

IN CITY COUNCIL

READ
WHEREUPON IT IS ORDERED THAT
THE SAME BE RECEIVED.

Michael R. Clement CLERK

General Purpose Financial Statements,
Individual Fund Financial Statements
and Other Financial Information

City of Providence, Rhode Island

*Year ended June 30, 1992
with Report of Independent Auditors*

City of Providence, Rhode Island

General Purpose Financial Statements,
Individual Fund Financial Statements
and Other Financial Information

Year ended June 30, 1992

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City of Providence, Rhode Island
General Purpose Financial Statements,
Individual Fund Financial Statements
and Other Financial Information

Year ended June 30, 1992

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Report of Independent Auditors

Honorable Mayor and Members
of the City Council
City of Providence, RI

We have audited the general purpose financial statements of the City of Providence, Rhode Island and the individual fund financial statements, other than the financial statements of the Providence Public Building Authority, of the City as of and for the year ended June 30, 1992, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Providence Public Building Authority, which statements reflect total assets of \$71,884,149 as of June 30, 1992, and total revenues and other financing sources of \$24,372,925 for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us and was qualified due to the omission from the financial statements of a general fixed assets account group. Our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the Providence Public Building Authority, is based solely on the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

As more fully described in Note 1, 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. The amount that should be recorded in the general fixed assets account group is not known.

General Purpose Financial Statements

City of Providence, Rhode Island

Combined Balance Sheet - All Fund Types, Account Group and
Providence Public Building Authority

June 30, 1992

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Assets			
Cash (overdraft) and cash equivalents <i>(Note 14)</i>	\$(1,113,212)	\$ 4,163,140	\$ 7,982,698
Accounts receivable:			
Taxes (net of allowances for uncollectible amounts of \$35,045,041) <i>(Note 2)</i>	15,176,522	-	-
Other (net of allowances for uncollectible amounts of \$1,082,291)	2,728,312	-	-
Unbilled	-	-	-
Due from:			
Other funds <i>(Note 5)</i>	6,772,194	5,485,011	729,146
Other governments <i>(Note 3)</i>	4,014,568	746,070	352,502
Note due from Water Supply Board	3,674,478	-	-
Investments <i>(Note 14)</i>	-	-	-
Loans receivable, net <i>(Note 6)</i>	-	12,835,785	-
Inventory	-	-	-
Property, plant and equipment (net of accumulated depreciation) <i>(Note 4)</i>	-	-	-
Restricted assets: <i>(Notes 9 and 14)</i>			
Cash and cash equivalents	-	-	-
Investments	-	-	1,279,398
Accounts receivable	-	-	-
Accounts receivable--unbilled	-	-	-
Amount to be provided for retirement of long-term obligations	-	-	-
Other assets	-	295,238	-
	\$31,252,862	\$23,525,244	\$10,343,744

Proprietary Fund Types		Fiduciary Fund Types	Account Group	Providence	Total
Enterprise	Internal Service	Trust and Agency	General Long-term Obligations	Public Building Authority	(Memorandum Only)
\$ 175,386	\$121,433	\$ 20,887,583	\$ -	\$ 6,325,232	\$ 38,542,260
-	-	-	-	-	15,176,522
4,531,413	-	-	-	-	7,259,725
5,128,805	-	-	-	-	5,128,805
-	-	5,358,944	-	-	18,345,295
-	-	-	-	-	5,113,140
-	-	-	-	-	3,674,478
304,504	-	194,308,519	-	12,650,328	207,263,351
-	-	8,371,824	-	-	21,207,609
902,708	-	-	-	-	902,708
87,885,403	-	-	-	-	87,885,403
2,936,186	-	-	-	-	2,936,186
-	-	-	-	-	1,279,398
1,311,929	-	-	-	-	1,311,929
1,890,314	-	-	-	-	1,890,314
-	-	-	127,420,228	44,451,439	171,871,667
154,165	-	3,997,858	-	-	4,447,261
\$105,220,813	\$121,433	\$232,924,728	\$127,420,228	\$63,426,999	\$594,236,051

City of Providence, Rhode Island

Combined Balance Sheet - All Fund Types, Account Group and
Providence Public Building Authority (continued)

June 30, 1992

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Liabilities			
Accounts payable	\$ 4,508,743	\$ 4,966,719	\$ 613,472
Accrued expenditures	3,323,926	-	-
Accrued legal contingencies	1,076,300	-	-
Amounts held for others	-	-	-
Due to:			
Other funds (Note 5)	6,724,589	1,860,481	-
Other governments (Note 3)	-	770,101	-
Note payable to City of Providence			
General Fund	-	-	-
Notes payable	-	6,083,500	33,000,000
Deferred revenues	14,281,318	32,980	729,146
Amounts to be paid from restricted assets:			
Due to Water Resources Board			
Accounts payable--trade			
Accrued expenses			
Bonds payable (Note 7)	-	-	-
Other liabilities	-	482,754	-
Obligation under capital leases (Notes 8 and 9)	-	-	-
	<u>29,914,876</u>	<u>14,196,535</u>	<u>34,342,618</u>
Fund equity (deficit)			
Contributed capital	-	-	-
Retained earnings			
Reserved	-	-	-
Unreserved	-	-	-
Fund balance (deficit) (Notes 9 and 10):			
Reserved	9,168,581	13,154,772	527,675
Unreserved:			
Designated	-	(3,826,063)	-
Undesignated	(7,830,595)	-	(24,526,549)
	<u>1,337,986</u>	<u>9,328,709</u>	<u>(23,998,874)</u>
Commitments and contingent liabilities (Notes 11, 13 and 15)			
	<u>\$31,252,862</u>	<u>\$23,525,244</u>	<u>\$10,343,744</u>

See accompanying notes.

Proprietary Fund Types		Fiduciary Fund Types	Account Group	Providence	Total
Enterprise	Internal Service	Trust and Agency	General Long-term Obligations	Public Building Authority	(Memorandum Only)
\$ 489,984	\$ -	\$ 833,393	\$ -	\$ -	\$ 11,412,311
2,520,951	-	-	-	881,308	6,726,185
-	-	-	-	6,691,250	7,767,550
79,463	-	8,349,475	-	-	8,428,938
5,891,589	-	132,174	3,146,653	589,809	18,345,295
-	-	-	-	-	770,101
3,674,479	-	-	-	-	3,674,479
-	-	-	-	10,430,157	49,513,657
1,269,068	-	-	-	-	16,312,512
1,941,928	-	-	-	-	1,941,928
138,800	-	-	-	-	138,800
24,478	-	-	-	-	24,478
13,962,150	-	-	94,320,000	40,132,850	148,415,000
-	-	-	29,953,575	168,589	30,604,918
13,455,192	-	-	-	-	13,455,192
43,448,082	-	9,315,042	127,420,228	58,893,963	317,531,344
55,597,472	-	-	-	-	55,597,472
4,033,223	-	-	-	-	4,033,223
2,142,036	121,433	-	-	-	2,263,469
-	-	212,582,799	-	-	235,433,827
-	-	-	-	3,703,389	(122,674)
-	-	11,026,887	-	829,647	(20,500,610)
61,772,731	121,433	223,609,686	-	4,533,036	276,704,707
\$105,220,813	\$121,433	\$232,924,728	\$127,420,228	\$63,426,999	\$594,236,051

City of Providence, Rhode Island

Combined Statement of Cash Flows - Proprietary Fund Types
and Similar Trust Funds (continued)

Year ended June 30, 1992

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service</u>
Capital and related financing activities		
Capital expenditures	\$(1,925,780)	\$ -
Payment of obligations under capital lease	(605,815)	-
Payment of obligations under lease purchase from expansion project	(240,244)	-
Use of restricted investments	2,638	-
General obligation bonds	(837,900)	-
Interest on general obligation bonds	(1,268,088)	-
Water quality protection revenue received	2,090,091	-
Water quality protection expenses paid	(759,056)	-
Interest expense under lease purchase expansion project	(103,802)	-
Surcharge receipts	266,576	-
Net cash used in capital and related financing activities	<u>(3,381,380)</u>	-
Investing activities		
Net sale of short-term investments	74,656	-
Interest on investments	12,676	-
Net cash provided by investing activities	<u>87,332</u>	-
Net increase (decrease) in cash and cash equivalents	17,977	64,214
Cash and cash equivalents at beginning of year	3,093,595	57,219
Cash and cash equivalents at end of year	<u>\$ 3,111,572</u>	<u>\$121,433</u>

See accompanying notes.

<u>Fiduciary Fund Types</u>	<u>Total (Memorandum Only)</u>
\$ -	\$(1,925,780)
-	(605,815)
-	(240,244)
-	2,638
-	(837,900)
-	(1,268,088)
-	2,090,091
-	(759,056)
-	(103,802)
-	266,576
-	(3,381,380)
-	74,656
-	12,676
-	87,332
(401,340)	(319,149)
402,540	3,553,354
<u>\$ 1,200</u>	<u>\$3,234,205</u>

Individual Fund Financial Statements

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, 1992

Operating revenues:	
Arena rent	\$ 1,304,962
Expenses reimbursed by promoters	1,176,196
Concessions	591,433
Advertising and other	555,219
Co-promotions	1,121
Surcharge revenue	180,733
	<u>3,809,664</u>
Operating expenses, excluding depreciation and amortization:	
Salaries and wages - admissions control	341,868
Salaries and wages - operations	1,469,704
Salaries and wages - administrative	344,990
Employee benefits	357,730
Payroll taxes	203,208
Event expenses	300,287
Utilities	335,773
Insurance	455,527
Litigation loss	10,000
Other	497,565
	<u>4,316,652</u>
Operating loss before depreciation and amortization	(506,988)
Depreciation and amortization expense	(693,727)
Operating loss	<u>(1,200,715)</u>
Nonoperating revenues (expenses):	
Net interest income excluding expansion financing	12,676
Net interest expense from expansion financing	(103,802)
	<u>(91,126)</u>
Net loss	<u><u>\$ (1,291,841)</u></u>

See accompanying notes.

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

Enterprise Fund

Statement of Fund Equity

	Contributed Capital	Retained Earnings	Total
Balance at July 1, 1991	\$4,307,075	\$1,698,537	\$6,005,612
Net loss	-	(1,291,841)	(1,291,841)
Depreciation on property, plant and equipment acquired through contributed capital	(430,708)	430,708	-
Balance at June 30, 1992	\$3,876,367	\$ 837,404	\$4,713,771

See accompanying notes.

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

Enterprise Fund

Statement of Cash Flows

Year ended June 30, 1992

Operating activities	
Operating loss	\$(1,200,715)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	693,727
Provision for losses on accounts receivable	8,695
Deferred income	(169,491)
Increase in cash arising from changes in assets and liabilities:	
Accounts receivable	177,189
Other current assets	(37,847)
Accrued expenses	25,426
Advance sales receipts and promoter deposits	(196,396)
Net cash used in operating activities	<u>(699,412)</u>
Noncapital financing activities	
Borrowings from City of Providence general fund	<u>20,000</u>
Net cash provided by noncapital financing activities	20,000
Capital and related financing activities	
Capital expenditures	(30,676)
Payment of obligations under lease purchase expansion project	(240,244)
Use of restricted investments	2,638
Interest expense under lease purchase expansion project	(103,802)
Surcharge receipts	266,576
Net cash used in capital and related financing activities	<u>(105,508)</u>
Investing activities	
Interest on investments	<u>12,676</u>
Net cash provided by investing activities	<u>12,676</u>
Net decrease in cash and cash equivalents	(772,244)
Cash and cash equivalents at beginning of year	<u>947,630</u>
Cash and cash equivalents at end of year	<u><u>\$ 175,386</u></u>

See accompanying notes.

