term obligations group of accounts are \$8,948,000 in General Obligation Bonds for which the Narragansett Bay Commission has agreed to assume debt service pursuant to a 1982 agreement whereby the City's Sewerage Treatment Facility was transferred to the Bay Commission. Under the agreement, the Bay Commission will reimburse the City for all principal and interest due on the debt when due. The City, however, remains ultimately responsible for the timely payment of the issues.

Also included in long-term obligations in year 1987 are \$6,000,000 of general obligation bond anticipation notes and \$14,040,000 of general obligation refunding bonds, both of which were refinanced subsequent to June 30, 1986 into \$20,040,000 of general obligation refunding bonds payable through August 15, 2006.

Under the City Charter, proceeds from the sale of general fixed assets must be used to reduce or to finance capital improvements of the City. Funds available for this purpose amounted to \$1,908,998 and are included in the Restricted Sales Proceeds Fund (an expendable fiduciary trust fund) at June 30, 1986.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

(b) Amount Due to Employees' Retirement System

In 1982, the City agreed to contribute an unpaid appropriation to the Employees' Retirement System over a twenty-year period ending in 2001 with interest at 8½%. This obligation is being paid in annual amounts of \$514,238, including principal and interest. The remaining balance of the obligation is presented as an amount due to the Retirement System in the long-term obligations group of accounts. A corresponding receivable amount is recorded in the Retirement System Fund. Following is a summary of the activity during fiscal 1986:

Balance at June 30, 1985	\$ 4,409,762
Principal payments made during fiscal year 1986	<u>(139,408)</u>
Balance at June 30, 1986	\$ <u>4,270,354</u>

(c) Other Noncurrent Liabilities

The following noncurrent liabilities are recorded in the long-term obligation group of accounts.

- i. Accumulated vacation pay for governmental fund employees at June 30, 1986 amounted to approximately \$4,292,000.
- ii. The estimated liability for governmental fund Workers' Compensation claims under the City's self-insurance program at June 30, 1986 amounted to approximately \$865,000.
- iii. Litigation and other claims and judgments against governmental funds which are estimable but are not expected to be liquidated with expendable available resources (payable within one year) amounted to approximately \$375,000 at June 30, 1986.

(9) Prior Period Adjustments and
Changes in Financial Presentation

The following is a summary of changes to beginning fund equity amounts resulting from changes in financial presentation and the correction of an error:

Special Revenue Funds:

Combined fund balance at June 30, 1985, as previously reported	\$ 13,905,065
Prior period adjustment to include the accounts of Providence Industrial Development Corporation due to a change in oversight responsibilities	<u>1,548,488</u>
Combined fund balance at June 30, 1985, as restated	\$ <u>15,453,553</u>

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

	Retained Earnings (Deficit)
Enterprise Funds:	
Balance at June 30, 1985, as previously reported	\$ (246,825)
Prior period adjustment to correct an accounting error (see below)	<u>4,136,093</u>
Balance at June 30, 1985, as restated	\$ <u>3,889,268</u>

In fiscal year 1986, the Water Supply Board changed their billing cycle for residential customers from annually to semi-annually. Prior to June 30, 1986 revenue was recognized when billed as opposed to the accrual method which requires revenue to be recognized in the period that the services are provided. The cumulative effect of this change on years prior to June 30, 1986 is \$4,136,093 and has been adjusted and restated as of June 30, 1985.

(10) Segment Information for Enterprise Funds

The City maintains two Enterprise Funds, the Providence Civic Center Authority and the Providence Water Supply Board.

Providence Water Supply Board

The Providence Water Supply Board was created in 1940 by Chapter 832 of the Public Laws of the State of Rhode Island. Membership of the Board is comprised of four persons appointed by the Mayor who serve for 4-year staggered terms and two City Council members elected by the City Council who serve during their 4-year City Council term. The Finance Director of the City of Providence also serves as an ex-officio Board member.

The Water Supply Board provides water supply services through metered sales in Providence and parts of the surrounding communities of North Providence, Johnston and Cranston. The Water Supply Board also sells water to the other local water supply systems on a wholesale basis. The Water Supply Board's source of water supply is the Scituate Reservoir, located in the Town of Scituate, Rhode Island, and five tributary reservoirs.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

Activities of the Water Supply Board are governed by the regulations of the Public Utility Administrator of the State of Rhode Island. All water sale rates are established by the State Public Utilities Commission.

During the fiscal year ended June 30, 1986, the City of Providence performed various services for the Water Supply Board. The total billing for city services performed amounted to \$1,133,163. This amount is established by the City. The Water Supply Board has also performed services for various City funds and departments, the charges for which have been included as revenue in the accompanying financial statements of the Water Supply Board. These revenues are not significant to total revenues.

The Water Supply Board does not maintain a cash account for its operations. All receipts and disbursements relating to Water Supply Board operations are recorded through the City's General Fund on its behalf.

Providence Civic Center Authority

The Providence Civic Center Authority was created by an Act of the Rhode Island State Legislature in 1969 to provide a public facility for various civic, athletic and cultural events. The facility was built and paid for from the proceeds of general obligation bonds sold by the City and contributed to the Authority. The Authority leases its facilities to various promoters and groups, at rental charges calculated usually as a percentage of gross ticket sales and/or a minimum rental fee. Rental charges for certain events are based upon a fixed fee. In addition to rental income, the Authority is reimbursed by lessees for expenses the Authority incurs in connection with the various events.

Under Sec. 10(b) of the Act, the Authority is required to pay annually all excess revenues, as defined in the Act, to the City. The Center and all funds and assets of the Authority shall become the property of the City upon the payment and retirement of all bonds issued by the City to fund the Authority. The bonds are scheduled for payment and retirement in 1992.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

A 5% surcharge on all ticket sales is collected pursuant to a public law enacted by the Rhode Island General Assembly. The proceeds are to be used to reduce City bond indebtedness and will terminate upon liquidation of the bonds. The City of Providence has permitted the Authority to retain \$290,560 from the surcharge receipts during 1986 to fund capital additions. The retained surcharge collections have been added to contributed capital. The following is a summary of the activity in the surcharge account for the year ended June 30, 1986:

Surcharge receipts	\$ 490,560
Amounts retained by the Authority	(290,560)
Payments to the City of Providence	
General Fund	<u>(200,000)</u>
Balance due City of Providence General	
Fund at June 30, 1986	\$ <u>-</u>

Restricted Assets

Restricted assets of the enterprise funds consisted of cash and investments maintained for the following reasons as of June 30, 1986:

Water Supply Board:

Depreciation and extension fund restricted for maintenance and expansion of utility plant as well as for insurance purposes as mandated by the Public Utilities Commission	\$ 304,446
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Civic Center:

Collections from advance tickets sales and promoters' deposits and amounts due to the City's General Fund	<u>761,021</u>
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Total restricted assets	\$ <u>1,065,467</u>
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CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

(11) Fund Balances

Reservations of fund balance at June 30, 1986 were as follows:

Fiduciary Fund Types:

Reserved for payment of retirement benefits	\$ 138,978,212
Reserved for endowments	<u>5,418,334</u>
	<u>144,396,546</u>

Total reserved fund balance	\$ <u>144,396,546</u>
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Designated portions of unreserved fund balances at June 30, 1986, were as follows:

Special Revenue Fund - designated for grantor-restricted purposes	\$ 13,043,298
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Capital Project Funds - designated for specific project purposes	184,836
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Fiduciary Funds - designated for specific purposes	<u>1,908,998</u>
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Total designated portion of unreserved fund balance	\$ <u>15,137,132</u>
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The General Fund and the Special Revenue Sewer Fund have fund deficits of \$3,058,423 and \$1,065,298, respectively at June 30, 1986. It is the intent of City officials to eliminate the General Fund deficit over the next four years through annual budget appropriations for this purpose. City officials expect that the Sewer Fund deficit will be largely eliminated through improved collections of sewer use fees.