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

Enterprise Fund
Balance Sheet

June 30, 1992

Assets

Property, plant and equipment:

Land	\$ 7,876,901
Buildings and improvements	6,669,936
Improvements other than buildings	64,220,199
Machinery and equipment	5,337,323
Assets under capital lease (Note 9)	9,463,212
Scituate reservoir project (Note 9)	10,695,050
Construction in progress	1,701,528
Funds restricted for construction of assets under capital lease (Note 9)	3,616,691

109,580,840

Less accumulated depreciation and amortization

28,654,852

Net property, plant and equipment

80,925,988

Current assets:

Investments, at cost	304,504
Accounts receivable (net of allowance for uncollectible accounts of \$1,059,946)	4,437,150
Accounts receivable - unbilled	5,128,805
Inventory	902,708
Other	2,333
Restricted assets (Note 9)	
Cash and cash equivalents	350,748
Accounts receivable	675,144
Accounts receivable--unbilled	1,079,314

2,105,206

Total current assets

12,880,706

Restricted assets (Note 9):

Cash and cash equivalents	2,585,438
Accounts receivable	636,785
Accounts receivable--unbilled	811,000

4,033,223

Total restricted assets

\$97,839,917

Capitalization and liabilities

Capitalization:

Contributed capital	\$51,721,105
Reserved retained earnings (Note 9)	4,033,223
Unreserved retained earnings (Note 9)	1,304,632
Total capitalization	<u>57,058,960</u>
Note to City of Providence General Fund	3,674,479
General obligation bonds (Note 7)	4,880,000
General revenue bonds	8,227,050
Obligation under capital lease (Note 9)	11,583,015
Total long-term debt	<u>28,364,544</u>

Current liabilities:

Due to City of Providence General Fund	5,160,444
Accounts payable	489,984
Accrued expenses	2,045,875
Current portion of general obligation bonds (Note 7)	625,000
Current portion of general revenue bonds	230,100
Current portion of obligations under capital lease (Note 9)	658,646
Deferred revenue	1,101,158
Total current liabilities	<u>10,311,207</u>

Amounts to be paid from restricted assets (Note 9):

Due to Water Resources Board	1,941,928
Accounts payable--trade	138,800
Accrued expenses	24,478
	<u>2,105,206</u>

Commitments and contingencies (Note 9)

\$97,839,917

See accompanying notes.

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

Enterprise Fund

Statement of Operations

Year ended June 30, 1992

Operating revenues - charges for services:	
Water sales:	
General customers	\$ 9,708,201
Other local water suppliers	4,406,260
Fire protection services	780,248
City surcharge revenue (<i>Note 9</i>)	2,186,336
Maintenance charges and other revenue	368,721
	<u>17,449,766</u>
Operating expenses:	
Wages and benefits	8,433,188
Water supply services and supplies	1,575,601
Administrative, general and other operating expenses	1,559,809
Charge for services provided by other City departments	967,237
Depreciation and amortization	1,138,502
Bad debts	312,331
Property taxes - other local governments	3,214,117
	<u>17,200,785</u>
Operating income	248,981
Restricted revenues (expenses):	
Water quality protection revenue	2,203,667
Water quality protection expense:	
Interest expense	(569,903)
Other	(239,690)
	<u>(809,593)</u>
	1,394,074
Interest expense	<u>(1,586,674)</u>
Net nonoperating expenses	(192,600)
Net income	<u><u>\$ 56,381</u></u>

See accompanying notes.

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

Enterprise Fund

Statement of Contributed Capital and Retained Earnings

	Contributed Capital	Reserved Retained Earnings	Unreserved Retained Earnings	Total
Balance at July 1, 1991 (Note 9)	\$51,362,445	\$3,012,049	\$2,269,425	\$56,643,919
Contributions in aid of construction	358,660	-	-	358,660
Water quality protection revenue	-	2,203,667	(2,203,667)	-
Water quality protection expense	-	(809,593)	809,593	-
Transfer to property, plant and equipment	-	(135,000)	135,000	-
Debt service for Scituate Reservoir Project	-	(237,900)	237,900	-
Net income	-	-	56,381	56,381
Balance at June 30, 1992	<u>\$51,721,105</u>	<u>\$4,033,223</u>	<u>\$1,304,632</u>	<u>\$57,058,960</u>

See accompanying notes.

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

Enterprise Fund

Statement of Cash Flows

Year ended June 30, 1992

Operating activities	
Operating income	\$ 248,981
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation and amortization	1,138,502
Provision for losses on accounts receivable	312,331
Deferred revenue	8,952
Changes in assets and liabilities:	
Accounts receivable	(3,012,664)
Accounts receivable - unbilled	(694,747)
Inventory	212,393
Other current assets	12,049
Accrued expenses	259,098
Due to Water Resources Board	1,941,928
Accounts payable	(694,736)
Net cash used in operating activities	<u>(267,913)</u>
Noncapital financing activities	
Payment under note payable to City	(1,346,449)
Net borrowings from City of Providence General Fund	<u>5,605,799</u>
Net cash provided by noncapital financing activities	4,259,350
Capital and related financing activities	
Water quality protection revenue received	2,090,091
Water quality protection expenses paid	(759,056)
Capital expenditures	(1,895,104)
Payment of principal on general obligation and revenue bonds	(837,900)
Interest paid on general obligation and revenue bonds and capital leases	(1,268,088)
Payment under capital lease obligation	(605,815)
Net cash used in capital and related financing activities	<u>(3,275,872)</u>

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

Enterprise Fund

Statement of Cash Flows (continued)

Year ended June 30, 1992

Investing activities

Net sale of investments	<u>74,656</u>
Net cash provided by investing activities	<u>74,656</u>
Net increase in cash	790,221

Cash and cash equivalents at beginning of year	<u>2,145,965</u>
Cash and cash equivalents at end of year	<u><u>\$2,936,186</u></u>

See accompanying notes.

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

Enterprise Fund

Balance Sheets

June 30, 1992

	Governmental Fund Types		
	General	Capital Projects	Debt Service
Assets and Other Debits			
Cash and cash equivalents <i>(Note 14)</i>	\$840,797	\$ 5,328,534	\$ 155,901
Investments	118,894	8,228,946	4,302,488
Amount to be provided for retirement of general long-term obligations	-	-	-
	\$959,691	\$13,557,480	\$4,458,389
 Liabilities and fund balances			
Public Building Authority general revenue bonds payable <i>(Note 16)</i>	\$ -	\$ -	\$ -
Bond anticipation notes payable	125,095	5,400,062	755,000
Accrued judgment	-	6,691,250	-
Due to the City of Providence	-	589,809	-
Accrued expenses	-	881,308	-
Other long-term obligations	-	-	-
	125,095	13,562,429	755,000
Fund balances (deficit) <i>(Note 10)</i> :			
Designated	-	-	3,703,389
Undesignated	834,596	(4,949)	-
	834,596	(4,949)	3,703,389
	\$959,691	\$13,557,480	\$4,458,389

See accompanying notes.

<u>Account Group</u>		Less Amounts Recorded in the Water Supply Board's Financial Statements (Notes 9 and 16)		
General Long-term Obligations	Sub Total			Total
\$ -	\$ 6,325,232	\$ -		\$ 6,325,232
-	12,650,328	-		12,650,328
52,908,589	52,908,589	8,457,150		44,451,439
\$52,908,589	\$71,884,149	\$8,457,150		\$63,426,999
\$48,590,000	\$48,590,000	\$8,457,150		\$40,132,850
4,150,000	10,430,157	-		10,430,157
-	6,691,250	-		6,691,250
-	589,809	-		589,809
-	881,308	-		881,308
168,589	168,589	-		168,589
52,908,589	67,351,113	8,457,150		58,893,963
-	3,703,389	-		3,703,389
-	829,647	-		829,647
-	4,533,036	-		4,533,036
\$52,908,589	\$71,884,149	\$8,457,150		\$63,426,999

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

Enterprise Fund

Statements of Revenues, Expenditures and Changes in Fund Balance

Year ended June 30, 1992

	Governmental Fund Types			
	General	Capital Projects	Debt Service	Sub Total
Revenues:				
Interest income	\$ 26,905	\$ 634,567	\$ 204,267	\$ 865,739
Rental income	2,169,019	-	1,153,779	3,322,798
Gate and fund raising income	722,397	200,000	-	922,397
Miscellaneous income	4,238	17,387	5,316	26,941
	2,922,559	851,954	1,363,362	5,137,875
Expenditures:				
Interest expense	-	97,597	3,387,578	3,485,175
General and administrative	375,903	216,177	-	592,080
Capital expenditures	73,025	12,444,956	-	12,517,981
	448,928	12,758,730	3,387,578	16,595,236
Other financing sources (uses):				
Proceeds from Bond				
Anticipation Note	100,000	3,900,050	150,000	4,150,050
Operating transfer in (out)	(2,213,687)	460,467	1,753,220	-
Proceeds from sale of general revenue bonds	325,000	8,714,817	4,060,183	13,100,000
Retirement of fund liability made by other fund	-	1,985,000	-	1,985,000
Retirement of liability of other fund	-	-	(1,985,000)	(1,985,000)
Repayment of bonds and notes	-	-	(910,000)	(910,000)
	(1,788,687)	15,060,334	3,068,403	16,340,050
Revenues and other financing sources over expenditures and other financing uses	684,944	3,153,558	1,044,187	4,882,689
Fund balance (deficit) at beginning of year	149,652	(3,158,507)	2,659,202	(349,653)
Fund balance (deficit) at end of year	\$834,596	\$ (4,949)	\$3,703,389	\$4,533,036

See accompanying notes.

Less Amounts Recorded in the Water Supply Board's Financial Statements (Notes 9 and 16)		Total
\$	-	\$ 865,739
	832,281	2,490,517
	-	922,397
	-	26,941
	<u>832,281</u>	<u>4,305,594</u>
	594,381	2,890,794
	-	592,080
	-	12,517,981
	<u>594,381</u>	<u>16,000,855</u>
	-	4,150,050
	-	-
	-	13,100,000
	-	1,985,000
	-	(1,985,000)
	(237,900)	(672,100)
	<u>(237,900)</u>	<u>16,577,950</u>
	-	4,882,689
		<u>(349,653)</u>
<u>\$</u>	<u>-</u>	<u>\$ 4,533,036</u>

City of Providence, Rhode Island

Notes to Financial Statements

June 30, 1992

1. Summary of Significant Accounting Policies

General

The City of Providence, Rhode Island, a tax-exempt entity, operates under a Mayor-Council form of government. A Home Rule Charter was adopted in November 1980 and became fully effective on January 3, 1983. The Mayor is elected by the voters of the City to a four-year term. City Council members are also elected to four year terms, which run concurrent with the term of the Mayor. Most department heads and other City officials are appointed by the Mayor.

The accounting policies of the City of Providence conform to generally accepted accounting principles, as applicable to governmental units, except the general purpose financial statements and the Providence Public Building Authority do not include a general fixed assets account group, as required by generally accepted accounting principles.

In determining which agencies, departments and other types of entities to include as component units in the City of Providence general purpose financial statements, the exercise of oversight responsibility by the City or its elected officials is considered. Criteria utilized in determining oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

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 total assets, liabilities, fund balance/retained earnings, revenues and expenditures/expenses. The following fund types and account group are used by the City:

A. Governmental Fund Types

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

City of Providence, Rhode Island

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

General Fund

This fund is the City's general operating fund. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds

These funds are used to account for the proceeds from 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 made 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

These funds are used to account for expenditures for the acquisition or construction of major capital facilities.

B. Proprietary Fund Types

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

City of Providence, Rhode Island

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Enterprise Funds

These funds are used to account for City operations that are financed and operated in a manner similar to private business enterprise. The intent is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges. Enterprise funds are also used 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 purposes.

Internal Service Funds

These funds are used to account for the financing of goods or services between City departments or agencies, or to other governmental units, on a cost reimbursement basis.

C. Fiduciary Fund Types

These 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, or other funds.

Fiduciary Funds include expendable, nonexpendable, agency and retirement trust funds. Expendable trust funds are accounted for as governmental funds. Nonexpendable and retirement trust funds are accounted for as proprietary funds, since capital maintenance is critical. Agency funds are purely custodial and do not involve the measurement of operating results.

D. Account Group: General Long-term Obligations

This group of accounts is established to account for all long-term obligations of the City, not requiring an appropriation or expenditure during the current fiscal period. Long-term obligations include bonds, previously appropriated pension contributions which have been deferred to future years, compensated absences and long-term capital lease obligations.

E. Providence Public Building Authority (PBA)

The PBA was established to acquire, construct, maintain, renovate, repair and operate public facilities and public equipment through the use of public financing (see Note 16).

City of Providence, Rhode Island

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Basis of Accounting

The modified accrual basis of accounting is followed by the governmental, expendable trust and agency funds. Under this basis of accounting, revenues are recorded when susceptible to accrual; 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 essentially two types of these revenues. In one, revenues are recognized based upon the expenditures recorded. Funds will not be paid to the City until qualifying expenditures have been made. In the other, monies are reflected as revenues at the time of receipt, or earlier, if the susceptible to accrual criteria are met. These resources are virtually unrestricted as to the purpose of the expenditure and are usually revocable only for failure to comply with prescribed compliance requirements.

Licenses, permits, charges for services, fines, forfeits and miscellaneous revenues are recorded as revenues when cash is received because they are generally not measurable at an earlier time.

Revenues and expenses of nonexpendable trust, pension trust funds, and proprietary fund types are primarily recognized on the accrual basis.

Budgetary Data

The City employs the following procedures in establishing the General Fund budgetary data reflected in the general purpose financial statements:

A. At least sixty days prior to July 1, the Mayor submits a proposed operating budget for the upcoming fiscal year to the City Council. The operating budget includes proposed expenditures and the means of financing them. The council may alter the Mayor's proposed expenditures, but may not cause an excess of appropriations over expected revenues.

City of Providence, Rhode Island

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

B. The final budget is legally enacted through passage of an ordinance.

C. 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 are presented in accordance with generally accepted accounting principles, the method employed in preparation of the budget. The Special Revenue Fund amounts include those of the Unrestricted School Fund and the Area Vocation and Section IV Restricted School Funds. Other Special Revenue Funds do not have legally adopted budgets and are excluded.

The budget for the Unrestricted School Fund is prepared annually and approved by the Providence School Board. The amount of the annual transfer from the General Fund is ultimately determined through the adoption of the General Fund budget. This appropriation does not lapse at year end.

Cash Equivalents

The City considers all highly liquid investments purchased within three months of maturity to be cash equivalents. The City also considers repurchase agreements with a maturity of one week or less to be cash equivalents.

Encumbrances

Encumbrances do not constitute expenditures or liabilities. Governmental fund types employ encumbrance accounting to record purchase orders, contracts and other commitments for the expenditure of funds in order to establish a reserve against the applicable appropriation. Open encumbrances are reported as reservations of fund balances since the commitments will be honored from subsequent years' budget appropriations.

City of Providence, Rhode Island
Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

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 cost. Investments of other funds are stated at cost which approximates market.

Allowance for Possible Loan Losses

The allowance for possible loan losses is maintained at a level believed adequate by management to absorb potential losses for outstanding loans. Management's determination of the adequacy of the allowance is based on an evaluation of the portfolio, past loan loss experience, and current economic conditions.

Reserved Fund Balances

Reserved fund balances represent amounts which are not available for appropriation or which are legally reserved for a specific purpose.

Interfund transfers

All City interfund transfers are operating transfers. Accordingly, all interfund transfers are reported as other financing sources (uses) in the combined statement of revenues, expenditures and changes in fund balance.

Vacations and Sick Leave

Under the terms of various contracts and policies, City employees are granted vacation and sick leave 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 vacation and sick leave relating to governmental fund employees is recognized as a noncurrent obligation in the general long-term obligations group of accounts.

Self Insurance

The City is self-insured for general liability claims, workers' compensation claims of most governmental fund employees and property losses to certain real estate and equipment. The City's policy is to recognize the cost of these claims when they are expected to be liquidated with expendable available financial resources.

City of Providence, Rhode Island

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

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. Proprietary fund types record these liabilities using the accrual basis of accounting.

Amounts to be Provided

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

Inventory and Supplies

Proprietary fund inventory is stated at the lower of cost or market using the weighted average method. Inventory consists primarily of materials and supplies. Inventory and supplies are not maintained in governmental funds, but are recorded as expenditures at the time of purchase.

Property, Plant and Equipment - Enterprise Funds

Property, plant and equipment of the enterprise funds is stated at cost. Depreciation is taken on a straight-line basis over the estimated useful lives. 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 Authority	Water Supply Board
Buildings, source of supply structures and improvements	10 - 30 years	50 - 150 years
Improvements, other than buildings	-	75 - 100 years
Furnishings and equipment	3 - 20 years	3 - 40 years

City of Providence, Rhode Island

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Total (Memorandum Only)

These totals are the aggregate of the fund types, account group and the PBA. No consolidating or eliminating entries were made in arriving at these totals. As a result, they do not represent consolidated information and are shown only in memorandum form.

2. Property Taxes and Other Charges for Services

The City's property tax is levied each year based on the assessed property value, 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 100% of appraised market value, based on the 1987 valuation less Homestead exemptions for 1-6 unit dwellings. Assessed values of tangible property and equipment and motor vehicles are determined annually at 100% of market value.

The 1990 taxable assessments and the fiscal 1992 tax rate and gross levy are as follows (in thousands):

	Taxable Assessment	Exemptions	Net Taxable Assessment	Rate per \$1,000	Gross Levy
Real property	\$5,480,788	\$1,310,147	\$4,170,641	\$28.17	\$117,487
Tangible property	529,105	-	529,105	67.77	35,857
Motor vehicle	296,240	2,006	294,234	67.77	19,940

Payments on the gross levy are due in equal quarterly installments in July, October, January and April. Property taxes attach as an enforceable lien on property when levied.

The City recognizes property and excise tax revenues on the modified accrual basis. Only those property tax and excise tax payments due as of the end of the current fiscal year and collected within the current fiscal year or reasonably thereafter, usually 60 days, are recognized as revenue of the current fiscal year, net of cash abatements paid. All uncollected property taxes as of the end of the fiscal year are recorded as receivables. Those taxes not collected within 60 days subsequent to year end are recorded as deferred revenue, even if the eventual collection appears likely. If collection appears unlikely an allowance for doubtful accounts is established.

City of Providence, Rhode Island

Notes to Financial Statements (continued)

2. Property Taxes and Other Charges for Services (continued)

Water Fees

Revenues from charges for services of the Providence Water Supply Board are recognized on the accrual basis, net of estimated uncollectibles. Depending upon consumption, metered water sale customers are billed monthly, quarterly or annually for water usage, in arrears, and a year in advance for water service fees. Yearly billing cycles are on a staggered basis throughout the fiscal year. Large commercial customers and other local water suppliers are billed more frequently. All charges are based on billing rates authorized by the State of Rhode Island Public Utilities Commission.

3. Intergovernmental Accounts

Due to and from other governments consists of the following amounts at June 30, 1992:

	<u>Due from</u>	<u>Due to</u>
General Fund:		
State of Rhode Island	\$4,014,568	\$ -
Special Revenue Funds:		
Federal Government	684,732	280,515
State of Rhode Island	61,338	489,586
	<u>746,070</u>	<u>770,101</u>
Capital Projects:		
State of Rhode Island	352,502	-
	<u>\$5,113,140</u>	<u>\$770,101</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, 1992.

	Providence Civic Center Authority	Providence Water Supply Board	Total
Land	\$ -	\$ 7,876,901	\$ 7,876,901
Buildings and improvements	14,018,465	6,669,936	20,688,401
Improvements other than buildings	-	64,220,199	64,220,199
Furnishings, machinery and equipment	1,663,734	5,337,323	7,001,057
Investments restricted for the acquisition of capital assets	4,718	-	4,718
Assets under capital leases	2,303,775	9,463,212	11,766,987
Scituate reservoir project	-	10,695,050	10,695,050
Construction in progress	-	1,701,528	1,701,528
Funds restricted for construction of assets under capital lease	-	3,616,691	3,616,691
	17,990,692	109,580,840	127,571,532
Less accumulated depreciation	11,031,277	28,654,852	39,686,129
Net property, plant and equipment	\$ 6,959,415	\$80,925,988	\$87,885,403

City of Providence, Rhode Island

Notes to Financial Statements (continued)

5. Interfund Accounts

At June 30, 1992, amounts due to and from other funds resulting from various interfund activities were as follows:

	Due From Other Funds	Due to Other Funds
General Fund:		
Proprietary Fund Types	\$5,891,589	\$ -
Special Revenue Funds	158,622	4,515,288
Fiduciary Fund Types	132,174	2,209,301
Providence Public Building Authority	589,809	-
	6,772,194	6,724,589
Special Revenue Funds:		
General Fund	4,515,288	158,622
Other Special Revenue Funds	969,723	969,723
Fiduciary Funds Types	-	2,990
Capital Project Funds	-	729,146
	5,485,011	1,860,481
Capital Project Funds:		
Special Revenue Funds	729,146	-
Proprietary Funds Types:		
General Fund	-	5,891,589
Fiduciary Fund Types:		
Special Revenue Funds	2,990	-
Long-term Obligations Account Group (Note 7)	3,146,653	-
General Fund	2,209,301	132,174
	5,358,944	132,174
General Long-term Obligations Account Group:		
Fiduciary Funds - Retirement System (Note 7)	-	3,146,653
Providence Public Building Authority:		
General Fund	-	589,809
	\$18,345,295	\$18,345,295

City of Providence, Rhode Island

Notes to Financial Statements (continued)

6. Loans Receivable

A. Special Revenue Fund - Department of Planning and Development

Urban Development Action Grant Funds

Included in Special Revenue Funds are loans receivable under Urban Development Action Grants ("UDAG") representing amounts advanced to developers for certain urban development projects within the City. As of June 30, 1992, the loans receivable are as follows:

Fleet Center and Garage

Fleet Center Associates loan, due June 2015. The loan was interest free for the first two years. Beginning in 1988 through 2015 interest is 4% per annum. Quarterly payments of principal and interest were made in accordance with a 28-year amortization schedule for the years 1988 through 1990. Beginning in 1991, no further payments of principal or interest are due until the maturity date, June 2015

\$1,172,521

Cookson America, due December 1, 1999, interest at 6%, payable monthly

1,000,000

Weybosset, due 2018, monthly payments of interest only through 1993, monthly principal and interest payments from 1994 to 2018, interest at 75% of prime

130,000

H&J Realty, due 1995, principal and interest payable monthly through 1995, with interest at 6%

87,644

University Heights, due September 6, 2020, interest free

1,000,000

The Foundry Associates, due November 14, 1992, interest payable monthly at 6%

1,000,000

Anthony's Drug Store, due 2001, interest payable at 6% through July 1, 2001

69,965

Providence Community Action Program, due May 1, 1992, interest free

25,000

Theater for Emily, Inc., due May 11, 1992, interest free

10,000

4,495,130

Less allowance for possible losses

(85,000)

4,410,130

City of Providence, Rhode Island

Notes to Financial Statements (continued)

6. Loans Receivable (continued)

Richmond Square

Richmond Square, 25-year term, interest free through 1986, monthly payments of principal and interest at 5% per annum from 1987 through 2008

762,618

762,618

Less allowance for possible loan losses

(762,618)

-

Providence Hotel Associates

Conrad Limited Partnership, due on demand, interest payable monthly at 6%

100,000

100,000

Fordson Hotel Associates

Fordson Associates, due 2005, interest increasing from 4% to 8% over a fifteen-year period beginning in 1990, quarterly payments of interest only through 1994, principal and interest payable quarterly over a ten-year period beginning in 1994, with a balloon payment on December 31, 2004

915,000

Martin Construction, Inc., due July 1, 1992, principal and interest payable monthly through July 1, 1992, interest at 6%

15,000

930,000

Less allowance for possible losses

(930,000)

-

4,510,130

City of Providence, Rhode Island

Notes to Financial Statements (continued)

6. Loans Receivable (continued)

Community Development Block Grant Funds

Loans receivable from the lending of Community Development Block Grant Funds for community and economic development purposes as of June 30, 1992, are as follows:

Jake Kaplan Ltd. payable on demand with interest at 5% per year	500,000
Roger Williams Day Care, payable monthly through February 2006, interest free	85,299
Providence Housing Authority, due May 1, 1992, interest free	93,245
Roger Williams Project, due June 30, 1992, interest free	300,000
Cherry Tree Products, payable monthly through July 1, 1997, with interest at 6%	200,000
	<u>1,178,544</u>

The Fox Point Neighborhood Housing Corporation loan, which was originally made for \$500,000 on May 8, 1985, was to finance the development of a 26 unit limited equity housing cooperative. In accordance with the terms of the loan agreement, \$250,000 of the original loan became a grant when permanent project financing was obtained. The remaining \$250,000 loan balance is to be repaid from excess cash flow at an interest rate of 5% per year. No interest or principal has been paid by the Corporation to date. During 1992, \$108,728 was written off against program income

141,272

Housing Development Assistance Grant

The Renaissance Associates, L.P. loan is receivable over 30 years commencing 30 years from the start of the project or when a 15% return on equity for the preceding year is achieved. Interest of 3% per annum begins to accrue one year following the completion of construction, but no later than November 1, 1991

1,953,250
\$7,783,196

City of Providence, Rhode Island

Notes to Financial Statements (continued)

6. Loans Receivable (continued)

Security for the above loans includes first or second mortgages on property and liens on equipment and other real estate. Future proceeds from the repayment of principal and interest on loans must be expended by the Department of Planning and Development on eligible community development projects.

B. Special Revenue Fund - Providence Economic Development Corporation

The Corporation is not-for-profit and was created to foster economic growth in Providence, as well as assist and attract industrial, manufacturing and other commercial enterprises to the City. At June 30, 1992, the Corporation had loans receivable, net of allowances for possible loan losses of \$2,160,000, from approximately 180 businesses or individuals amounting to \$5,052,589. The loan terms and amounts are determined on a case by case basis.

Security for these loans includes first and second mortgages, property and equipment and other real estate.