(12) Pension Plans(a) Employees Retirement System (ERS)

The City's ERS is a contributory pension plan covering most City employees except teachers and employees of the Providence Civic Center Authority. The City's policy is to fund annually an amount which is sufficient to maintain funding at 70% of the actuarially determined liabilities for regular employees and to fund on a pay-as-you-go basis for elected officials. These are the minimum funding levels required by the plan.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

The amount of pension cost determined in accordance with generally accepted accounting principles (including normal cost, an amount equivalent to interest on any unfunded prior service cost and a provision for vested benefits) for the year ended June 30, 1986 is not known. In addition, the cumulative excess amount of pension expense determined in accordance with generally accepted accounting principles over the amount which has actually been funded has not been determined and recorded in the accompanying financial statements. Such excess amounts relating to governmental fund employees and Water Supply Board employees should be recorded in the general long-term obligations account group and the Water Supply Board enterprise fund, respectively.

The following is a summary of the ERS plan contributions based upon the funding method described in the second preceding paragraph and which are recorded as expenditures in the accompanying financial statements:

	<u>Regular employees</u>	<u>Elected officials</u>
General Fund	\$ 9,420,000	117,500
Unrestricted School Fund	1,466,000	-
Providence Water Supply Board	<u>395,000</u>	<u>-</u>
	<u>\$ 11,281,000</u>	<u>117,500</u>

As of June 30, 1984, the date of the latest actuarial report, the unfunded accrued liability amounted to approximately \$108,961,000.

Actuarial and net asset information of the Employees' Retirement System follows:

Actuarial present value of accumulated plan benefits as of June 30, 1984:	
Vested	\$ 197,433,000
Nonvested	<u>5,547,000</u>
Total	<u>\$ 202,980,000</u>
Net assets available for benefits as of June 30, 1984	<u>\$ 125,648,000</u>

The assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 8.5 percent compounded annually.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

(b) Other Pension Costs

The City is also required to make contributions to the National Pension Plan of the Laborers' International Union of North America, the Rhode Island Legal Service trust for those employees in the Laborers' International Union and to pay retirement benefits to certain retired police and firemen not covered by the ERS. Pension costs for these purposes amounted to the following for the year ended June 30, 1986:

General Fund	\$ 1,195,000
Providence Water Supply Board	185,000
Unrestricted School Fund	<u>160,000</u>
	<u>\$ 1,540,000</u>

(c) Teachers' Retirement Plan

Teachers in the City's public schools participate in the Employees' Retirement System of the State of Rhode Island. The teachers contribute 8% of their salary and the remainder of the cost is divided evenly between the City and the State. The City makes annual contributions to the plan equal to the amount of pension expense. The system's statutory funding schedule required partial funding of current costs and interest on the unfunded prior service cost in increasing amounts until June 30, 1985. Effective July 1, 1985, the rates provide for full funding of normal costs, amortization of the unfunded liability and interest on any unfunded liability. The contribution to the pension plan for the year ended June 30, 1986 was approximately \$3,811,000 and is included in the Unrestricted School Fund. At the current time information relating to the City's portion of accumulated plan benefits and plan net assets is not available.

(d) Providence Civic Center

The Providence Civic Center Authority has established a noncontributory, deferred compensation plan for all management employees. The contribution for the year ended June 30, 1986 was \$11,384 and was based on a percentage of salaries paid. The Authority's policy is to fund all retirement costs accrued.

(13) Post-retirement Benefits

The City provides health care benefits for most retired employees. During the year ended June 30, 1986 the cost of retiree health care benefits recorded in the General Fund amounted to approximately \$831,000.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

(14) Lease Obligations(a) Governmental Funds

The City is obligated under several noncancelable operating leases for various buildings and equipment. Future minimum lease payments as of June 30, 1986 were as follows:

Fiscal year ending June 30:	
1987	\$ 658,000
1988	1,042,000
1989	1,013,000
1990	528,000
1991	<u>48,000</u>

(b) Civic Center Authority

The Authority is obligated under a capital lease for telephone equipment which expires in January 1990. At June 30, 1986 the gross amount of capital leases included in property, plant and equipment was \$60,000 less \$6,000 accumulated depreciation. The Authority is also obligated under an operating lease for an automobile.

Future minimum lease payments under noncancellable operating leases and the present value of future minimum capital lease payments as of June 30, 1986 are:

	Capital <u>Lease</u>	Operating <u>Lease</u>
Year ending June 30:		
1987	\$ 16,927	1,059
1988	12,570	-
1989	11,713	-
1990	<u>10,856</u>	<u>-</u>
Net minimum lease payments	52,066	<u>1,059</u>
Less amounts representing interest (approximately 9%)	<u>7,066</u>	
Present value of minimum lease payments	45,000	
Less current installments of obligations under capital lease	<u>(15,000)</u>	
Obligation under capital lease excluding current installments	\$ <u>30,000</u>	

Total rental expense for the operating lease in 1986 was \$4,236.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

(15) Commitments and Contingent Liabilities

In June 1985, the City was advised in a letter from the United States Department of Justice that the Department had concluded that the City, among other parties, is liable to the Small Business Administration for damages suffered by the SBA in connection with a 1980 revenue bond financing of a local company. The Department has demanded that the City pay the United States Government approximately \$15 million for the losses allegedly sustained by the SBA in this connection. The Department has not filed suit in furtherance of this claim. In addition, the Department has not set forth or otherwise advised the City of the precise nature of its claims; the factual underpinnings of the claims; or, the evidentiary support for the claims. Accordingly, the possible outcome of the action contemplated by the Department is unknown.

The City has examined its own available records relating to the revenue bond financing. After doing so, it has concluded that there is no indication in the records to suggest that the City is responsible for any wrongdoing in connection with these events. Accordingly, the City plans to vigorously defend any legal proceedings brought against it by the Department of Justice.

The City recognizes liabilities for legal cases and other claims when the ultimate liability is probable and can be estimated. The City is also defendant in numerous pending and existing lawsuits, claims, and grievances for which the City Solicitor and outside counsel are unable to determine the extent of the liability to the City. No provision has been made in the accompanying financial statements for any liability which may occur as a result of such cases.

The City participates in a number of Federally-assisted grant programs, including the Federal Revenue Sharing, Community Development Block Grant, and various education programs and construction grants. These programs are subject to financial and compliance audits by the grantors or their representatives. Compliance audits of various programs included in special revenue funds have identified approximately \$115,000 of expenditures which have been questioned as to their allowability under the specific grant agreements. The results of the fiscal year 1986 compliance audits have not been fully resolved by the grantor agencies. The amount, if any, of expenditures which may actually be disallowed by the Federal granting agencies cannot be determined at this time.

CITY OF PROVIDENCE, RHODE ISLAND

Notes to Financial Statements, Continued

The Providence Redevelopment Agency is defendant in several suits in which the Agency's property acquisition price is being contested. No provision has been made in the financial statements for the possible settlement amounts.

The Providence Civic Center Authority is contesting a \$79,000 assessment from the Rhode Island Department of Employment Security for reimbursement from the Authority for unemployment benefits paid to individuals who were alleged employees of the Authority and who received unemployment benefits during 1975 and 1976. The Authority has raised several defenses and has instituted an action in the Superior Court to declare these taxes unconstitutional. No provision has been made in the financial statements for this assessment. It is the opinion of management that the Authority will be successful in its defense.

The City is self-insured for casualty losses to some real estate and equipment.