C. Fiduciary Fund - Retirement System

Members of the Employees' Retirement System of the City of Providence who have completed 3 years of service may borrow up to 50% of their contributions. The loans accrue interest at 6% and are repaid through payroll deduction. Any unpaid balance is settled before the individual receives any retirement benefits. Loans are restricted to medical emergencies and home improvements. Loans receivable from employees was \$8,371,824 at June 30, 1992.

7. Long-term Obligations

Debt Limit

Except as explained below, under Rhode Island law the City may not, without special statutory authorization, incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the City. Deducted from the computation of aggregate indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the City. The current outstanding debt of the City subject to the 3% debt limit is \$65,345,507 and the current 3% debt limit of the City is \$149,819,400 based on taxable property as of December 31, 1990, of \$4,993,979,972, leaving a remaining borrowing capacity of \$84,473,893.

City of Providence, Rhode Island

Notes to Financial Statements (continued)

7. Long-term Obligations (continued)

The State of Rhode Island General Assembly (General Assembly) may, by special act, permit the City to incur indebtedness outside the 3% debt limit. Bonds issued either within the 3% debt limit or by special legislation adopted by the General Assembly authorizing the City to incur debt are subject to referendum by the electors of the City. On June 30, 1992, the total outstanding debt of the City issued outside the 3% debt limit was \$57,274,271, excluding water bonds and sewer bonds deemed self-supporting.

In addition to debt authorized within the 3% debt limit and debt authorized by special act of the General Assembly, Rhode Island General Laws Section 45-12-11 authorizes the State Director of Administration, upon petition by a municipality, to authorize such municipality to incur indebtedness in excess of the 3% debt limit whenever the Director shall determine that the sums appropriated by the municipality or its funds available are insufficient to pay the necessary expenses of the municipality. The City has not requested the State Director of Administration to authorize indebtedness of the City under Section 45-12-11.

Bonds Payable and Bond Anticipation Notes

The following is a summary of the City's bond transactions for the year ended June 30, 1992 (in thousands):

	June 30 1991	Debt Issued	Debt Retired	June 30 1992
General Obligation Bonds	\$103,745	\$30,750	\$34,670	\$99,825
Less: Amounts recorded in Water Supply Board's financial statements.	6,105	-	600	5,505
General Obligation Bonds included in general long-term obligations account group	<u>\$ 97,640</u>	<u>\$30,750</u>	<u>\$34,070</u>	<u>\$94,320</u>

On September 1, 1991, the City issued \$30,750,000 in General Obligation Bonds to advance refund the \$28,555,000 of outstanding General Obligation - Refunding Bonds dated October 1, 1986. The net proceeds of \$30,074,000 (after payment of \$676,000 in underwriting fees, insurance and other issuance costs) were deposited with an escrow agent under a Refunding Escrow Agreement dated September 1, 1991. The Escrow Agreement requires the escrow agent to use the amounts escrowed to purchase certain obligations of the United States Government. Amounts held by the escrow agent will be used to pay principal, interest and redemption premiums on the Refunded Bonds when

City of Providence, Rhode Island

Notes to Financial Statements (continued)

7. Long-term Obligations (continued)

Included in the long-term obligations account group are \$5,070,324 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 on the debt when it becomes due. The City, however, remains ultimately responsible for the timely payment of the issues.

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 \$443,680 and are included in the Restricted Sales Proceeds Fund (an expendable fiduciary trust fund) at June 30, 1992.

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 8 1/2%. 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 obligation group of accounts. A corresponding receivable amount is recorded in the Retirement System Fund. The 1992 activity is as follows:

Balance at June 30, 1991	\$3,374,094
Principal payments made during fiscal year 1992	<u>227,441</u>
Balance at June 30, 1992	<u>\$3,146,653</u>

Other Noncurrent Liabilities

The following noncurrent liabilities are recorded in the long-term obligations group of accounts:

- i. Accumulated vacation and sick pay for governmental fund employees amounted to \$17,019,592 at June 30, 1992.
- ii. The estimated liability for governmental fund employees workers' compensation claims, under the City's self-insurance program, amounted to \$1,963,835 at June 30, 1992 (see Note 13).

City of Providence, Rhode Island

Notes to Financial Statements (continued)

7. Long-term Obligations (continued)

- iii. Litigation and other claims and judgments against the City's governmental funds, that will not be liquidated with expendable available resources, amounted to \$2,600,000 at June 30, 1992.
- iv. The City is obligated under several lease participation agreements with financial institutions for automobiles, trucks, computers, telecommunications equipment and park maintenance equipment. Future minimum lease payments were as follows at June 30, 1992:

Fiscal year ending June 30:	
1993	\$2,881,301
1994	2,229,635
1995	1,563,325
1996	996,320
1997	535,300
	<u>\$8,205,881</u>

- v. The settlement between the Facilities Resource Management and the School Department requires the following payment:

Fiscal year ending June 30:	
1993	\$164,267

8. Lease Commitments

The Department of Public Schools is obligated under various leases through the year 2015 to make the following aggregate annual lease payments:

	Related Party	Other	Total
1993	\$ 4,642,186	\$281,865	\$ 4,924,051
1994	4,815,873	225,127	5,041,000
1995	4,996,508	12,000	5,008,508
1996	5,184,369	-	5,184,369
1997	5,483,947	-	5,483,947
Thereafter	88,376,898	-	88,376,898
	<u>\$113,499,781</u>	<u>\$518,992</u>	<u>\$114,018,773</u>

City of Providence, Rhode Island

Notes to Financial Statements (continued)

8. Lease Commitments (continued)

The Department subleases the school administration building, other school buildings and modular classrooms from the City of Providence. The Department is required to make annual rental payments to the City of Providence in accordance with the lease agreements.

The Department's rent expense was approximately \$4,835,000, of which approximately \$4,475,000 relates to subleases with the City of Providence, for the year ended June 30, 1992.

9. Segment Information for Enterprise Funds

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

A. 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 Board also sells water to the other local water supply systems on a wholesale basis. The Board's source of water supply is the Scituate Reservoir, located in the Town of Scituate, Rhode Island, and five tributary reservoirs.

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 of Rhode Island Public Utilities Commission.

Lease Agreements

On July 1, 1988, the City of Providence through its Water Supply Board entered into a lease agreement with the Rhode Island Water Resources Board, a component unit of the State of Rhode Island. Under the terms of the lease agreement, the Rhode Island Water Resources Board has issued bond anticipation notes and revenue bonds totaling \$11,685,000 to finance the acquisition and construction of improvements and installation

City of Providence, Rhode Island

Notes to Financial Statements (continued)

9. Segment Information for Enterprise Funds (continued)

of certain water facilities located in the City of Providence and the Towns of Smithfield and North Providence, Rhode Island. The Water Supply Board has leased the project for the term which commenced on July 1, 1988, (coincident with the issuance of the Rhode Island Water Resources Board's bond anticipation notes) and expires on June 30, 2013.

Lease payments specified in the lease agreement call for the Water Supply Board to make a semiannual payment due in February and August of each year in an amount equal to the debt service requirements of the Rhode Island Water Resources Board as it pertains to the leased premises. In addition, the Water Supply Board has agreed to pay as lease payments the administrative costs incurred by the Rhode Island Water Resources Board. At the expiration of the lease term, the Providence Water Supply Board has the option to purchase the facilities for \$1. This lease has been accounted for as capital lease.

To the extent that the construction of the assets is complete and in operation, the assets are depreciated under the Water Supply Board's normal depreciation policies for similar assets. Funds restricted for construction of assets under capital lease represent unexpended proceeds of bond anticipation notes and revenue bonds obtained specifically for construction of water facilities discussed above.

On April 20, 1990, the Water Supply Board entered into a lease agreement with Municipal Leasing Services, Inc. (lessor). Under the terms of the lease the Water Supply Board accepted delivery of vehicles at various points in time. The lease terms begin at delivery of the equipment and range from 3–5 years. Lease payments are required to be made on a monthly basis. At the end of the lease term the Water Supply Board will pay a concluding payment at which time lessor shall convey all rights and title to the equipment to the Water Supply Board. This lease has been accounted for as a capital lease. In 1992, equipment purchased under capital leases amounted to \$122,475.

The City of Providence entered into a lease purchase agreement for the Water Supply Board in the amount of \$173,000 on June 22, 1992, with Fleet National Bank. The agreement is secured with the assets purchased under the lease agreement. The cost of such assets is \$173,000 at June 30, 1992. The agreement permits annual renewals for the 5-year period ending June 15, 1997, with payments of principal and interest on those renewal dates.

City of Providence, Rhode Island

Notes to Financial Statements (continued)

9. Segment Information for Enterprise Funds (continued)

Under the Agreement, the Water Supply Board has the right to purchase the assets on each renewal date for amounts specified in the Agreement. This lease has been accounted for as a capital lease. The assets become the property of the Water Supply Board upon completion of its obligation during the initial lease term and all renewal periods.

The assets and liabilities under the capital leases are recorded at the lesser of the present value of the minimum lease payments or the fair value of the asset. Amortization of assets under capital leases is included in amortization expense. Amortization of these assets charged to expense during the year ended June 30, 1992, was \$296,547. Accumulated amortization related to these assets amounted to \$642,132 at June 30, 1992.

Minimum future lease payments under capital leases as of June 30, 1992, for each of the next five fiscal years and in the aggregate are:

	Equipment Under Capital Lease	RI Water Resources Board	Total
1993	\$454,710	\$ 1,066,658	\$ 1,521,368
1994	218,617	1,072,443	1,291,060
1995	137,120	1,071,475	1,208,595
1996	71,894	1,073,798	1,145,692
1997	34,898	1,079,138	1,114,036
Subsequent to 1997	-	15,282,144	15,282,144
Total minimum lease payments	917,239	20,645,656	21,562,895
Less amount representing interest	(90,578)	(9,230,656)	(9,321,234)
Present value of net minimum lease payments	\$826,661	\$11,415,000	12,241,661
Less current portion			658,646
Long-term portion			\$11,583,015

City of Providence, Rhode Island

Notes to Financial Statements (continued)

9. Segment Information for Enterprise Funds (continued)

General Revenue Bonds

On June 14, 1990, the City of Providence, on behalf of the Water Supply Board, entered into a lease agreement with the Providence Public Building Authority (PPBA). That lease and agreement has been amended by a lease and agreement dated January 3, 1991, as of December 15, 1990. In connection with the lease and agreement (Scituate Reservoir Project), the PPBA issued \$8,695,050 of revenue bonds to acquire land or land rights or physical improvements to acquired land to protect the quality of raw water of the Water Supply System. The bonds are to be repaid by the \$.01 per hundred gallons Water Quality Protection Charge (see Water Quality Protection Charge).

Generally accepted accounting principles require recognition of assets and debt by state and local government lessees which enter into lease arrangements with a public authority which are part of the government unit's entity for financial reporting purposes. Accordingly, the debt and assets related to the Scituate Reservoir Project are included in the Water Supply Board's financial statements.

In addition, the \$2,000,000 payment made by the Water Supply Board to the PPBA in connection with the Scituate Reservoir Project has also been capitalized.

Future general revenue bond service requirements, related to the Scituate Reservoir Project as of June 30, 1992, for each of the next five fiscal years and in aggregate are:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1993	\$ 230,100	\$ 580,693	\$ 810,793
1994	241,800	566,652	808,452
1995	257,400	551,483	808,883
1996	274,950	534,976	809,926
1997	292,500	517,024	809,524
Subsequent to 1997	7,160,400	4,188,156	11,348,556
	<u>\$8,457,150</u>	<u>\$6,938,984</u>	<u>\$15,396,134</u>

City of Providence, Rhode Island

Notes to Financial Statements (continued)

9. Segment Information for Enterprise Funds (continued)

On March 19, 1991, the City of Providence, on behalf of the Water Supply Board, entered into a lease and agreement with the Providence Public Buildings Authority (PPBA). This lease and agreement has been amended by the first amendment to lease and agreement, dated March 18, 1992. In connection with the lease and agreement, the PPBA, issued Revenue Bond Anticipation Notes 1992 Series I (notes) totaling \$6,280,000, dated March 18, 1992 and due March 18, 1993. As of June 30, 1992, these anticipation notes have been included as debt in the PPBA's financial statements. Once the notes have been converted to general revenue bonds and it is the intent of the City to have the Water Supply Board meet the debt service requirements, this debt will be transferred from the PPBA to the Water Supply Board.

Transaction with the City of Providence

The City of Providence performs various services for the Water Supply Board including certain accounting, personnel and cash management services and working capital support. The total billing for City services amounted to \$967,237. This amount is established by the City and approved by the Water Supply Board. The Water Supply Board also provides services to 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 behalf of the Water Supply Board. Cash activities are reflected by the Water Supply Board via the "Due to General Fund" general ledger account. As such, this account represents the Water Supply Board's net operating cash position.