PROVIDENCE CIVIC CENTER AUTHORITY

(A Component Unit of the City of Providence, Rhode Island)

Enterprise Fund

Balance Sheet

June 30, 1986

Assets

Current assets:

Cash and cash equivalents	\$ 343,494
Restricted cash and cash equivalents (note 10)	761,021
Accounts receivable (net allowance for uncollectible accounts of \$7,000)	352,669
Inventory, at cost	41,156
Prepaid expenses	<u>163,299</u>

Total current assets	<u>1,661,639</u>
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Property, plant and equipment (note 10):

Buildings and improvements	14,082,793
Furnishings and equipment	<u>1,115,582</u>

	15,198,375
Less accumulated depreciation	<u>6,946,192</u>

Net property, plant and equipment	<u>8,252,183</u>
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	\$ <u>9,913,822</u>
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See accompanying notes to financial statements.

Exhibit F

Liabilities

Current liabilities:

Revenue anticipation notes payable (note 7)	\$ 250,000
Accrued expenses	267,338
Advance sales receipts and promoter deposits (note 10)	761,021
Deferred income	101,041
Current portion of obligation under capital lease (note 14)	<u>15,000</u>

Total current liabilities 1,394,400

Obligations under capital lease (note 14) 30,000

Total liabilities 1,424,400

Fund Equity

Contributed capital from the City of Providence	8,533,503
Accumulated deficit	<u>(44,081)</u>

Total fund equity 8,489,422

\$ 9,913,822

PROVIDENCE CIVIC CENTER AUTHORITY

(A Component Unit of the City of Providence, Rhode Island)

Enterprise Fund

Statement of Revenues and Expenses

Year ended June 30, 1986

Operating revenues:

Arena rent	\$ 1,371,584
Concessions	756,594
Advertising and other	290,097
Co-promotions	<u>16,996</u>

Total operating revenues	<u>2,435,271</u>
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Operating expenses, excluding depreciation:

Salaries and wages - admissions control	461,167
Salaries and wages - operations	1,190,427
Salaries and wages - administrative	265,970
Employee benefits	168,371
Payroll taxes	143,239
Event expenses	417,631
Utilities	296,538
Insurance	312,915
Other	<u>371,276</u>

3,627,534

Less expenses reimbursed by promoters	<u>1,275,088</u>
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Net operating expenses, excluding depreciation	<u>2,352,446</u>
--	------------------

Operating income, excluding depreciation	<u>82,825</u>
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Nonoperating revenues (expenses):

Interest income	33,496
Interest expense	<u>(16,791)</u>

16,705

Net income before depreciation	<u>99,530</u>
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Depreciation	<u>565,673</u>
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Net loss	(466,143)
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(Continued)

PROVIDENCE CIVIC CENTER AUTHORITY

(A Component Unit of the City of Providence, Rhode Island)

Enterprise Fund

Statement of Revenues and Expenses, Continued

Depreciation on property, plant and equipment acquired through contributed capital	\$ <u>539,573</u>
Decrease in accumulated deficit	73,430
Accumulated deficit at beginning of year	<u>(117,511)</u>
Accumulated deficit at end of year	\$ <u>(44,081)</u>

See accompanying notes to financial statements.

PROVIDENCE CIVIC CENTER AUTHORITY

(A Component Unit of the City of Providence, Rhode Island)

Enterprise Fund

Statement of Fund Equity

Year ended June 30, 1986

	<u>Contributed Capital</u>	<u>Accumulated Deficit</u>	<u>Total</u>
Balance at June 30, 1985	\$ 8,782,516	(117,511)	8,665,005
Contributions from City of Providence (note 10)	290,560	-	290,560
Net loss for the year ended June 30, 1986	-	(466,143)	(466,143)
Depreciation on property, plant and equipment acquired through contributed capital	<u>(539,573)</u>	<u>539,573</u>	<u>-</u>
Balance at June 30, 1986	\$ <u>8,533,503</u>	<u>(44,081)</u>	<u>8,489,422</u>

See accompanying notes to financial statements.

PROVIDENCE CIVIC CENTER AUTHORITY

(A Component Unit of the City of Providence, Rhode Island)

Enterprise Fund

Statement of Changes in Financial Position

Year ended June 30, 1986

Sources of working capital:

Operations:

Net loss \$ (466,143)

Items which do not use working capital:

Depreciation 565,673

Working capital provided by operations 99,530

Increase in contributed capital from

City of Providence 290,560

Proceeds from revenue anticipation notes 250,000\$ 640,090

Uses of working capital:

Current installment and repayment of revenue
anticipation notes

250,000

Net additions to property, plant and equipment

233,067

Current installment and payment of obligation under
capital lease

15,000

Increase in working capital

142,023\$ 640,090

Elements of net increase (decrease) in working capital:

Increase (decrease) in current assets:

Cash and cash equivalents unrestricted (127,311)

Restricted cash and cash equivalents 367,465

Accounts receivable, net 197,718

Inventory (4,250)

Prepaid expenses 95,564529,186

Increase (decrease) in current liabilities:

Revenue anticipation notes payable 104,000

Due to City of Providence (1,506)

Accrued expenses 53,302

Advance ticket sales 368,971

Deferred income (137,604)387,163

Net increase in working capital

\$ 142,023

See accompanying notes to financial statements.

PROVIDENCE WATER SUPPLY BOARD

(A Component Unit of the City of Providence, Rhode Island)

Enterprise Fund

Balance Sheet

June 30, 1986

Assets

Current assets:

Accounts receivable (net of allowance for uncollectible accounts of \$920,000)	\$ 1,781,532
Accounts receivable - unbilled	2,842,358
Inventory, at cost	826,507
Other	<u>21,653</u>
Total current assets	<u>5,472,050</u>

Restricted assets (note 10):

Cash	59,720
Investments, at cost	<u>244,726</u>
Total restricted assets	<u>304,446</u>

Property, plant and equipment:

Land	7,533,050
Buildings and improvements	6,291,747
Improvements other than buildings	59,487,968
Machinery and equipment	<u>5,638,493</u>

	78,951,258
Less accumulated depreciation	<u>23,781,747</u>

Net property, plant and equipment	55,169,511
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Other noncurrent assets	<u>12,000</u>
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\$ 60,958,007

See accompanying notes to financial statements.

Exhibit J

Liabilities

Current liabilities (payable from current assets):	
Due to City of Providence General Fund (note 10)	\$ 502,032
Accrued expenses	418,955
Current portion of general obligation bonds (note 8)	<u>460,000</u>
Total current liabilities (payable from current assets)	1,380,987
Long-term liabilities:	
General obligation bonds (net of current portion) (note 8)	<u>8,205,000</u>
Total liabilities	<u>9,585,987</u>

Fund Equity

Contributed capital	\$ 47,880,918
Retained earnings	<u>3,491,102</u>
Total fund equity	<u>51,372,020</u>

Commitments and contingencies (notes 12, 13 and 15).

\$ 60,958,007

PROVIDENCE WATER SUPPLY BOARD

(A Component Unit of the City of Providence, Rhode Island)

Enterprise Fund

Statement of Revenues and Expenses

Year ended June 30, 1986

Operating revenues - charges for services:

Water sales (note 2):

General customers	\$ 7,142,060
Other local water suppliers	2,970,034
Fire protection services	593,959
Maintenance charges and other revenue	<u>243,653</u>

Total operating revenues	<u>10,949,706</u>
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Operating expenses:

Wages and benefits	4,691,440
Water supply services and supplies	1,298,865
Administrative and general	807,654
Charge for services provided by other City departments (note 10)	1,133,163
Depreciation	839,519
Bad debts	119,770
Property taxes - other local governments	<u>2,079,987</u>

Total operating expenses	<u>10,970,398</u>
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Operating loss	<u>(20,692)</u>
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Nonoperating revenues (expenses):

Interest income	17,493
Interest expense	<u>(512,478)</u>
	<u>(494,985)</u>

Net loss	\$ <u>(515,677)</u>
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See accompanying notes to financial statements.

PROVIDENCE WATER SUPPLY BOARD

(A Component Unit of the City of Providence, Rhode Island)

Enterprise Fund

Statement of Fund Equity

Year ended June 30, 1986

	Contributed <u>Capital</u>	Retained earnings <u>(deficit)</u>	<u>Total</u>
Balance at June 30, 1985, as previously reported	\$ 47,369,937	(129,314)	47,240,623
Add adjustment for the cumulative effect on prior years (to June 30, 1986) of changing to a different billing method (note 9)	<u> </u>	<u>4,136,093</u>	<u>4,136,093</u>
Balance at June 30, 1985, as restated	47,369,937	4,006,779	51,376,716
Contribution-in-aid of construction	510,981		510,981
Net loss	<u> </u>	<u>(515,677)</u>	<u>(515,677)</u>
Balance at June 30, 1986	\$ <u>47,880,918</u>	<u>3,491,102</u>	<u>51,372,020</u>

See accompanying notes to financial statements.

PROVIDENCE WATER SUPPLY BOARD

(A Component Unit of the City of Providence, Rhode Island)

Enterprise Fund

Statement of Changes in Financial Position

Year ended June 30, 1986

Sources of working capital:

Operations:

Net loss \$ (515,677)

Items which do not use (provide) working capital:

Depreciation 839,519

Income on restricted assets (17,493)

Working capital provided by operations 306,349

Contributions 510,981

Decrease in other noncurrent assets 20,000

Proceeds from retirements of property, plant and equipment 6,689

Decrease in restricted assets 172,509

Net decrease in working capital 511,820\$ 1,528,348

Uses of working capital:

Acquisition of property, plant and equipment 1,045,848

Retirement of general obligation bonds 460,000

Decrease in other noncurrent liabilities 22,500\$ 1,528,348

Elements of net increase (decrease) in working capital:

Receivables (759,152)

Inventory 4,008

Other current assets 1,653

Due to General Fund 273,305

Due to Retirement System 17,414

Accrued expenses (34,048)

Current portion of long-term debt (15,000)Net decrease in working capital \$ (511,820)

See accompanying notes to financial statements.

CITY OF PROVIDENCE
ADDITIONAL INFORMATION

CITY OF PROVIDENCE, RHODE ISLAND

General Fund

Schedule of Revenues - Budget and Actual

Year ended June 30, 1986

	<u>Budget</u>	<u>Actual</u>	Actual over (under) <u>budget</u>
Revenues:			
Property taxes and excise taxes	\$ 105,323,835	105,561,617	237,782
Shared State taxes	2,777,189	3,544,867	767,678
Business and nonbusiness licenses	1,008,385	987,633	(20,752)
Fines, forfeits and escheats	2,816,000	2,298,471	(517,529)
Grants-in-aid (State of Rhode Island):			
General Public Assistance	14,927,600	10,306,444	(4,621,156)
Payment of school debt	450,538	417,274	(33,264)
In lieu of machinery, equipment, inventory and intangible taxes	3,886,807	3,886,807	-
Rents and interest	3,715,000	4,339,952	624,952
General departments	5,534,824	6,364,397	829,573
Miscellaneous	<u>22,600</u>	<u>16,000</u>	<u>(6,600)</u>
Total revenues	\$ <u>140,462,778</u>	<u>137,723,462</u>	<u>(2,739,316)</u>

CITY OF PROVIDENCE, RHODE ISLAND

General Fund

Schedule of Expenditures and Transfers - Budget and Actual

Year ended June 30, 1986

<u>Expenditures</u>	<u>Budget</u>	<u>Transfers increase (decrease)</u>	<u>Revised budget</u>	<u>Actual expenditures</u>	<u>Actual (over) under budget</u>
Executive, Legislative and Judicial Activities:					
City Council	\$ 315,797	(8,275)	307,522	279,780	27,742
City Clerk	206,479	275	206,754	209,262	(2,508)
Probate Court	105,672	4,080	109,752	110,672	(920)
Providence Municipal Court	231,652	9,895	241,547	230,654	10,893
Mayor's Office	725,000	-	725,000	723,096	1,904
Law Department	1,101,783	17,330	1,119,113	2,269,197	(1,150,084)
City Sergeant	19,034	900	19,934	19,717	217
Contingencies	50,000	-	50,000	48,361	1,639
Appropriation reserve; transfer to Community Development Block Grant	686,152	-	686,152	-	686,152
Total Executive, Legislative, and Judicial Activities	3,441,569	24,205	3,465,774	3,890,739	(424,965)
Finance Administration:					
Finance Director	210,161	-	210,161	208,242	1,919
City Controller	468,528	-	468,528	454,689	13,839
Employees' Retirement Office	175,058	4,235	179,293	182,835	(3,542)
Data Processing	838,732	2,000	840,732	798,566	42,166
City Collector	601,181	700	601,881	571,130	30,751
City Assessor	1,302,343	(337,500)	964,843	593,635	371,208
Treasury Department	136,851	3,900	140,751	143,635	(2,884)
Board of Tax Assessments Review	18,036	-	18,036	16,790	1,246
Personnel	230,428	15,000	245,428	221,459	23,969
Labor lawyer	50,000	-	50,000	58,102	(8,102)
Emergency temporary and seasonal employees	25,000	-	25,000	22,281	2,719
Payment to Employees Retirement System	9,397,033	127,000	9,524,033	9,419,791	104,242
Elected officials	117,585	-	117,585	117,585	-
Police pensions	62,000	-	62,000	55,690	6,310
Fire pensions	79,400	-	79,400	69,033	10,367
Laborers International legal fee	250,000	-	250,000	243,253	6,747
Payment to Laborers International pension fund	930,000	93,000	1,023,000	1,059,101	(36,101)
Public employees health services	70,000	20,000	90,000	101,263	(11,263)
Retirement of serial bonds and deferred pension contribution	6,149,208	-	6,149,208	6,104,208	45,000
Interest	7,000,790	(53,000)	6,947,790	6,245,771	702,019
FICA	1,267,350	-	1,267,350	1,231,231	36,119
Medical insurance	4,700,000	257,500	4,957,500	4,993,243	(35,743)
Unemployment compensation	85,000	73,000	160,000	248,678	(88,678)
Reserve for anticipated tax abatements	275,000	-	275,000	423,114	(148,114)

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

General Fund

Schedule of Expenditures and Transfers - Budget and Actual, Continued

<u>Expenditures</u>	<u>Budget</u>	<u>Transfers increase (decrease)</u>	<u>Revised budget</u>	<u>Actual expenditures</u>	<u>Actual (over) under budget</u>
Finance Administration, continued					
Heat, light, and power	\$ 550,000	-	550,000	534,201	15,799
Workers' Compensation	275,000	-	275,000	566,932	(291,932)
Total Finance Administration	35,264,684	207,835	35,472,519	34,684,458	788,061
Public Safety:					
Commissioner of Public Safety	225,324	48,495	273,819	276,083	(2,264)
Police Department (excluding Federal Revenue Sharing amounts)	12,329,981	738,665	13,068,646	14,283,406	(1,214,760)
Fire Department (excluding Federal Revenue Sharing amounts)	11,975,458	599,500	12,574,958	13,076,190	(501,232)
Department of Communications	1,399,736	38,170	1,437,906	1,518,852	(80,946)
Traffic Engineering Department	727,811	16,185	743,996	712,563	31,433
Total Public Safety	26,658,310	1,441,015	28,099,325	29,867,094	(1,767,769)
Building Inspection Department:					
Building Inspection Administration	422,667	23,480	446,147	439,665	6,482
Structures and Zoning Division	179,195	-	179,195	143,635	35,560
Plumbing, Drainage, and Gas Piping Division	94,693	3,800	98,493	99,979	(1,486)
Electrical Installations Division	88,600	4,425	93,025	92,950	75
Mechanical Equipment and Installations Division	89,008	(9,200)	79,808	50,902	28,906
Zoning Board of Review	12,900	-	12,900	12,998	(98)
Housing Board of Review	2,650	-	2,650	2,351	299
Building Board of Review	10,150	-	10,150	9,299	851
Building Inspection Code Enforcement	254,774	29,100	283,874	292,084	(8,210)
Building Inspection Prosecution	144,357	(23,255)	121,102	120,655	447
Division of Utilities and Standards	43,509	2,110	45,619	44,100	1,519
Total Building Codes and Inspection	1,342,503	30,460	1,372,963	1,308,618	64,345
Public Works Activities:					
Public Works Administration	381,771	13,100	394,871	398,802	(3,931)
Engineering and Sanitation	370,844	18,050	388,894	389,713	(819)
Street Cleaning Section	395,333	-	395,333	296,702	98,631
Waste Collection and Processing	2,471,377	335	2,471,712	2,469,996	1,716
Highway and Environmental Control	2,257,795	12,640	2,270,435	2,037,529	232,906
Bridge Maintenance Section	459,526	-	459,526	225,323	234,203
Snow Removal	580,000	-	580,000	292,272	287,728
Sewer Construction and Maintenance	634,614	25,000	659,614	565,006	94,608
Street Lighting Division	1,475,000	-	1,475,000	1,185,052	289,948