On June 19, 1991, the Water Supply Board entered into a note agreement with the City of Providence. The note accrues interest at 7.5% per annum on the principal sum of \$5,020,928 until the amount is paid in full. The note is to be repaid over a 2 1/2 year period from a surcharge of 8 cents per 100 cubic feet effective September 1, 1991.

City of Providence, Rhode Island

Notes to Financial Statements (continued)

9. Segment Information for Enterprise Funds (continued)

City Surcharge

On August 1, 1991, the Water Supply Board filed with the Public Utilities Commission ("Commission") a surcharge tariff designed to collect the \$5,020,928. All retail and wholesale customers are to be assessed at a rate of eight cents per hundred cubic feet of water billed commencing September 1, 1991. On April 24, 1992, the Commission approved a surcharge totaling \$4,595,000. Of the approved surcharge only \$1,346,449 was designated by the Commission to be used to pay off the note to the City of Providence. The balance of the surcharge amount is to be used for capital improvements, insurance and conservation studies. At June 30, 1992, net assets of approximately \$945,000 relating to this surcharge are unexpended.

Restricted Assets

The State of Rhode Island enacted the Public Drinking Water Protection Act of 1987 that empowers suppliers of public drinking water to levy a surcharge of \$.01 per hundred gallons of water for all customers. The surcharge is effective as of January 1, 1989. The funds collected from this surcharge are to be expended in the following manner: 1) at a minimum 90% of the funds are to pay principal or interest on bonds, notes, or other obligations issued or lease payments in connection with any such bonds, notes, or obligations for the purpose of acquiring land or land rights or physical improvements to acquired land to protect the quality of the raw water of the water supply system; and 2) 10% may be used by the supplier for any purpose relating to its operations.

In July 1990, the Public Drinking Water Protection Act was amended by the State of Rhode Island. The amendment increased the levy from \$.01 per hundred gallons to \$.02333 per hundred gallons of water for all customers. The \$.01333 per hundred gallons increase (effective July 1, 1991) is to be remitted to the general treasurer and appropriated to the Water Resources Board, a component of the State of Rhode Island.

City of Providence, Rhode Island

Notes to Financial Statements (continued)

9. Segment Information for Enterprise Funds (continued)

The following is a summary of the balances in the Water Quality Protection Fund and amounts owed to the Water Resources Board at June 30, 1992:

	Cash and Cash Equivalents	Accounts Receivable (Billed and Unbilled)	Liabilities to be Paid from Restricted Assets	Total
Water Quality Protection Fund	\$2,748,716	\$1,447,785	\$ (163,278)	\$4,033,223
Water Resources Board	187,470	1,754,458	(1,941,928)	-
	\$2,936,186	\$3,202,243	\$(2,105,206)	\$4,033,223

The restricted assets are pooled with the cash and cash equivalents and investments of other funds maintained by the City of Providence.

The City's investment policies are governed by the City's charter. Most cash is deposited in FDIC insured banks located within the State. City authorized investments include commercial paper, U.S. government securities, certificates of deposit, corporate stocks and repurchase agreements.

Operating Revenues

Revenues include amounts billed and unbilled to all customers, including those customers outside the City of Providence, Rhode Island. All charges are based on billing rates authorized by the State of Rhode Island Public Utilities Commission.

Contributions in Aid

Contributions in aid consists of property and equipment paid for by customers for water installations. Once the installation is complete, the property and equipment transfers to the Water Supply Board.

City of Providence, Rhode Island

Notes to Financial Statements (continued)

9. Segment Information for Enterprise Funds (continued)

Self-insurance

Beginning November 26, 1990, the Water Supply Board began a self-insurance program for its workers' compensation. The plan contains certain stop loss clauses that limit the Water Supply Board's liability in the event of catastrophic losses (\$500,000 per incident).

Reclassification of Beginning Retained Earnings

Beginning of the year retained earnings-reserved was decreased \$2,000,000 and beginning of the year retained earnings-unreserved was increased by the same amount. The purpose of this reclassification was to accurately reflect the portion of retained earnings reserved for the Water Quality Protection Fund.

B. Providence Civic Center Authority

The Providence Civic Center Authority (the Authority) was created by an Act of the Rhode Island State Legislature in 1969 (the Act) 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 usually calculated 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 Section 10(b) of the Act, the Authority is required to pay annually all excess revenues, as defined in the Act, to the City. The Civic Center and all funds and assets of the Authority became the property of the City on February 1, 1992, with the payment and retirement of all bonds issued by the City to acquire/construct the Civic Center. It is the City's intention to continue to operate the Authority as a going concern.

Ticket Surcharge Receipts

The proceeds of the 5% surcharge on all ticket sales established by the Rhode Island General Assembly was to be used by the City of Providence to reduce bond indebtedness and terminated with the retirement of the bonds on February 1, 1992.

City of Providence, Rhode Island

Notes to Financial Statements (continued)

9. Segment Information for Enterprise Funds (continued)

The following is a summary of the activity for the year ended June 30, 1992:

Ticket surcharge receipts due to City of Providence at June 30, 1991	\$444,569
Ticket surcharge receipts during 1992	266,576
Payments to the City of Providence	<u> -</u>
Ticket surcharge receipts due to the City of Providence at June 30, 1992	<u>\$711,145</u>

Effective February 1, 1992, the City of Providence, City Council established a 5% surcharge on all ticket sales. The surcharge is to be used at the discretion of the Providence Civic Center Authority for capital improvements, emergency or other repairs, or as otherwise deemed necessary by the Authority. The surcharge for the period February 1, 1992 through June 30, 1992 was \$180,733 and is included in operating revenues.

Lease Purchase Agreement

The City of Providence entered into a lease purchase agreement for the Providence Civic Center, in the amount of \$2,400,000 on December 26, 1986, with Fleet National Bank. The agreement is secured with the assets from the expansion project at the Civic Center. The agreement permits annual renewals for the 10 year period ending December 31, 1996, with payments of principal and interest on those renewal dates. Under the agreement, the Civic Center has the right to purchase the assets on each renewal date for amounts specified in the Agreement. The assets become the property of the Civic Center upon completion of its obligation during the initial lease term and all renewal periods. The cost of leased assets and related accumulated amortization was approximately \$2,290,000 and \$542,000 at June 30, 1992.

The Providence Civic Center entered into a lease agreement in the amount of \$13,775 on June 18, 1992 with Master Lease, a Division of Tokai Financial Services, Incorporated. The agreement is secured with a voice mail telephone system. The cost of the asset and related accumulated amortization was \$13,775 and \$1,378 at June 30, 1992. The term of the lease is for four years and bears interest at 8%. The asset becomes property of the Civic Center upon completion of the lease term.

City of Providence, Rhode Island

Notes to Financial Statements (continued)

9. Segment Information for Enterprise Funds (continued)

The future minimum payments by year and in the aggregate under the capital lease, are as follows at June 30, 1992:

Fiscal year ended:	
1993	\$ 339,316
1994	320,956
1995	302,356
1996	282,818
1997	259,680
	<u>1,505,126</u>
Less: amount representing interest	(291,595)
Present value of obligations under lease purchase expansion project	<u>1,213,531</u>
Less: current installment	(243,064)
Long-term obligation under lease purchase expansion project	<u><u>\$970,467</u></u>

Subsequent Events

On June 18, 1992, the Providence Civic Center Authority entered into a Concession Agreement with Sportservice Corporation. The agreement provides Sportservice Corporation with exclusive concession privileges for the eighteen year period beginning July 1, 1995 and ending June 30, 2013. In accordance with the agreement, Sportservice Corporation will pay the Providence Civic Center \$650,860, as a cost of contract, on or before July 1, 1995. The \$650,860 payment will be amortized over the term of the agreement.

On August 6, 1992, the Providence Civic Center Authority borrowed \$250,000 from Boston Professional Hockey Association, Inc. The \$250,000 is payable in full on July 2, 1995 and bears interest at the rate of 3.5% per year payable annually on or before July 1 of each year with the final payment due on July 2, 1995.

In connection with the above, the Providence Civic Center, Boston Professional Hockey Association, Inc., and Sportservice Corporation entered into an agreement on August 6, 1992. The agreement authorizes, instructs and directs Sportservice Corporation to make all payments directly to Boston Professional Hockey Association, Inc. until Sportservice Corporation has received written notice from Boston Professional Hockey Association, Inc. that all of the Providence Civic Center's obligations have been paid in full.

City of Providence, Rhode Island

Notes to Financial Statements (continued)

9. Segment Information for Enterprise Funds (continued)

On July 15, 1992, the Civic Center received a \$100,000 advance from TicketPro in anticipation that the Civic Center and TicketPro will enter into three-year contract beginning October 1, 1992. The \$100,000 is an advance against future service charge rebates. The advance is refundable should the Civic Center and TicketPro fail to agree on a final contract on or before October 1, 1992.

The City of Providence entered into a lease purchase agreement for the Providence Civic Center in the amount of \$375,000 as of October 1, 1992 with Fleet National Bank. The agreement is secured with the assets from the renovation project at the Civic Center. The cost of such assets are approximately \$375,000. The agreement is effective October 1, 1992 and will terminate June 30, 1993. The agreement permits five renewal periods ending October 1, 1997 with payments of principal (\$75,000) and interest (4.40%--6.40%) on October 1 of each year. Under the Agreement, the Civic Center has the right to purchase the assets, each year after the payment of principal and interest, for amounts specified in the Agreement. The assets become the property of the Civic Center upon completion of its obligation during the initial lease term and all renewal periods. The Agreement requires that a trustee (Fleet National Bank) maintain the unused portion of the funds during renovation to invest these funds as specified in the trustee agreement.

10. Fund Equity

Reserved fund balance at June 30, 1992, is as follows:

General Fund:	
Reserved for encumbrances	\$ 333,659
Reserved for note due from Water Supply Board	3,674,478
Reserved for due from Water Supply Board	5,160,444
	<hr/>
	9,168,581
Special Revenue Fund:	
Reserved for loans	13,127,965
Reserved for encumbrances	26,807
	<hr/>
	13,154,772
Capital Projects Fund:	
Reserved for encumbrances	527,675
Fiduciary fund types:	
Reserved for payment of retirement benefits and endowments	212,511,511
Reserved for encumbrances	71,288
	<hr/>
	212,582,799
	<hr/>
	\$235,433,827

City of Providence, Rhode Island

Notes to Financial Statements (continued)

10. Fund Equity (continued)

Designated portions of unreserved fund balance (deficit) at June 30, 1992, are as follows:

Special Revenue Fund:	
Designated (deficit) for grantor-restricted purposes	\$(3,826,063)
Providence Public Building Authority:	
Designated for specific purposes	<u>3,703,389</u>
	<u><u>\$ (122,674)</u></u>

The General Fund has an undesignated fund deficit of \$7,830,595 at June 30, 1992. The undesignated deficit is the result of reserving fund balance for the note due from the Water Supply Board (\$3,674,478) and the due from the Water Supply Board (\$5,160,444) amounting to \$8,834,922. The Water Supply Board will use a surcharge and more timely billing (quarterly in arrears versus yearly in arrears) to pay off the above advances.

The Capital Projects Fund has an undesignated fund deficit of \$24,526,549 at June 30, 1992. The City intends to eliminate this deficit through future bond issues.

The Water Supply Board has reserved retained earnings of \$4,033,223 at June 30, 1992. This represents unexpended water quality protection revenue (see Note 9).

11. Pension Plan

A. Employees' Retirement System of the City of Providence (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 plan is considered part of the City's financial reporting entity and is included in the City's annual financial report as a retirement system. The City's payroll for the year ended June 30, 1992, for employees covered by the plan was \$74,763,000; the City's total payroll was \$155,675,000.

At June 30, 1991, the City's ERS membership consisted of the following:

Retirees and beneficiaries currently receiving benefits		2,618
Current employees:		
Vested	1,598	
Nonvested	1,233	2,831
	<u> </u>	<u><u>5,449</u></u>

City of Providence, Rhode Island

Notes to Financial Statements (continued)

11. Pension Plan (continued)

The plan provides retirement benefits as well as death and disability benefits. Members of the plan are classified as Class A or Class B members.

Class A members are eligible to retire at age 55 with 10 years of service or at any age after 25 years of service. Retirement benefits are equal to an annuity, which is the actuarial equivalent of his/her accumulated contributions at the time of retirement, plus 1/40 of his/her final compensation for each year of total service up to 20 years and 1/50 of his/her final compensation for each year of service in excess of 20 years.