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

General Fund

Schedule of Expenditures and Transfers - Budget and Actual, Continued

<u>Expenditures</u>	<u>Budget</u>	<u>Transfers increase (decrease)</u>	<u>Revised budget</u>	<u>Actual expenditures</u>	<u>Actual (over) under budget</u>
Public Works Activities, continued:					
Garage Maintenance and Equipment Repair	\$ 257,546	10,555	268,101	259,960	8,141
Total Public Works Activities	9,283,806	79,680	9,363,486	8,120,355	1,243,131
Recreation Activities:					
Recreation Department	243,192	-	243,192	242,752	440
Camp Cronin	35,617	-	35,617	29,223	6,394
Recreation - seasonal	214,110	-	214,110	211,952	2,158
Total Recreation Activities	492,919	-	492,919	483,927	8,992
Public Lands and Parks:					
Development and Environmental Services	366,202	17,345	383,547	372,997	10,550
Zoological services	629,713	-	629,713	620,663	9,050
Grounds maintenance services	2,056,210	85,410	2,141,620	3,061,915	(920,295)
Programming services	187,081	3,445	190,526	300,265	(109,739)
Office of the Superintendent of Parks	131,709	6,320	138,029	148,968	(10,939)
Total Public Lands and Parks	3,370,915	112,520	3,483,435	4,504,808	(1,021,373)
Education:					
Local appropriation to School Department	35,844,745	-	35,844,745	35,315,577	529,168
Other Departments:					
Recorder of Deeds	274,536	-	274,536	329,099	(54,563)
Archives and history	50,671	1,970	52,641	47,501	5,140
Vital Statistics	112,966	-	112,966	104,797	8,169
Board of Canvassers	237,517	8,405	245,922	248,112	(2,190)
Bureau of Licenses	156,133	8,500	164,633	159,772	4,861
Providence Human Relations	123,532	-	123,532	108,781	14,751
Civil Defense Preparedness	92,677	2,050	94,727	87,293	7,434
Planning and Urban Development	905,752	23,000	928,752	820,231	108,521
Administration to City Council	99,518	5,025	104,543	106,537	(1,994)
Providence Review Commission	25,110	-	25,110	18,692	6,418
Miscellaneous Service - Transfer to Planning and Urban Development	-	-	-	194,000	(194,000)
Total Other Departments	2,078,412	48,950	2,127,362	2,224,815	(97,453)

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND

General Fund

Schedule of Expenditures and Transfers - Budget and Actual, Continued

<u>Expenditures</u>	<u>Budget</u>	<u>Transfers increase (decrease)</u>	<u>Revised budget</u>	<u>Actual expenditures</u>	<u>Actual (over) under budget</u>
Welfare Activities:					
General Public Assistance administration	\$ 3,127,655	(2,020,000)	1,107,655	891,358	216,297
General Public Assistance	<u>14,370,000</u>	<u>-</u>	<u>14,370,000</u>	<u>10,391,726</u>	<u>3,978,274</u>
Total Welfare Activities	<u>17,497,655</u>	<u>(2,020,000)</u>	<u>15,477,655</u>	<u>11,283,084</u>	<u>4,194,571</u>
Miscellaneous Activities:					
Demolition of Abandoned Property	6,700	-	6,700	-	6,700
Community Mental Health Centers	245,000	-	245,000	245,000	-
Providence Housing Authority	8,000	38,000	46,000	(3,113)	49,113
League of Cities and Towns	32,000	-	32,000	32,000	-
Insurance Fund	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total Miscellaneous Activities	<u>293,700</u>	<u>38,000</u>	<u>331,700</u>	<u>273,887</u>	<u>57,813</u>
Grants:					
Providence Public Library	1,089,750	-	1,089,750	1,089,750	-
Other	<u>92,673</u>	<u>8,000</u>	<u>100,673</u>	<u>91,119</u>	<u>9,554</u>
Total Grants	<u>1,182,423</u>	<u>8,000</u>	<u>1,190,423</u>	<u>1,180,869</u>	<u>9,554</u>
Public Properties:					
Public buildings	2,608,366	-	2,608,366	2,204,210	404,156
Purchasing	<u>218,682</u>	<u>10,310</u>	<u>228,992</u>	<u>232,656</u>	<u>(3,664)</u>
Total Public Properties	<u>2,827,048</u>	<u>10,310</u>	<u>2,837,358</u>	<u>2,436,866</u>	<u>400,492</u>
Port of Providence	<u>871,105</u>	<u>19,025</u>	<u>890,130</u>	<u>754,278</u>	<u>135,852</u>
Public Celebrations	<u>6,350</u>	<u>-</u>	<u>6,350</u>	<u>6,018</u>	<u>332</u>
Total expenditures and transfers	\$ <u>140,456,144</u>	<u>-</u>	<u>140,456,144</u>	<u>136,335,393</u>	<u>4,120,751</u>

CITY OF PROVIDENCE, RHODE ISLAND

Special Revenue Funds

Combining Balance Sheet

June 30, 1986

<u>Assets</u>	<u>Total All Funds</u>	<u>School Fund</u>	<u>Other Educational Funds</u>	<u>Revenue Sharing Fund</u>	<u>Community Development Block Grants</u>
Cash (overdraft)	\$ 5,043,215	1,977,541	676,953	-	(61,922)
Accounts receivable (net where applicable of allowance for uncollectible amounts of \$3,359,916)	447,767	-	-	-	-
Due from:					
Other funds	4,029,756	426,737	-	-	3,255,000
Other governments	1,604,615	-	581,970	975,667	46,978
Loans receivable (net of allowance for uncollectible amounts of \$630,189)	14,034,720	-	-	-	434,461
Short-term investments	4,365,556	-	-	-	-
Other assets	98,228	-	20,120	-	5,181
Total assets	\$ 29,623,857	2,404,278	1,279,043	975,667	3,679,698
<u>Liabilities</u>					
Accounts payable and accrued expenditures	\$ 3,208,812	2,218,613	538,348	-	257,324
Due to:					
Other funds	6,756,353	185,665	473,162	975,667	-
Other governments	266,190	-	266,190	-	-
Deferred revenues	195,210	-	-	-	195,210
Other liabilities	177,655	-	1,343	-	-
Reserve for home improvement loans	117,199	-	-	-	117,199
Total liabilities	10,721,419	2,404,278	1,279,043	975,667	569,733
<u>Fund Balances</u>					
Fund balance (deficit):					
Unreserved	5,859,140	-	-	-	-
Unreserved - designated for special purposes	13,043,298	-	-	-	3,109,965
Total fund balance (deficit)	18,902,438	-	-	-	3,109,965
Total liabilities and fund balances	\$ 29,623,857	2,404,278	1,279,043	975,667	3,679,698

Urban Development Action Grants

<u>SWAP</u>	<u>Fleet Center and Garage</u>	<u>Richmond Square</u>	<u>Jobs Bill</u>	<u>UPARR Parks and Neighborhoods</u>	<u>Sewer Fund</u>	<u>Providence Redevelop- ment Agency</u>	<u>Providence Local Development Corporation</u>	<u>Providence Industrial Development Corporation</u>	<u>Miscellaneous Grants</u>
51,947	-	-	139,047	14,761	54,642	891,019	489,396	790,971	18,860
-	-	-	-	-	425,748	22,019	-	-	-
-	-	-	-	-	-	192,019	-	-	156,000
-	-	-	-	-	-	-	-	-	-
-	7,000,000	900,000	-	-	-	-	4,625,181	1,075,078	-
-	-	-	-	-	450,000	3,915,556	-	-	-
-	-	-	-	-	-	23,951	43,546	5,430	-
<u>51,947</u>	<u>7,000,000</u>	<u>900,000</u>	<u>139,047</u>	<u>14,761</u>	<u>930,390</u>	<u>5,044,564</u>	<u>5,158,123</u>	<u>1,871,479</u>	<u>174,860</u>
-	-	-	-	14,761	61,346	-	39,000	22,513	56,907
-	-	-	-	-	1,934,342	47,940	3,030,000	-	109,577
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	176,312	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	<u>14,761</u>	<u>1,995,688</u>	<u>224,252</u>	<u>3,069,000</u>	<u>22,513</u>	<u>166,484</u>
-	-	-	-	-	(1,065,298)	4,820,312	2,089,123	6,627	8,376
<u>51,947</u>	<u>7,000,000</u>	<u>900,000</u>	<u>139,047</u>	-	-	-	-	<u>1,842,339</u>	-
<u>51,947</u>	<u>7,000,000</u>	<u>900,000</u>	<u>139,047</u>	-	(1,065,298)	<u>4,820,312</u>	<u>2,089,123</u>	<u>1,848,966</u>	<u>8,376</u>
<u>51,947</u>	<u>7,000,000</u>	<u>900,000</u>	<u>139,047</u>	<u>14,761</u>	<u>930,390</u>	<u>5,044,564</u>	<u>5,158,123</u>	<u>1,871,479</u>	<u>174,860</u>

CITY OF PROVIDENCE, RHODE ISLAND

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 1986

	Total All Funds	School Fund	Other Educational Funds	Revenue Sharing Fund	Community Development Block Grants
Revenues:					
Federal and state grants	\$ 55,601,158	35,134,104	8,223,449	4,404,577	6,919,000
Charges for services	826,916	79,920	-	-	96,843
Miscellaneous	501,712	9,114	26,272	-	-
Interest	669,315	-	-	-	-
Proceeds from sale of real estate	2,658,881	-	-	-	-
Total revenues	60,257,982	35,223,138	8,249,721	4,404,577	7,015,843
Other financing sources:					
Transfer from General Fund	35,509,577	35,315,577	-	-	94,000
Transfer from other Special Revenue Funds	22,438	22,438	-	-	-
Transfer from Capital Project Funds	4,244	-	-	-	-
Total other financing sources	35,536,259	35,338,015	-	-	94,000
Total revenues and other financing sources	95,794,241	70,561,153	8,249,721	4,404,577	7,109,843
Expenditures:					
Personal services	57,243,654	47,688,362	4,844,107	4,404,577	-
Employee benefits	15,091,332	13,357,244	1,662,882	-	-
Services other than personal	4,083,397	3,114,842	919,909	-	-
Materials and supplies	1,492,655	1,040,506	448,715	-	-
Equipment	1,039,266	703,031	318,535	-	-
Program expenditures	8,262,543	-	-	-	7,183,779
Bad debts	52,601	-	-	-	-
Other	5,057,470	4,657,168	55,573	-	-
Total expenditures	92,322,918	70,561,153	8,249,721	4,404,577	7,183,779
Other uses:					
Transfer to other Special Revenue Funds	22,438	-	-	-	-
Total other uses	22,438	-	-	-	-
Total expenditures and other uses	92,345,356	70,561,153	8,249,721	4,404,577	7,183,779
Revenues over (under) expenditures and other uses	3,448,885	-	-	-	(73,936)
Fund balance (deficit) at beginning of year, as restated	15,453,553	-	-	-	3,183,901
Fund balance (deficit) at end of year	\$ 18,902,438	-	-	-	3,109,965

Urban Development Action Grants

<u>SWAP</u>	<u>Fleet Center and Garage</u>	<u>Richmond Square</u>	<u>Jobs Bill</u>	<u>Sewer Fund</u>	<u>Providence Redevelop- ment Agency</u>	<u>Providence Local Development Corporation</u>	<u>Providence Industrial Development Corporation</u>	<u>Miscellaneous Grants</u>
-	379,510	-	-	-	-	-	308,114	232,404
-	-	-	-	650,153	-	-	-	-
-	-	-	-	6,865	141,564	2,223	23,475	292,199
-	-	-	-	23,107	235,568	261,834	148,806	-
-	-	-	-	-	2,658,881	-	-	-
-	379,510	-	-	680,125	3,036,013	264,057	480,395	524,603
-	-	-	-	-	100,000	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	4,244	-	-	-
-	-	-	-	-	104,244	-	-	-
-	379,510	-	-	680,125	3,140,257	264,057	480,395	524,603
-	-	-	-	-	86,980	-	71,083	148,545
-	-	-	-	-	21,513	-	8,280	41,413
-	-	-	-	5,000	-	6,521	37,125	-
-	-	-	-	-	-	-	3,434	-
-	-	-	-	-	13,509	248	3,943	-
61,982	50,000	300,000	212,284	-	296,827	150,000	-	7,671
-	-	-	-	-	9,556	10,285	32,760	-
-	-	-	-	-	10,120	-	23,292	311,317
61,982	50,000	300,000	212,284	5,000	438,505	167,054	179,917	508,946
-	-	-	-	-	-	-	-	22,438
-	-	-	-	-	-	-	-	22,438
61,982	50,000	300,000	212,284	5,000	438,505	167,054	179,917	531,384
(61,982)	329,510	(300,000)	(212,284)	675,125	2,701,752	97,003	300,478	(6,781)
113,929	6,670,490	1,200,000	351,331	(1,740,423)	2,118,560	1,992,120	1,548,488	15,157
51,947	7,000,000	900,000	139,047	(1,065,298)	4,820,312	2,089,123	1,848,966	8,376

CITY OF PROVIDENCE, RHODE ISLAND

Special Revenue Funds

Combining Statement of Revenues and Expenditures -
Budget and Actual

Year ended June 30, 1986

	Federal Revenue Sharing			Unrestricted School Fund			Totals		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:									
Charges for services	\$ -	-	-	103,450	89,034	(14,416)	103,450	89,034	(14,416)
Federal and state grants	4,758,000	4,404,577	(353,423)	35,351,805	35,925,698	573,893	40,109,805	40,330,275	220,470
Total revenues	4,758,000	4,404,577	(353,423)	35,455,255	36,014,732	559,477	40,213,255	40,419,309	206,054
Other financing sources:									
Transfer from General Fund	-	-	-	35,844,745	35,315,577	(529,168)	35,844,745	35,315,577	(529,168)
Transfer from Indirect Cost Fund	-	-	-	-	22,438	22,438	-	22,438	22,438
Total other financing sources	-	-	-	35,844,745	35,338,015	(506,730)	35,844,745	35,338,015	(506,730)
Total revenues and other financing sources	4,758,000	4,404,577	(353,423)	71,300,000	71,352,747	52,747	76,058,000	75,757,324	(300,676)
Expenditures:									
Personal services	4,758,000	4,404,577	353,423	48,214,370	48,250,163	(35,793)	52,972,370	52,654,740	317,630
Employee benefits	-	-	-	13,294,868	13,582,568	(287,700)	13,294,868	13,582,568	(287,700)
Services other than personal	-	-	-	3,333,020	3,119,311	213,709	3,333,020	3,119,311	213,709
Materials and supplies	-	-	-	1,129,527	1,040,506	89,021	1,129,527	1,040,506	89,021
Equipment	-	-	-	1,051,188	703,031	348,157	1,051,188	703,031	348,157
Other	-	-	-	4,277,027	4,657,168	(380,141)	4,277,027	4,657,168	(380,141)
Total expenditures	4,758,000	4,404,577	353,423	71,300,000	71,352,747	(52,747)	76,058,000	75,757,324	300,676
Revenues and other financing sources over expenditures	\$ -	-	-	-	-	-	-	-	-