Class B members are eligible to retire at age 55 with 10 years of service or at any age after 20 years of service. Retirement benefits are equal to an annuity, which is the actuarial equivalent of his/her accumulated contributions at the time of retirement, plus 1/40 of his/her final compensation for each year of total service up to 20 years and 1/50 of his/her final compensation for each year of service in excess of 20 years (not to exceed 32 years and 6 months).

At retirement, a member may elect to convert his/her allowance into a benefit of equivalent actuarial value in accordance with one of the options described below:

Option 1. A reduced retirement allowance payable during the retired member's life, with a provision that in case of death before such payments have equaled the present value of his/her retirement allowance at the date of retirement, the balance shall be paid to the heirs or assigns; or

Option 2. A reduced retirement allowance payable during the retired member's life, with a provision that after his/her death it shall be continued during the life of and paid to the person nominated by him/her by written designation at the time of his/her retirement; or

Option 3. A reduced retirement allowance payable during the retired member's life, with a provision that after his/her death an allowance at one-half the rate of his/her reduced allowance shall be continued during the life of and paid to the person nominated by him/her by written designation at the time of his/her retirement; or

Option 4. A reduced retirement allowance payable during the retired member's life, with some other benefit payable after his/her death, provided that the benefit shall be certified by the actuary and approved by the retirement board.

These benefit provisions and all other requirements are established by City ordinance.

City of Providence, Rhode Island

Notes to Financial Statements (continued)

11. Pension Plan (continued)

B. Teachers' Pension Plan

All full-time teachers including superintendents, principals, school nurses and certain other school officials ("classified employees") in the Providence School Department participate in the Employees Retirement System of the State of Rhode Island ("System"), a cost-sharing multiple-employer public retirement system. The payroll for employees covered by the System for the year ended June 30, 1992, was approximately \$61,758,865; the Department's total payroll was approximately \$78,056,729.

All full-time classified employees of the Providence School Department are eligible to participate in the System. Classified employees who retire at or after age 60 with 10 years of credited service or at any age with 28 years of credited service are entitled to a retirement benefit payable monthly for life.

The retirement benefit is a percentage of final average salary per year of credited service with a maximum benefit of 80% of final average salary. Percentage relating to each year of credited service is as follows:

<u>Years of credit service</u>	<u>Percent/Year</u>
1-10	1.7%
11-20	1.9%
21-34	3.0%
35	2.0%

Final average salary is the three highest consecutive years of earned salary excluding overtime, bonuses, or severance pay. The System also provides death and disability benefits. Benefits are established by State statute.

Covered employees are required by State statute to contribute 8.5% of their salary to the plan. The School Department contributions are based on a percentage of annual compensation of active members, half of which is payable by the State of Rhode Island for the year ended June 30, 1992. The School Department contributions required for the year ended June 30, 1992, were approximately \$6,914,000. Actual contributions consisted of approximately \$6,914,000 from the School Department and approximately \$5,240,000 from employees; the employer and employee contributions represent covered payroll of 11.2% and 8.5%, respectively. The School Department contribution represented 5.7% of total contributions required of all participating entities.

City of Providence, Rhode Island

Notes to Financial Statements (continued)

14. Cash, Cash Equivalents and Investments (continued)

The City's investments are categorized below indicating the level of risk assumed by the City at year-end. Category 1 includes investments insured or registered in the City's name, or securities held by the City or its agent in the City's name. Category 2 includes investments uninsured and unregistered, with securities held by the broker's or dealer's trust department or agent in the City's name. Category 3 includes investments uninsured and unregistered with securities held by the broker or dealer, or by its trust department or agent, but not in the City's name.

	Category			June 30, 1992	
	1	2	3	Carrying Amount	Market Value
U.S. government securities	\$2,542,920	-	\$ 61,650,031	\$ 64,192,951	\$ 68,800,074
Corporate bonds	-	-	25,166,877	25,166,877	25,615,192
Corporate stock	-	-	84,238,244	84,238,244	134,617,674
Other	1,600,707	-	15,176,141	16,776,848	16,795,620
	<u>\$4,143,627</u>	<u>-</u>	<u>\$186,231,293</u>	190,374,920	245,828,560
Investments in deferred compensation plans				8,065,139	8,065,139
Money Market Mutual Fund (pooled investments)				<u>10,107,408</u>	<u>10,107,408</u>
				<u>\$208,547,467</u>	<u>\$264,001,107</u>

Included in the carrying amount and market value at June 30, 1992, are \$4,718 of investments that are included in fixed assets of the Enterprise Fund and \$1,279,398 of investments that are restricted investments of the Capital Projects Fund. These amounts are reserved for future capital expansion and other purposes.

15. Deferred Compensation Plan

The City offers a deferred compensation plan, created in accordance with Internal Revenue Code Section 457, to all municipal employees. The Plan permits them to defer a portion of their salary until future years. The City contracts with private corporations to administer the Plan. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All deferred compensation under the plan, all property and rights purchased with the amounts, and all income earned on those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the

City of Providence, Rhode Island

Notes to Financial Statements (continued)

15. Deferred Compensation Plan (continued)

City (without being restricted to the provisions for benefits under the plan), subject only to claims of the City's general creditors. Participant rights under the plan are equal to those of City creditors, in an amount equal to the fair market value for each participant's deferred account.

The City has not used the assets of the Plan to satisfy the claims of general creditors and it is unlikely the assets will be used to satisfy general creditor claims in the future.

16. Providence Public Building Authority

The Providence Public Building Authority (PBA) was created by an act of the Rhode Island General Assembly and was empowered by resolution of the Providence City Council on August 13, 1987, and by resolution of the Public Finance Board, created under Section 42-10.11 of the General Laws of Rhode Island, on February 12, 1988. For financial reporting purposes, the PBA is a component unit of the City and as such, the financial statements of the PBA are included in the City's general purpose financial statements.

The purpose of the PBA is to acquire, construct, maintain, renovate, repair and operate public facilities and public equipment through the use of public financing, for lease to the City. These activities allow the PBA to provide for the conduct of the executive, legislative and judicial functions of the government. The PBA is obligated to pay the principal and interest on any financing solely from the rents, revenues and receipts derived under the lease agreements with the City or from receipts on the disposition of the assets being financed. The PBA's administrative expenses are paid on an annual basis by the lessee in the form of additional rent.

General Revenue Bonds Series A and Series B

In December 1990, the PBA sold \$22,295,000 1990 Series A General Revenue Bonds and \$14,105,000 1990 Series B General Revenue Bonds. These bonds, which have interest rates ranging from 5.80% to 7.25% and mature through 2010, are secured by a pledge of lease rentals to be received from the City pursuant to a lease agreement relating to projects financed by the PBA and leased to the City.

The proceeds from Bond Issue Series A were used to refund certain bond anticipation notes issued to finance the Scituate Reservoir Project, to capitalize interest, to pay costs of issuance and to finance the debt service reserve fund. The 1990 Series B Bonds were issued to provide funds which were used to effect the advance refunding of the 1988

City of Providence, Rhode Island

Notes to Financial Statements (continued)

16. Providence Public Building Authority (continued)

Series A School Administration Building and School Buildings Project General Revenue Bonds. A payment of \$13,289,000, which represents the present value of the adjusted cash receipts from the 1988 Series A Bonds, was placed in an escrow account for future debt service requirements.

The annual principal and interest payments, as of June 30, 1992, required to amortize the 1990 Series A General Revenue Bonds are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 1993	\$ 590,000	\$ 1,488,960	\$ 2,078,960
June 30, 1994	620,000	1,452,955	2,072,955
June 30, 1995	660,000	1,414,060	2,074,060
June 30, 1996	705,000	1,371,734	2,076,734
June 30, 1997	750,000	1,325,702	2,075,702
June 30, 1998	805,000	1,275,540	2,080,540
June 30, 1999	865,000	1,220,832	2,085,832
June 30, 2000	915,000	1,161,635	2,076,635
June 30, 2001	980,000	1,097,663	2,077,663
June 30, 2002	1,050,000	1,028,117	2,078,117
June 30, 2003	1,125,000	952,517	2,077,517
June 30, 2004	1,205,000	870,365	2,075,365
June 30, 2005	1,300,000	780,463	2,080,463
June 30, 2006	1,395,000	682,769	2,077,769
June 30, 2007	1,515,000	577,281	2,092,281
June 30, 2008	1,610,000	464,000	2,074,000
June 30, 2009	1,735,000	342,744	2,077,744
June 30, 2010	1,860,000	212,425	2,072,425
June 30, 2011	2,000,000	72,500	2,072,500
	<u>21,685,000</u>	<u>17,792,262</u>	<u>39,477,262</u>
Less: Amounts recorded in the Water Supply Board's financial statements	<u>8,457,150</u>	<u>6,938,983</u>	<u>15,396,133</u>
	<u>\$13,227,850</u>	<u>\$10,853,279</u>	<u>\$24,081,129</u>

City of Providence, Rhode Island

Notes to Financial Statements (continued)

16. Providence Public Building Authority (continued)

Revenue Bond Anticipation Notes, 1991 Series 2

The \$4,150,000 Revenue Bond Anticipation Notes, 1991 Series 2, dated July 31, 1991, due July 30, 1992, are being refunded by the \$4,235,000 Roger Williams Park Zoo "Plains of Africa Exhibit" Project Revenue Bonds, 1992 Series A. These bonds, which have an interest rate of 5.00% and mature through 1997 are secured by a pledge of lease rentals to be received from the City pursuant to a lease agreement relating to projects financed by the Authority and leased to the City.

Revenue Bond Anticipation Notes, 1992 Series I

The \$6,280,000 Scituate Reservoir II Project Revenue Bond Anticipation Notes, 1992 Series I, dated March 18, 1992, and due March 18, 1993, have an interest rate that ranges from 4.23% to 5.20%.

Leases

The PBA leases certain properties to the City of Providence under the following terms:

a) School Administration Building and School Building Project Lease

The premises to which this lease pertains were acquired and/or renovated by the PBA with the proceeds from the \$13,000,000 1988 Series A General Revenue Bonds and \$3,790,150 from the 1990 Series A General Revenue Bonds. The lease term commenced on December 15, 1988, and terminates on September 15, 2010.

b) Carousel Project Lease

This project refers to the installation and construction of a carousel at the Roger Williams Park. The project thus far has been financed with \$1,783,600 from the 1990 Series A in General Revenue Bonds. The Lease pertaining to this project commenced on September 6, 1989, and terminates on September 15, 2010.

City of Providence, Rhode Island

Notes to Financial Statements (continued)

16. Providence Public Building Authority (continued)

c) Scituate Reservoir Project

This project refers to the acquisition and maintenance of parcels of land surrounding the Scituate Reservoir. It has been financed thus far with \$8,695,050 from the 1990 Series A General Revenue Bonds and a \$2,000,000 payment by the Providence Water Supply Board. The lease of this property to the City commenced on June 14, 1990, and terminates September 15, 2010.

d) Municipal Facilities Project

This project consists of renovations and improvements to City Hall, renovations to fire stations, repairs to City swimming pools and recreation centers and repairs and improvements to other municipal buildings and facilities. The project thus far has been financed with \$8,026,200 from the 1990 Series A General Revenue Bonds. The lease pertaining to this project commenced on September 13, 1990, and terminates on September 15, 2010.

e) Veazie Street School Project

This project includes construction, renovation, rehabilitation, improvements and necessary furnishing and equipping of Veazie Street School for use as an elementary school. The lease commenced on December 1, 1991, and terminates on December 1, 2012.

At the expiration of the leases, the City, at its option, can purchase the properties for a nominal amount.

The lease agreements relating to property financed by the PBA require, among other things, that the City make annual rental payments that are sufficient to meet the related bond principal and interest requirements, note interest, as well as pay all costs of operating the leased properties. However, the rents to be paid to the PBA shall be reduced to the extent that such interest and principal payments for any such period are provided for from the proceeds of bonds or notes or from the investment earnings of such proceeds received by the PBA.

City of Providence, Rhode Island

Notes to Financial Statements (continued)

16. Providence Public Building Authority (continued)

Also, the obligation of the City to pay rents under the lease agreements is subject to and dependent upon appropriations being made by the City for such purposes. Such appropriations are dependent upon the City's budgetary process and are therefore dependent on the City's general financial resources and factors affecting those resources.

The estimated future minimum lease payments required for bond principal retirement and interest to be received from the City has been presented above under the caption "General Revenue Bonds Series A and Series B" and "General Revenue Bonds, Series 1991." However, to the extent that the principal and interest payments were provided for from the proceeds of the bonds, the City is not required to make lease payments to the PBA.

Rental income from the City amounted to \$3,322,798 for the year ended June 30, 1992.

Accrued Judgment

The PBA received an adverse decision dated May 23, 1991, by the Superior Court of the State of Rhode Island in an action brought by certain landowners against the PBA for damages sustained as a consequence of the PBA's condemnation of certain land surrounding the reservoir located in Scituate, Rhode Island. The judgment amounted to \$9,797,200 plus interest, of which \$2,637,500 of principal had been paid into an escrow account on January 4, 1991, and another \$2,637,500 of principal was deposited on May 23, 1991. The accrued judgment includes the unpaid principal amount of \$4,522,200 plus interest of \$2,169,050 at 12% per annum on the unpaid principal balance through June 30, 1991. The related expenses appeared in the PBA's Capital Projects Fund and are included in capital expenditures and interest expense for the year ended June 30, 1991. The total capital expenditure was \$9,797,200 and the total interest expense was \$2,169,049, through June 30, 1991. The PBA filed an appeal of the decision with the Rhode Island Supreme Court. On July 14, 1992, the Supreme Court of the State of Rhode Island sustained the PBA's appeal, reversed and vacated the judgment previously entered and ordered a new hearing to determine the value of the land. The complete reversal of the judgment would result in a gain contingency to the PBA. Consistent with generally accepted accounting principles, this amount has not been reflected in the PBA's financial statements at June 30, 1992. The case is presently awaiting retrial in the Superior Court, and the PBA intends to aggressively defend the claim.

Other Financial Information

City of Providence, Rhode Island

Schedule of Historical Pension Trend Information

Year ended June 30, 1992

	Fiscal Year Ended			
	1991	1990	1989	1988
Net assets available for benefits, at cost	\$193,589,915	\$181,651,241	\$169,617,906	\$159,542,934
Pension benefit obligation	425,616,000	385,597,000	339,833,000	323,502,000
Net assets available for benefits as a percentage of pension benefit obligation	45.5%	47.1%	49.9%	49.3%
Unfunded pension benefit obligation	232,026,000	203,946,000	170,215,094	163,959,066
Annual covered payroll	72,817,000	65,352,337	60,840,974	60,007,296
Unfunded pension benefit obligation as a percentage of annual covered payroll	319%	312%	280%	273%
Employer contributions	12,184,508	11,890,000	10,180,635	10,518,760
Employee contributions	5,874,920	5,052,935	4,579,980	4,300,316
Investment income	19,423,539	15,743,856	16,101,324	14,522,362

This information relates to the public employees retirement system administered by the City as more fully described under "Employees' Retirement System of the City of Providence" in Note 11 to the general purpose financial statements.

City of Providence, Rhode Island

Schedule of Expenditures and Transfers-Budget and Actual--General Fund

Year ended June 30, 1992

<u>Expenditures and Transfers</u>	<u>Budget</u>	<u>Transfers Increase (Decrease)</u>
Executive, Legislative and Judicial Activities:		
Mayor's Office	\$ 879,404	\$ -
City Council	389,348	81,003
City Clerk	277,734	-
City Sergeant	29,221	-
Law Department	1,682,131	-
Providence Municipal Court	322,697	-
Probate Court	156,631	-
Contingencies	80,000	-
Housing Court	203,000	-
	<u>4,020,166</u>	<u>81,003</u>
Finance Administration:		
Finance Director	192,581	-
City Controller	575,814	-
Employees' Retirement Office	292,349	-
Data Processing	1,151,469	(30,000)
City Collector	1,247,057	-
City Assessor	784,801	-
Board of Tax Assessments Review	5,000	-
Treasury Department	183,036	-
Personnel	288,763	-
Heat, light and power	2,035,000	-
Labor lawyer	100,000	-
Payment to Employees' Retirement System	12,692,191	-
Elected officials	98,208	-
Police pensions	37,116	-
Fire pensions	49,488	-
Laborers International legal fee	564,000	-
Payment to Laborers International pension fund	1,440,000	-

Revised Budget	Actual Expenditures	Actual (Over) Under Budget
\$ 879,404	\$ 889,935	\$ (10,531)
470,351	396,132	74,219
277,734	262,464	15,270
29,221	29,259	(38)
1,682,131	1,675,961	6,170
322,697	350,435	(27,738)
156,631	148,216	8,415
80,000	64,012	15,988
203,000	182,792	20,208
4,101,169	3,999,206	101,963
192,581	190,386	2,195
575,814	527,044	48,770
292,349	325,762	(33,413)
1,121,469	1,152,484	(31,015)
1,247,057	1,573,077	(326,020)
784,801	803,389	(18,588)
5,000	2,666	2,334
183,036	171,650	11,386
288,763	303,778	(15,015)
2,035,000	2,474,239	(439,239)
100,000	160,235	(60,235)
12,692,191	12,956,271	(264,080)
98,208	101,536	(3,328)
37,116	54,454	(17,338)
49,488	70,115	(20,627)
564,000	533,975	30,025
1,440,000	1,161,725	278,275

City of Providence, Rhode Island

Schedule of Expenditures and Transfers-Budget and Actual--General Fund
(continued)

Year ended June 30, 1992

<u>Expenditures and Transfers</u>	<u>Budget</u>	<u>Transfers Increase (Decrease)</u>
Finance Administration (continued)		
Public employees health services	30,000	-
Debt service	13,156,141	-
FICA	2,025,000	-
Medical insurance	12,350,000	-
Workers' compensation	1,630,136	-
Unemployment compensation	150,000	-
Reserve for anticipated tax abatements	500,000	(81,003)
	<u>51,578,150</u>	<u>(111,003)</u>
Public Safety:		
Commissioner of Public Safety	262,100	-
Police Department	22,226,131	-
Fire Department	24,533,612	-
Department of Communication	1,832,991	-
Traffic Engineering Department	557,908	-
	<u>49,412,742</u>	
Building Inspection Department:		
Building Inspection Administration	650,720	15,000
Structures and Zoning Division	359,278	-
Plumbing, Drainage and Gas Piping Division	127,756	-
Electrical Installations Division	120,560	-
Mechanical Equipment and Installations Division	125,041	(15,000)
Zoning Board of Review	20,000	-
Building Board of Review	-	-
Housing Board of Review	-	-
Building Inspection Code Enforcement	374,838	-
Building Inspection Prosecution	144,145	-
Utilities and standards	47,345	-
	<u>1,969,683</u>	<u>-</u>

Revised Budget	Actual Expenditures	Actual (Over) Under Budget
30,000	75,000	(45,000)
13,156,141	13,077,290	78,851
2,025,000	2,198,885	(173,885)
12,350,000	12,892,540	(542,540)
1,630,136	1,701,670	(71,534)
150,000	132,180	17,820
418,997	461,618	(42,621)
51,467,147	53,101,969	(1,634,822)
262,100	257,378	4,722
22,226,131	22,885,243	(659,112)
24,533,612	25,534,354	(1,000,742)
1,832,991	1,837,568	(4,577)
557,908	567,584	(9,676)
49,412,742	51,082,127	(1,669,385)
665,720	662,317	3,403
359,278	353,152	6,126
127,756	128,034	(278)
120,560	102,842	17,718
110,041	102,836	7,205
20,000	19,516	484
-	1,410	(1,410)
-	223	(223)
374,838	326,919	47,919
144,145	143,599	546
47,345	59,471	(12,126)
1,969,683	1,900,319	69,364

City of Providence, Rhode Island

Schedule of Expenditures and Transfers-Budget and Actual--General Fund
(continued)

Year ended June 30, 1992

<u>Expenditures and Transfers</u>	<u>Budget</u>	<u>Transfers Increase (Decrease)</u>
Public Works Activities:		
Public Works Administration	461,634	-
Engineering and Sanitation	318,919	-
Environment Control	6,010,520	30,000
Highway	1,864,420	-
Bridge Maintenance Section	174,017	-
Snow Removal	500,000	-
Sewer Construction and Maintenance	536,186	-
Garage Maintenance and Equipment Repair	185,184	-
	<u>10,050,880</u>	<u>30,000</u>
Recreation Activities:		
Recreation Department	348,858	-
Recreation - seasonal	280,000	-
	<u>628,858</u>	<u>-</u>
Public Lands and Parks:		
Grounds maintenance services	2,624,502	-
Zoological services	1,079,114	-
Park Environmental Services	452,795	-
Park Programming	253,408	-
Superintendent of Parks	409,327	-
	<u>4,819,146</u>	<u>-</u>
Education:		
Transfer to School Department	56,709,501	-

Revised Budget	Actual Expenditures	Actual (Over) Under Budget
461,634	447,513	14,121
318,919	287,432	31,487
6,040,520	5,146,014	894,506
1,864,420	1,823,489	40,931
174,017	176,191	(2,174)
500,000	468,365	31,635
536,186	512,994	23,192
185,184	230,925	(45,741)
10,080,880	9,092,923	987,957
348,858	365,278	(16,420)
280,000	305,909	(25,909)
628,858	671,187	(42,329)
2,624,502	3,046,227	(421,725)
1,079,114	1,086,072	(6,958)
452,795	455,233	(2,438)
253,408	265,753	(12,345)
409,327	383,196	26,131
4,819,146	5,236,481	(417,335)
56,709,501	58,404,337	(1,694,836)

City of Providence, Rhode Island

Schedule of Expenditures and Transfers-Budget and Actual--General Fund
(continued)

Year ended June 30, 1992

Expenditures and Transfers	Budget	Transfers Increase (Decrease)
Other Departments:		
Recorder of Deeds	327,055	-
Vital Statistics	128,758	-
Board of Canvassers	273,628	-
Bureau of Licenses	223,624	-
Human Relations	161,885	-
Civil Defense Preparedness	153,885	-
Planning and Urban Development	1,760,503	-
Administration to City Council	225,357	-
Providence Review Commission	19,550	-
Archives	68,863	-
Department of Human Services	234,320	-
	<u>3,577,428</u>	-
Welfare Activities:		
General Public Assistance	15,927,000	-
General Public Assistance Admin.	522,500	-
	<u>16,449,500</u>	-
Grants:		
Providence Public Library	1,747,000	-
Providence Center	270,000	-
Capital Center	50,000	-
Other	26,794	-
	<u>2,093,794</u>	-

Revised Budget	Actual Expenditures	Actual (Over) Under Budget
327,055	294,305	32,750
128,758	127,849	909
273,628	317,193	(43,565)
223,624	218,640	4,984
161,885	156,029	5,856
153,885	153,137	748
1,760,503	1,806,456	(45,953)
225,357	204,877	20,480
19,550	19,304	246
68,863	65,452	3,411
234,320	194,278	40,042
3,577,428	3,557,520	19,908
15,927,000	14,542,651	1,384,349
522,500	424,399	98,101
16,449,500	14,967,050	1,482,450
1,747,000	1,749,183	(2,183)
270,000	270,000	-
50,000	50,000	-
26,794	27,044	(250)
2,093,794	2,096,227	(2,433)

City of Providence, Rhode Island

Schedule of Expenditures and Transfers-Budget and Actual--General Fund
(continued)

Year ended June 30, 1992

<u>Expenditures and Transfers</u>	<u>Budget</u>	<u>Transfers Increase (Decrease)</u>
Public Properties:		
Public buildings	2,864,512	-
Purchasing	282,953	-
	<u>3,147,465</u>	-
Providence Housing Authority	52,160	-
League of Cities	57,000	-
Municipal Dock	576,551	-
Public Celebrations	9,200	-
Total expenditures and transfers	<u>\$205,152,224</u>	-

Revised Budget	Actual Expenditures	Actual (Over) Under Budget
2,864,512	2,912,188	(47,676)
282,953	287,748	(4,795)
3,147,465	3,199,936	(52,471)
52,160	48,715	3,445
57,000	42,221	14,779
576,551	633,212	(56,661)
9,200	5,516	3,684
\$205,152,224	\$208,038,946	\$(2,886,722)

City of Providence, Rhode Island

Combining Balance Sheet--Special Revenue Funds

June 30, 1992

	School Fund	Other Educational Funds	Department of Planning and Development	Sewer Fund
Assets				
Cash and cash equivalents (overdraft)	\$ (487,102)	\$1,053,154	\$1,748,995	\$79,009
Accounts receivable (net of allowance for uncollectible amounts where applicable of \$1,143,805)	-	-	-	-
Due from:				
Other funds	4,995,386	270,439	1,563	-
Other governments	36,508	709,562	-	-
Loans receivable (net of allowance for uncollectible amounts of \$3,937,618)	-	-	7,783,196	-
Other assets	-	-	292,180	-
	<u>\$4,544,792</u>	<u>\$2,033,155</u>	<u>\$9,825,934</u>	<u>\$79,009</u>
Liabilities				
Accounts payable and accrued expenditures	\$3,807,146	\$ 669,978	\$ 140,037	\$ -
Due to:				
Other funds	254,892	693,963	145,035	-
Other governments	-	669,214	-	-
Note payable, current	-	-	-	-
Deferred revenues	-	-	-	-
Other liabilities	482,754	-	-	-
	<u>4,544,792</u>	<u>2,033,155</u>	<u>285,072</u>	<u>-</u>
Fund balance (deficit):				
Reserved - encumbrances	-	-	-	-
Reserved - loans receivable	-	-	8,075,376	-
Unreserved-Designated	-	-	1,465,486	79,009
	<u>-</u>	<u>-</u>	<u>9,540,862</u>	<u>79,009</u>
	<u>\$4,544,792</u>	<u>\$2,033,155</u>	<u>\$9,825,934</u>	<u>\$79,009</u>