CITY OF PROVIDENCE, RHODE ISLAND

Capital Project Funds

Combining Balance Sheet

June 30, 1986

<u>Assets</u>	<u>Total All Funds</u>	<u>General Capital Projects</u>	<u>Urban Mass Transportation Administration Grant - Kennedy Plaza Construction</u>	<u>Urban Mass Transportation Administration Grant - Kennedy Plaza Design</u>
Cash and cash equivalents	\$ 271,652	49,567	221,693	392
Short-term investments	16,521,722	16,521,722	-	-
Due from other funds	47,940	47,940	-	-
Total assets	\$ <u>16,841,314</u>	<u>16,619,229</u>	<u>221,693</u>	<u>392</u>
<u>Liabilities</u>				
Accounts payable and accrued expenditures	\$ 919,979	919,979	-	-
Due to other funds	402,422	210,403	192,019	-
Deferred revenue	211,883	-	211,883	-
	<u>1,534,284</u>	<u>1,130,382</u>	<u>403,902</u>	<u>-</u>
<u>Fund Balances</u>				
Fund balance (deficit) - unreserved:				
Designated for specific project	184,836	184,836	-	-
Undesignated	<u>15,122,194</u>	<u>15,304,011</u>	<u>(182,209)</u>	<u>392</u>
Total fund balance (deficit)	<u>15,307,030</u>	<u>15,488,847</u>	<u>(182,209)</u>	<u>392</u>
Total liabilities and fund balance	\$ <u>16,841,314</u>	<u>16,619,229</u>	<u>221,693</u>	<u>392</u>

CITY OF PROVIDENCE, RHODE ISLAND

Capital Project Funds

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

For the year ended June 30, 1986

	<u>Total All Funds</u>	<u>General Capital Projects</u>	<u>Urban Mass Transportation Administration Grant - Kennedy Plaza Construction</u>	<u>Urban Mass Transportation Administration Grant - Kennedy Plaza Design</u>	<u>UPARR Construction</u>
Revenues:					
Federal grants and reimbursements	\$ 2,340,366	-	2,267,578	68,500	4,288
Investment income	21,827	21,827	-	-	-
Other	44,491	44,491	-	-	-
Total revenues	2,406,684	66,318	2,267,578	68,500	4,288
Other financing sources:					
Proceeds from sale of general obligation bonds	20,040,000	20,040,000	-	-	-
Total revenues and other financing sources	22,446,684	20,106,318	2,267,578	68,500	4,288
Expenditures:					
Personal services	290,243	290,243	-	-	-
Capital projects	6,313,487	3,675,028	2,565,753	69,117	3,589
Interest	288,153	288,153	-	-	-
Total expenditures	6,891,883	4,253,424	2,565,753	69,117	3,589
Other uses:					
Transfer to Special Revenue Funds	4,244	-	-	-	4,244
Total expenditures and other uses	6,896,127	4,253,424	2,565,753	69,117	7,833
Revenues and other financing sources over (under) expenditures and other uses	15,550,557	15,852,894	(298,175)	(617)	(3,545)
Fund balance (deficit) at beginning of year	(243,527)	(364,047)	115,966	1,009	3,545
Fund balance (deficit) at end of year	\$ 15,307,030	15,488,847	(182,209)	392	-

CITY OF PROVIDENCE, RHODE ISLAND

Fiduciary Fund Types

Combining Balance Sheet

June 30, 1986

Assets	Expendable Trust Funds		Nonexpendable Trust Funds		Agency Funds		Total
	Revolving Funds	Other Expendable Trusts	Other	Retirement System	Probate Court	Other Agency Funds	
Cash and cash equivalents	\$ -	2,378,370	228,254	6,775,918	682,494	1,648,878	11,713,914
Due from other funds, net	-	210,403 (1)	300,000	4,411,549	-	-	4,921,952
Accounts receivable, net	-	285,165 (2)	15,251	645,596	-	-	946,012
Investments, at carrying value	575,000	668,697	4,874,829	122,801,811 (3)	-	-	128,920,337
Loans receivable	-	-	-	6,119,818	-	-	6,119,818
Other assets	-	139,120	-	-	-	-	139,120
Total assets	\$ 575,000	3,681,755	5,418,334	140,754,692	682,494	1,648,878	152,761,153
Liabilities and Fund Balances							
Accounts payable and accrued expenditures	\$ 234,835	-	-	1,776,480	-	-	2,011,315
Amounts held for others	-	-	-	-	682,494	1,648,878	2,331,372
Deferred revenues	-	285,165	-	-	-	-	285,165
Total liabilities	234,835	285,165	-	1,776,480	682,494	1,648,878	4,627,852
Fund balances:							
Reserved for benefits	-	-	-	138,978,212	-	-	138,978,212
Reserved for designated purposes	-	1,908,998	5,418,334	-	-	-	7,327,332
Total reserved fund balances	-	1,908,998	5,418,334	138,978,212	-	-	146,305,544
Unreserved	340,165	1,487,592	-	-	-	-	1,827,757
Total fund balances	340,165	3,396,590	5,418,334	138,978,212	-	-	148,133,301
Total liabilities and fund balances	\$ 575,000	3,681,755	5,418,334	140,754,692	682,494	1,648,878	152,761,153

(1) Net of allowance for estimated uncollectible amount of \$1,451,675

(2) Net of allowance for estimated uncollectible amount of \$62,500

(3) Market value: \$161,400,000

CITY OF PROVIDENCE, RHODE ISLAND

Fiduciary Fund Types - Agency Funds

Combining Schedule of Cash Receipts and Disbursements

Year ended June 30, 1986

	Cash balances, June 30, 1985	Receipts	Total available	Disbursements	Cash balances, June 30, 1986
Probate accounts	\$ 680,952	76,340	757,292	74,798	682,494
Other agency funds:					
Deposit and Refund Account	213,738	1,931,378	2,145,116	1,983,728	161,388
Employees' Defense Savings Account	14,549	196,747	211,296	194,862	16,434
Employees' Retirement System, State of Rhode Island	262,913	3,368,616	3,631,529	3,291,687	339,842
Employees' Retirement System, Rhode Island Income Tax					
Withholding Pension Payments	56,324	761,232	817,556	760,827	56,729
Employees Withholding Tax Deductions	7,270	16,095,356	16,102,626	16,105,602	(2,976)
Hospital Service Corporation of Rhode Island	23,331	617,555	640,886	617,881	23,005
Local No. 799, International Association of Firefighters	6	-	6	-	6
Local No. 958, American Federation of Teachers	169,864	19,881	189,745	19,881	169,864
Local No. 1033, Public Employees Union	1,586	-	1,586	-	1,586
Payroll Deductions, Insurance Companies	(10,606)	31,932	21,326	19,222	2,104
Payroll Deductions and Withholdings, Other	2,406	93,779	96,185	93,127	3,058
Providence Municipal Employees Credit Union	4,244	48	4,292	136	4,156
Providence Permanent Fireman's Relief Association	(310)	5,639	5,329	5,251	78
Providence Teachers' Credit Union	(18,682)	5	(18,677)	40	(18,717)
Reserve for Social Security Taxes	27,881	10,259,777	10,287,658	9,791,791	495,867
Rhode Island Income Tax Withholding	(55,982)	3,634,362	3,578,380	3,636,637	(58,257)
State of Rhode Island Real Estate Conveyance Tax	148,170	893,528	1,041,698	698,234	343,464
State Sales Tax, Water	(7,632)	105,020	97,388	101,966	(4,578)
Tax Sheltered Annuities	11,798	14	11,812	12,379	(567)
Other	83,921	296,424	380,345	263,953	116,392
	934,789	38,311,293	39,246,082	37,597,204	1,648,878
Total agency funds	\$ 1,615,741	38,387,633	40,003,374	37,672,002	2,331,372

CITY OF PROVIDENCE, RHODE ISLAND
Schedule of Long-term Bonds Payable

June 30, 1986

	Interest rate	Date of		Bonds	
		Issue	Maturity	Issued	Outstanding
<u>Long-term Obligations Group of Accounts:</u>					
<u>Bonds payable, serially:</u>					
Bridge Replacement and Reconstruction	3.60-3.80%	5/1/67	5/1/91	\$ 1,200,000	300,000
Highways Loan of 1964 (1970 Series)	6.30-6.60	6/15/70	6/15/90	500,000	100,000
Municipal Dock Improvements and Extension	3.125	9/1/63	9/1/87	2,000,000	200,000
Recreational Facilities Loan V	4.50	2/1/71	2/1/91	2,000,000	500,000
Public Welfare Building Bonds	3.90-4.60	6/1/68	6/1/88	1,500,000	150,000
<u>Redevelopment Bonds:</u>					
Redevelopment and Slum Clearance Bonds V	3.125	9/1/63	9/1/87	4,000,000	400,000
Redevelopment and Slum Clearance Bonds VI	3.25-3.40	10/1/64	10/1/88	2,000,000	300,000
Slum Clearance and Redevelopment IV (1970 Series)	6.30-6.60	6/15/70	6/15/90	5,000,000	1,000,000
Total Redevelopment Bonds				11,000,000	1,700,000
<u>Hurricane Barrier:</u>					
Hurricane Barrier Bond Series I	3.25-3.40	10/1/64	10/1/88	3,000,000	450,000
Hurricane Barrier Bond Series II	3.60-3.75	5/1/67	5/1/87	600,000	30,000
Total Hurricane Barrier				3,600,000	480,000
Sanitation Building and Equipment Bonds	3.60-3.75	5/1/67	5/1/87	400,000	20,000
General Obligation - Public Improvement Bonds	7.70-10.00	9/1/80	9/1/2000	10,500,000	7,405,000
General Obligation - Public Improvement Bonds	4.75-7.25	5/1/79	5/1/99	15,000,000	10,500,000
General Obligation - Public Improvement Bonds	9.40-10.00	9/15/82	9/15/94	22,500,000	19,355,000
Total Public Improvement Bonds				48,000,000	37,260,000
General Obligation - Refunding Bonds	8.00-10.50	6/1/85	6/1/2005	10,000,000	9,500,000
General Obligation - Refunding Bonds	4.07	6/13/86	8/15/86	14,040,000	14,040,000
General Obligation - Bond Anticipation Notes	5.84-5.88	9/3/85	9/2/86	6,000,000	6,000,000
				30,040,000	29,540,000

(Continued)

CITY OF PROVIDENCE, RHODE ISLAND
Schedule of Long-term Bonds Payable, Continued

	Interest rate	Date of		Bonds	
		Issue	Maturity	Issued	Outstanding
Schools:					
School Athletic Fields - Series III	4.50-4.60%	6/1/68	6/1/90	\$ 500,000	100,000
School Bonds of 1966	3.60-3.80	5/1/67	5/1/91	1,750,000	425,000
School Bonds of 1968	3.90-4.60	6/1/68	6/1/88	6,000,000	600,000
School Bonds of 1971 Series I	4.50	2/1/71	2/1/91	1,500,000	375,000
School Bonds of 1971 Series II	4.50	2/1/71	2/1/91	2,400,000	600,000
School Modernization Bonds Series V	3.60-3.80	5/1/67	5/1/91	1,500,000	375,000
Classical High School Bonds	6.30-6.60	6/15/70	6/15/90	1,000,000	200,000
School Modernization and Construction Bonds Series II	5.00	2/15/74	2/15/94	3,000,000	1,200,000
School Modernization and Construction Bonds Series III	5.00	2/15/74	2/15/94	3,000,000	1,200,000
School for Handicapped Children	5.00	2/15/74	2/15/94	2,500,000	1,000,000
Total Schools				<u>23,150,000</u>	<u>6,075,000</u>
Sewers:					
Sewer Construction Bonds of 1966	3.60-3.75	5/1/67	5/1/87	300,000	15,000
Sewer Construction Bonds of 1980	7.70-10.00	9/1/80	9/1/2000	8,500,000	6,375,000
Total Sewers				<u>8,800,000</u>	<u>6,390,000</u>
Sludge Incinerator Bonds	3.60-3.75	5/1/67	5/1/87	1,000,000	50,000
Civic Center Bonds	5.00-5.25	2/1/72	2/1/92	13,000,000	3,900,000
Total long-term obligations group of accounts bonds				<u>146,190,000</u>	<u>86,665,000</u>
Proprietary fund - bonds payable:					
Water Distribution Reservoir	3.25	12/1/62	12/1/92	2,050,000	630,000
Water Purification Works Improvements I	3.25	12/1/62	12/1/92	1,100,000	355,000
Water Bonds of 1971	5.00-6.00	6/1/71	6/1/2001	11,000,000	7,680,000
Total proprietary fund bonds				<u>14,150,000</u>	<u>8,665,000</u>
Total long-term bonds payable				<u>\$ 160,340,000</u>	<u>95,330,000</u>

CITY OF PROVIDENCE, RHODE ISLAND
Schedule of Property Taxes Receivable
June 30, 1986

<u>Year of Assessment</u>	<u>Amount Receivable June 30, 1986</u>
1985	\$ 10,114,906
1984	3,892,945
1983	3,161,678
1982	2,818,250
1981	4,054,503
1980	1,595,268
1979	1,319,396
1978	1,466,838
1977	1,140,810
1976	1,028,028
1975	948,644
1974	866,641
1973	989,372
1972	611,871
1971	775,644
1970	735,088
1969	352,352
1968	327,829
1967	316,157
1966	<u>439,915</u>
	<u>36,956,135</u>
Less allowance for estimated uncollectible amounts	<u>29,071,663</u>
Net property taxes receivable	\$ <u>7,884,472</u>



Certified Public Accountants

Peat Marwick Main & Co.

40 Westminster Street
Providence, RI 02903

Telephone 401 421 6600

Telecopier 401 421 3570

May 11, 1987

Ms. Rose Mendonca, City Clerk
City of Providence
City Hall
Providence, Rhode Island 02903

Dear Ms. Mendonca:

Enclosed are 31 copies, including one manually signed copy, of the City of Providence Annual Financial Report for the year ended June 30, 1986.

Very truly yours,

PEAT MARWICK MAIN & CO.

Kevin M. Leeman, Manager

KML:RRL
Enclosure



Member Firm of
Klynveld Peat Marwick Goerdeler

FILED

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DEPT. OF CITY CLERK
PROVIDENCE, R. I.

KPMG

THE COMMITTEE ON
FINANCE

Recommends

Be Received

[Signature]
Clerk
July 9, 1987