Providence Redevelopment Agency	Providence Economic Development Corporation	Miscellaneous	Total All Funds
\$ 941,820	\$ 342,054	\$485,210	\$ 4,163,140
-	-	-	-
-	7,338	210,285	5,485,011
-	-	-	746,070
-	5,052,589	-	12,835,785
-	-	3,058	295,238
\$ 941,820	\$5,401,981	\$698,553	\$23,525,244
\$ 216,522	\$ 78,703	\$ 54,333	\$ 4,966,719
729,146	5,768	31,677	1,860,481
-	-	100,887	770,101
6,083,500	-	-	6,083,500
-	32,980	-	32,980
-	-	-	482,754
7,029,168	117,451	186,897	14,196,535
-	-	26,807	26,807
-	5,052,589	-	13,127,965
(6,087,348)	231,941	484,849	(3,826,063)
(6,087,348)	5,284,530	511,656	9,328,709
\$ 941,820	\$5,401,981	\$ 698,553	\$23,525,244

City of Providence, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in
Fund Balance (Deficit)--Special Revenue Funds

Year ended June 30, 1992

	School Fund	Other Educational Funds	Department of Planning and Development	Sewer Fund
Revenues:				
Federal, state and local grants	\$ 56,889,146	\$14,262,894	\$6,071,174	\$ -
Charges for services	73,948	-	-	-
Sale of real estate	-	-	-	-
Investment and rental income	-	-	-	-
Miscellaneous	51,475	327,263	619,709	-
	<u>57,014,569</u>	<u>14,590,157</u>	<u>6,690,883</u>	<u>-</u>
Other financing sources:				
Transfer from General Fund	58,404,337	-	-	-
Transfer from other Special Revenue Funds	-	1,561,444	25,724	-
Transfer from other governments	-	155,919	-	-
	<u>58,404,337</u>	<u>1,717,363</u>	<u>25,724</u>	<u>-</u>
Total revenues and other financing sources	115,418,906	16,307,520	6,716,607	-
Expenditures:				
Personal services	68,756,558	8,753,605	-	-
Employee benefits	24,762,750	2,558,787	-	-
Services other than personal	6,085,947	2,055,034	-	-
Materials and supplies	478,172	1,119,245	-	-
Equipment	1,187,564	497,672	-	-
Program expenditures	-	-	7,570,035	-
Bad debts	-	-	1,015,000	6,887
Other	12,586,471	473,174	-	-
	<u>113,857,462</u>	<u>15,457,517</u>	<u>8,585,035</u>	<u>6,887</u>

Providence Redevelopment Agency	Providence Economic Development Corporation	Miscellaneous	Total All Funds
\$ -	\$340,472	\$1,991,934	\$ 79,555,620
-	11,169	-	85,117
175,090	-	-	175,090
58,650	390,612	13,350	462,612
50,682	28,617	213,732	1,291,478
284,422	770,870	2,219,016	81,569,917
-	-	-	58,404,337
-	-	12,562	1,599,730
-	-	-	155,919
-	-	12,562	60,159,986
284,422	770,870	2,231,578	141,729,903
-	-	1,283,338	78,793,501
-	-	121,149	27,442,686
-	34,093	134,597	8,309,671
-	-	354,541	1,951,958
-	-	-	1,685,236
624,385	-	-	8,194,420
-	484,697	-	1,506,584
426,003	63,135	27,824	13,576,607
1,050,388	581,925	1,921,449	141,460,663

City of Providence, Rhode Island

Combining Statement of Revenues, Expenditures and Changes in
Fund Balance (Deficit)--Special Revenue Funds (continued)

Year ended June 30, 1992

	School Fund	Other Educational Funds	Department of Planning and Development	Sewer Fund
Other financing uses:				
Transfer to other Special Revenue Funds	1,561,444	12,562	25,724	-
Transfer to General Fund	-	-	-	-
Transfer to Capital projects	-	-	-	-
Transfer to other governments	-	837,441	-	-
	<u>1,561,444</u>	<u>850,003</u>	<u>25,724</u>	<u>-</u>
Total expenditures and other financing uses	<u>115,418,906</u>	<u>16,307,520</u>	<u>8,610,759</u>	<u>6,887</u>
Revenues and other financing sources over (under) expenditures and other financing uses	-	-	(1,894,152)	(6,887)
Fund balance (deficit) at beginning of year	<u>-</u>	<u>-</u>	<u>11,435,014</u>	<u>85,896</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$9,540,862</u>	<u>\$79,009</u>

Providence Redevelopment Agency	Providence Economic Development Corporation	Miscellaneous	Total All Funds
-	-	-	1,599,730
-	-	32,849	32,849
729,146	-	-	729,146
-	-	89,134	926,575
729,146	-	121,983	3,288,300
1,779,534	581,925	2,043,432	144,748,963
(1,495,112)	188,945	188,146	(3,019,060)
(4,592,236)	5,095,585	323,510	12,347,769
\$(6,087,348)	\$5,284,530	\$ 511,656	\$ 9,328,709

City of Providence, Rhode Island

Combining Balance Sheet-Fiduciary Fund Types

June 30, 1992

	<u>Trust</u>	
	<u>Revolving</u>	<u>Expendable</u>
Assets		
Cash (overdrafts) and cash equivalents	\$401,717	\$ 3,177,619
Due from other funds	8,387	1,382,568
Investments	-	6,273,167
Loans receivable	-	-
Other assets	94,000	38,175
	<u>\$504,104</u>	<u>\$10,871,529</u>
Liabilities and Fund Balances		
Accounts payable and accrued expenditures	\$110,734	\$ 96,941
Amounts held for others	-	-
Due to other funds	69,783	-
	<u>180,517</u>	<u>96,941</u>
Fund balance:		
Reserved	38,963	32,325
Unreserved:		
Undesignated	284,624	10,742,263
	<u>323,587</u>	<u>10,774,588</u>
	<u>\$504,104</u>	<u>\$10,871,529</u>

(1) Market value at June 30, 1992 - \$231,788,581

Funds		Agency Funds			
Non- expendable	Retirement System	Probate Court	Deferred Compensation Plans	Other Agency Funds	Totals
\$ 1,200	\$ 18,532,410	\$284,336		\$(1,509,699)	\$ 20,887,583
-	3,149,643	-		818,346	5,358,944
226,406	179,743,807(1)	-	\$8,065,139	-	194,308,519
-	8,371,824	-	-	-	8,371,824
9,095	2,719,120	-	-	1,137,468	3,997,858
\$236,701	\$212,516,804	\$284,336	\$8,065,139	\$ 446,115	\$232,924,728
\$ -	\$ 219,818	\$ -	\$ -	\$ 405,900	\$ 833,393
-	-	284,336	8,065,139	-	8,349,475
-	22,176	-	-	40,215	132,174
-	241,994	284,336	8,065,139	446,115	9,315,042
236,701	212,274,810	-	-	-	212,582,799
-	-	-	-	-	11,026,887
236,701	212,274,810	-	-	-	223,609,686
\$236,701	\$212,516,804	\$284,336	\$8,065,139	\$ 446,115	\$232,924,728

City of Providence, Rhode Island

Combining Statement of Changes in Assets and Liabilities
Fiduciary Fund Types-Agency Funds

Year ended June 30, 1992

	Balance July 1, 1991	Additions	Deductions	Balance June 30, 1992
<u>Probate Court</u>				
Assets				
Cash	\$ 431,034	\$ -	\$ 146,698	\$ 284,336
Liabilities				
Amounts held for others	\$ 431,034	\$ -	\$ 146,698	\$ 284,336
<u>Deferred Compensation Plans</u>				
Assets				
Investments	\$7,246,075	\$ 937,049	\$ 117,985	\$8,065,139
Liabilities				
Due to others	\$7,246,075	\$ 937,049	\$ 117,985	\$8,065,139
<u>Other Agency Funds</u>				
Assets				
Cash (overdraft)	\$ (885,506)	\$ 173,493	\$ 797,686	\$(1,509,699)
Due from General Fund	-	818,346	-	818,346
Police detail receivable	1,154,592	806,742	887,915	1,073,419
State sales tax, water	22,233	-	22,233	-
Other	169,012	5,288	110,251	64,049
Total assets	\$ 460,331	\$1,803,869	\$1,818,085	\$ 446,115
Liabilities				
Real estate conveyance tax	\$ 73,026	\$ 51,361	\$ 83,801	\$ 40,586
Due to general fund	41,716	1,249	2,750	40,215
Due to state	-	132,754	-	132,754
Due to convention center	-	83,736	-	83,736
Other	339,092	952,737	1,179,709	112,120
Tax sheltered annuities	6,497	-	6,497	-
Reserve for SS tax payable	-	37,856	1,152	36,704
Total liabilities	\$ 460,331	\$1,259,693	\$1,273,909	\$ 446,115

City of Providence, Rhode Island
 Schedule of Long-Term Bonds Payable

June 30, 1992

	<u>Interest Rate</u>	<u>Date of Issue</u>
<u>Long-term Obligations Group of Accounts:</u>		
General Obligation - Public Improvement Bonds	4.75-7.25 %	05/01/79
General Obligation - Public Improvement Bonds	7-9.5 %	08/15/86
General Obligation - Refunding Bonds	4.70-6.20 %	09/01/91
Old Harbor Tax Increment Bonds	5.50-8.50 %	08/15/86
Schools:		
School Modernization and Construction Bonds Series II	5.00 %	02/15/74
School Modernization and Construction Bonds Series III	5.00 %	02/15/74
School for Handicapped Children	5.00 %	02/15/74
School Bonds of 1988 Series I	6.6-8.75 %	01/15/88
School Bonds	6.75-8.625 %	01/15/91
Civic Center Bonds	4.5-5.25 %	02/01/72
Preserving Open Space Bonds	6.2-8.625 %	01/15/91
Total long-term obligations group of accounts bonds		
Proprietary fund - bonds payable:		
Water Distribution Reservoir	3.25 %	12/01/62
Water Purification Works Improvements I	3.25 %	12/01/62
Water Bonds of 1971	5.00-6.00 %	06/01/71
General Revenue Bonds (Notes 9 and 16)	5.80-7.25	12/90
Total proprietary fund - bonds payable		

See Note 16 for Providence Public Building Authority bonds payable.

Date of Maturity	Bonds	
	Issued	Outstanding
7/1/99	\$ 15,000,000	\$ 6,000,000
8/15/06	20,040,000	15,015,000
9/1/99	30,750,000	30,750,000
8/15/01	2,100,000	1,400,000
	<u>67,890,000</u>	<u>53,165,000</u>
2/15/94	3,000,000	300,000
2/15/94	3,000,000	300,000
2/15/94	2,500,000	250,000
8/15/02	15,000,000	11,000,000
1/15/11	15,850,000	15,056,216
	<u>39,350,000</u>	<u>26,906,216</u>
2/1/92	13,000,000	-
1/15/11	15,000,000	14,248,784
	<u>135,240,000</u>	<u>94,320,000</u>
12/1/92	2,050,000	100,000
12/1/92	1,100,000	55,000
6/1/01	11,000,000	5,350,000
12/10	8,695,050	8,457,150
	<u>22,845,050</u>	<u>13,962,150</u>
	<u>\$158,085,050</u>	<u>\$108,282,150</u>

City of Providence, Rhode Island
 Schedule of Property Taxes Receivable

June 30, 1992

Year of Assessment	Amount Receivable June 30, 1992
1991	\$16,785,138
1990	8,178,077
1989	4,502,120
1988	3,326,212
1987	2,658,267
1986	2,228,860
1985	2,197,386
1984	2,015,662
1983	2,349,608
1982	2,142,732
1981	2,230,535
1980	1,353,479
1979	41,675
1978	36,540
1977	28,289
1976 and prior	146,983
Total taxes	50,221,563
Less allowance for estimated uncollectible amounts	35,045,041
Net property taxes receivable	\$15,176,522